

**Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota**

A Component Unit of the City of Saint Paul, Minnesota

**Comprehensive Annual Financial Report
For the Fiscal Year Ending December 31, 2018**

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**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA**

A Component Unit of the City of Saint Paul

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018**

**Chris Tolbert, Chairperson
Melvin Carter, Mayor of the City of Saint Paul
Kristin Guild, Interim Executive Director**

HRA Board of Commissioners:

**Amy Brendmoen
Kassim Busuri
Samantha Henningson
Rebecca Noecker
Jane Prince
Dai Thao
Chris Tolbert**

**Prepared by:
City of Saint Paul -
Department of Planning & Economic Development**

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**HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

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**HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

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INTRODUCTORY SECTION



CITY OF SAINT PAUL
Melvin Carter, Mayor

25 West Fourth Street, Ste. 1300
Saint Paul, MN 55102

Telephone: 651-266-6565

September 11, 2019

TO: THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA AND THE CITIZENS
OF SAINT PAUL:

The Comprehensive Annual Financial Report of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) for the fiscal year ended December 31, 2018, is hereby presented to the Board of Commissioners and the citizens of Saint Paul. This report has been prepared pursuant to, and demonstrates compliance with, Minnesota Statutes Section 469.013; and recognizes the HRA's past and current practices of financial disclosure.

This report was prepared by the City of Saint Paul's (City) Department of Planning and Economic Development. In accordance with an agreement between the HRA and the City, the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures is with the City. We believe the data, as presented, are accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position, changes in financial position, and cash flows of the HRA as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the HRA's financial affairs have been included. This report has been prepared in accordance with current accounting and financial reporting principles generally accepted in the United States of America and standards set by the Governmental Accounting Standards Board (GASB) and also follows the guidelines recommended by the Government Finance Officers Association of the United States and Canada.

State law also requires an annual audit of the books of account, financial records and transactions, and this financial report by the State Auditor's Office. This requirement has been met and the auditor's opinion has been included in this report. Auditing standards generally accepted in the United States of America and the standards set forth in the U.S. General Accounting Office's "Government Auditing Standards" were used by the State Auditor in conducting the engagement. The State Auditor is also issuing a management and compliance letter covering the review of the HRA's system of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The management and compliance letter will not modify or affect, in any way, this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial

statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association reports a growing awareness that the annual financial report should be management's report to its governing body, constituents, oversight bodies, resource providers, investors and creditors. We agree with this direction, and, in keeping with past practice, will send a copy of the report to the Board of Commissioners, HRA management, bond rating agencies, financial institutions, government agencies and other interested parties, who have expressed an interest in the HRA's finances.

INTERNAL CONTROL

To provide a reasonable basis for making these representations, the Saint Paul Housing and Redevelopment Authority (which is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report) adheres to the internal control framework as established by the City of Saint Paul. The City of Saint Paul has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficiently reliable information for the preparation of the City of Saint Paul's financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. Because the cost of internal controls should not outweigh their benefits, the City of Saint Paul's comprehensive framework of internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. All internal control evaluations occur within this framework. To the best of our knowledge, this financial report is complete and reliable in all material respects.

PROFILE OF THE GOVERNMENT

The Saint Paul Housing and Redevelopment Authority was established by State Law in 1947, Chapter 487 (codified at Minn. Stat. Ch. 469). The HRA provides the full range of services as stipulated in Chapter 469: urban renewal, redevelopment, economic development, and rehabilitation. Through these services, the HRA strives to redevelop the residential, commercial and industrial areas of Saint Paul, support living wage job growth, a sound fiscal base, and access to safe, affordable housing for Saint Paul residents. The HRA is governed by a seven-member Board of Commissioners consisting of the members of the elected City Council.

The HRA was reorganized in 1978 and 1979. Under the reorganization, the HRA employees became employees of the City of Saint Paul. The HRA has no employees. The HRA and the City entered into an agreement, effective January 1, 1979, whereby the City agreed to perform administrative and accounting services for the HRA.

This report includes all of the funds, capital assets, and long-term debt of the HRA as described in the Management's Discussion and Analysis, which can be found immediately following the auditor's opinion. In addition, it has been determined that, for financial reporting purposes, the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018.

The HRA is empowered to levy a tax on both real and personal property in Saint Paul. This tax has been levied annually by the HRA. The HRA also receives property tax increments on

designated Saint Paul tax increment financing districts that were established for development purposes. Under State Law, the HRA is authorized to issue revenue bonds on which the principal and interest are payable from specific revenues. The HRA may pledge the general obligations of the City as additional security on these same revenue bonds. The HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

FINANCIAL POLICIES

In 2009, the Authority adopted a land valuation policy which values any new land purchase at acquisition cost, less transaction costs and fees. That value will continue until disposal, unless the Authority formally changes the value. In 2011, the Authority confirmed the practice and policy of using accumulating conduit bond fees for Planning and Economic Development Administration costs. In 2014, the Authority established a property valuation policy which values lots or buildings offered for sale by the HRA based on a third-party appraisal or broker's opinion of market value with adjustments to market value made at the sole discretion of the HRA prior to posting of properties for sale.

ECONOMIC OUTLOOK

Saint Paul is a key component of the overall strong Twin Cities metro area economy. Metropolitan Council forecasts indicate that Saint Paul is expected to add 37,567 jobs by 2040 (21.4% growth from 2010).^a Total private and public administration employee count in Saint Paul at the end of 2018 was estimated to be 172,053.^b

Saint Paul compares favorably when ranked among the 20 large northeast and midwest cities on economic and social factors.^c Among these peer cities:

- Saint Paul had the 3rd lowest annual unemployment rate in 2018 (2.8%).^d
- Saint Paul ranked 4th highest in percent of population 25 years and over with a bachelor's degree or higher (39.8%).^e
- Saint Paul ranks 5th highest in median household income (\$52,841), 5th highest in median family income (\$65,869) and 8th highest in per capita income (\$28,535).^f
- The median value of owner-occupied houses in Saint Paul is 6th highest compared to peer cities (\$187,400).^g

Over the years, Saint Paul has consistently registered an unemployment rate equal to or lower than that of the U.S. The City's unemployment rate for 2018 was 2.8% which is lower than both the Minnesota rate of 3.2% and the U.S. rate of 3.7%.^h

^a Metropolitan Council, available at <https://metro council.org/forecasts>.

^b Minnesota Department of Employment and Economic Development, available at <http://apps.deed.state.mn.us>.

^c The cities are Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, Street Louis and Toledo.

^d Bureau of Labor Statistics, Local Area Unemployment Statistics available at: <http://data.bls.gov>; Minnesota and Minnesota city unemployment rates available at: <http://mn.gov/deed/data/data>.

^e 2017 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>.

^f 2017 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>.

^g 2017 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>.

^h Minnesota Department of Employment and Economic Development, Minnesota Unemployment Statistics available at <http://mn.gov/deed/data/data>.

Saint Paul's largest employment sector is Health Care and Social Assistance (46,146 jobs; 31.1% of total jobs). Other large employment sectors include Public Administration (23,940 jobs; 13.9% of total jobs) and Professional and Accommodation and Food Services (12,460 jobs; 7.2% of total jobs).ⁱ

LONG-TERM FINANCIAL PLANNING

The Housing and Redevelopment Authority had an unrestricted fund balance at year end in its General Fund that was greater than 15% of the annual budget spending for this fund. In addition, the Authority has a committed fund balance in its General Fund at year end per its adopted policy of committing the fund balance from conduit revenue bond fees for Planning and Economic Development administration costs. This committed fund balance at year end is greater than the annual support the Authority's General Fund provides for PED Administration costs.

MAJOR INITIATIVES

Mayor Carter seeks to build a city that works – for all of us. The Carter Administration strategic objectives are economic justice, lifelong learning and community-first public safety, built around three pillars of innovation, resilience and equity. Mayor Carter's top priorities in office include:

Ensuring Kids Thrive as Saint Paul Grows

- Focus on early childhood investments to give every student a strong start.
- Invest in comprehensive support systems – including essential health services and affordable housing for Saint Paul children and families.
- Partner with schools, colleges, workforce training programs and trade unions.

Building Safer Neighborhoods from the Ground Up

- Hire police officers that reflect our city's diversity, have a stake in our neighborhoods, and protect and serve all of us.
- Make sure officers are trained in de-escalation techniques and connected to social workers, mental health providers and crisis prevention counselors so they can help people in crisis get the help they need.
- Hold officers accountable for conduct that doesn't meet our standards.

Investing in a City that Delivers on its Promise

- Ensure economic growth reaches all corners of our city – especially the areas that need it most.
- Invest in businesses along cultural corridors across the city.
- Make it easier for Saint Paul residents to open and run a business - especially people of color, immigrants, and women.

ⁱ Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages available at <http://mn.gov/deed/data>.

MAJOR DEVELOPMENTS

I. Downtown Saint Paul

The 428

The former 1955 Woolworth's department store at 428 Minnesota Street, vacant since 1994, has been converted into sustainable, modern office space. The \$15-17 million renovation broke ground in July 2017. Work included adding a 12,000 square-foot fourth floor, and a fifth floor featuring 6,000 square-foot glassed-in co-working space with rooftop patio. The new 65,000 square foot building opened in August 2018. The 428 is Minnesota's first building to pursue both LEED certification and WELL Core and Shell certification.

The Press Apartments

Real Estate Equities purchased the former Pioneer Press office building for \$8 million in December 2017. The Press Apartments now offers 144 income-restricted studio, one and two bedroom apartments along with 20,000 square feet of amenity space including a movie theater, workout facilities, clubroom and professional kitchen. Residents first moved in beginning January 1, 2019.

Celeste Saint Paul Hotel and Bar

Northfield-based Rebound Hospitality purchased the Exchange Building at Exchange Street and Cedar Avenue in late 2017 with plans to redevelop the former St. Agatha's Conservatory of Music and Art into a 71-room boutique hotel. Remodeling began in September 2018 including the preservation of the wood trim and the flower-patterned, hand tiled fireplace; and, restoration of the terrazzo flooring. The hotel anticipates opening in Fall 2019.

Riverfront Properties

Riverfront Properties is a nearly five-acre site owned by Ramsey County located along the bluff overlooking the Mississippi River in downtown Saint Paul. On November 20, 2018 following a Request for Development Interest solicitation, the County began negotiations on an exclusive six-month agreement with AECOM to perform due diligence on a proposal to develop the Riverfront Properties site. AECOM's proposed development includes: land bridge extension over Shepard Road and the railway, extending downtown Saint Paul to the Mississippi River; phased construction of four towers with Class A office and residential space and street-level retail, entertainment and hospitality; integrated public spaces including the first leg of the city's proposed River Balcony, a river-level esplanade, and amphitheater and bandshell overlooking the river; and, new roadway connections to the site and supplemental parking.

RiverCentre Parking Ramp and Kellogg Bridge

The City was unsuccessful in securing funding from the 2018 state bonding bill to tear down and rebuild the structurally deficient RiverCentre Parking Ramp and Kellogg Bridge. In March 2019, the Saint Paul City Council approved up to \$300,000 to explore replacement or renovation options for the parking ramp, including pursuit of development opportunities on top of the ramp.

Minnesota Museum of American Art/The M

A groundbreaking on the \$12.5 million expansion of the Minnesota Museum of American Art (the M) in the historic Pioneer Endicott building occurred in January 2018. The first phase of construction expanded the museum by 20,000 feet and features new and expanded galleries; the Sifo Center for Creativity, a making and learning wing devoted to arts education for all ages; a

sculpture court; common gathering spaces, and a glassed-in extension of the skyway. The museum opened to the public in December 2018.

Treasure Island Center

The Saint Paul Port Authority has redeveloped a former Macy's Department Store at 411 Cedar Street. The repositioned property reopened as Treasure Island Center in January 2018. The building includes Tria Rink, the official practice space of the Minnesota Wild; a two-level Walgreens, the Tria Orthopedic Clinic, Treasure Island administrative offices, office space for the Saint Paul Police Department, and office space for the Minnesota Housing Finance Agency.

Public Safety Annex/Pedro Park

On October 24, 2018, the City Council approved the sale and redevelopment of the Public Safety Annex at 100 East 10th Street to The Ackerberg Group. The action also approved the transfer of the sale funds to improvements of the adjacent .45 acre Pedro Park. The redeveloped Public Safety Annex is anticipated to feature 50,000 square feet of modern, creative office and retail space, including the expansion of the existing partial third floor, and maintaining the 30 indoor parking spaces.

II. Along the Green Line, Light Rail Transit

Allianz Field

Minnesota United broke ground in December 2016 on their \$150 million, 19,400-seat, 346,000 square-foot Major League Soccer stadium overlooking Interstate 94 between Pascal and Snelling Avenues. Fan amenities include 17 different types of seat and service offerings including a 2,920-seat, pyramid shaped safe stand section for Minnesota United's various supporters club, a 2,300- square-foot retail store, and a 4,100 square-foot brew hall, open on both gamedays and nongame days. The stadium opened in April 2019.

Snelling-Midway

Hand in hand with the soccer stadium, New York-based strip mall owner RK Midway has teamed with Minnesota United and other major investors to redevelop the adjacent Midway Shopping Center. A master plan approved by the City Council in August 2016 allows for a mix of uses and higher density on the nearly 35-acre transit-oriented redevelopment site. In May 2018, Mortenson was selected as the lead developer for the site.

III. Neighborhoods

Ford Site

In November 2017, the Saint Paul City Council approved the Ford Site Zoning and Public Realm Master Plan, a framework to guide mixed-use redevelopment of the former 122-acre former Ford Motor Company assembly plant and the adjacent 13-acre rail yard. In June 2018, Ford selected Ryan Companies as the master developer to the 122-acre main assembly plant parcel. At full buildout the site could include between 2,400 and 4,000 residential units, 20% affordable, 1,100 jobs, significant parkland and greenspace, and an innovative stormwater feature.

Keg and Case Market

Developer Craig Cohen, with Cushman and Wakefield, converted the former Keg Building at the historic Schmidt Brewery into the Keg and Case Market. The indoor market opened in September 2018 with 27 local small businesses occupying the space, as well as an outdoor event space for

community events and a farmers market. The Keg and Case Market was named the 2019 Best New Food Hall in the nation.

O’Gara’s

Ryan Companies began demolition of the former 19,360 square-foot O’Gara’s Bar and Grill and three adjacent homes in November 2018. The new development will feature 163 market-rate apartments and 4,000 square-feet of retail.

Selby Milton Victoria

In June 2018, construction began on an innovative mixed-use development including senior rental housing and first floor commercial space on two long vacant parcels of city owned land. The Selby Milton Victoria project will have 34 units of low-income senior housing, along with 9,300 square-feet of street level commercial space. The Rondo Community Land Trust will retain ownership of the land and control pricing aimed towards attracting small, local and minority-owned businesses into the building.

AWARDS AND ACKNOWLEDGMENTS


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This was the 33nd consecutive year that the Saint Paul HRA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished through the efficient and dedicated services of the City Department of Planning and Economic Development accounting staff. The cooperation and assistance provided by the State Auditor’s staff was very helpful and is greatly appreciated.



Kristin Guild
Interim Executive Director

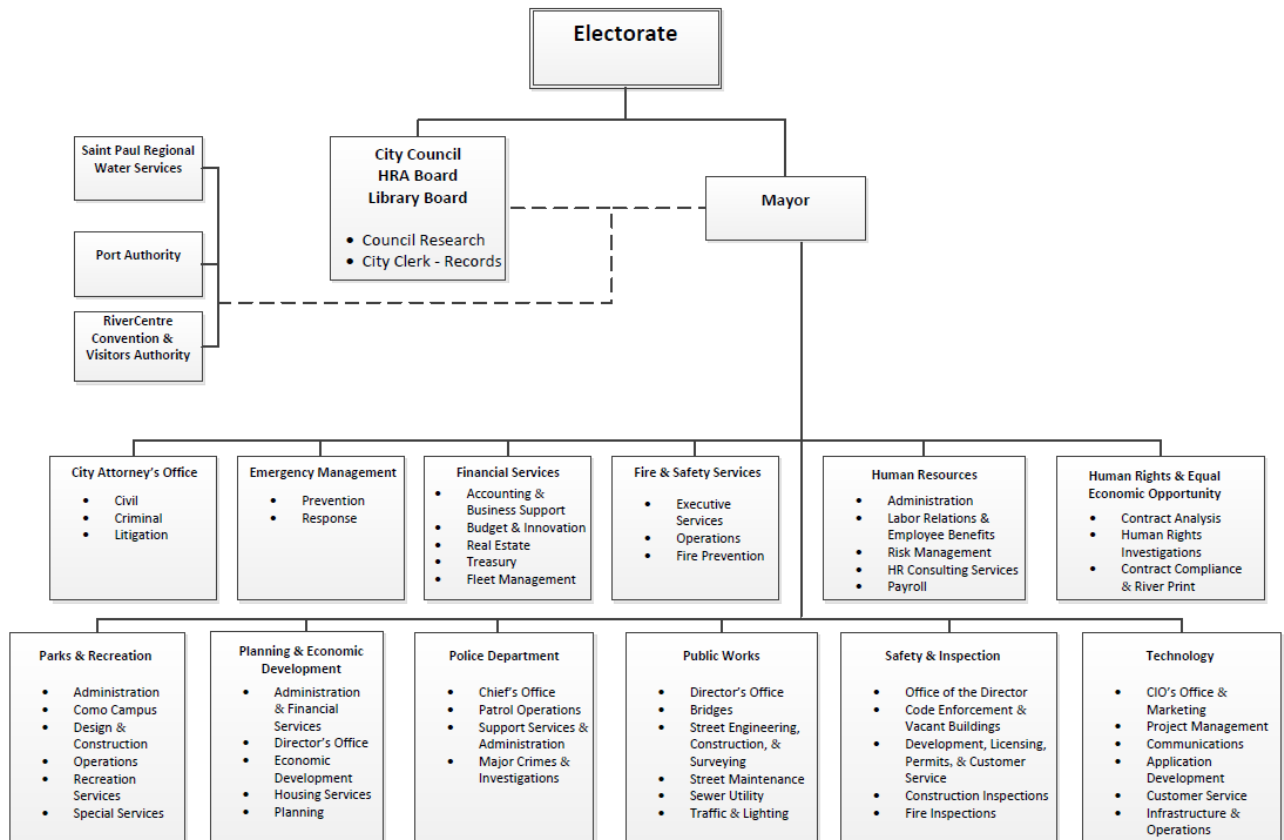


Rhonda Gillquist
Accountant

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City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA
PRINCIPAL OFFICIALS
December 31, 2018**

	Term of Office	
	From	To
<u>Commissioners</u>		
Daniel Bostrom	January 1, 1996	December 31, 2019
Amy Brendmoen	January 11, 2012	December 31, 2019
Mitra Jalai Nelson	September 12, 2018	December 31, 2019
Rebecca Noecker	January 13, 2016	December 31, 2019
Jane Prince	January 13, 2016	December 31, 2019
Dai Thao	November 21, 2013	December 31, 2019
Chris Tolbert	January 11, 2012	December 31, 2019
<u>Officers</u>		
<u>Chairperson</u>		
Chris Tolbert	January 10, 2018	December 31, 2019
<u>Vice-Chairperson</u>		
Daniel Bostrom	April 8, 2015	December 31, 2019
<u>Secretary</u>		
Amy Brendmoen	February 28, 2018	December 31, 2019
<u>Treasurer</u>		
Dai Thao	January 8, 2014	December 31, 2019
<u>Executive Director</u>		
Dr. Bruce Corrie	January 10, 2018	Indefinite



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Commissioners of the Housing and Redevelopment
Authority of the City of Saint Paul
Saint Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Housing and Redevelopment Authority (HRA) of the City of Saint Paul, a component unit of the City of Saint Paul, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the HRA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the HRA of the City of Saint Paul's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the HRA of the City of Saint Paul's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the HRA of the City of Saint Paul as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons of the General Fund and Palace Theatre Operations Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

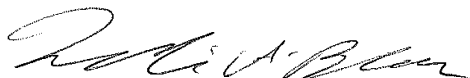
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the HRA of the City of Saint Paul's basic financial statements. The Introductory Section, the Supplementary Schedules, and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2019, on our consideration of the HRA of the City of Saint Paul's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HRA of the City of Saint Paul's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the HRA of the City of Saint Paul's internal control over financial reporting and compliance.



JULIE BLAHA
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

September 10, 2019

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**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

As management of the Housing and Redevelopment Authority of the City of Saint Paul (HRA), we provide readers of these financial statements this overview and analysis of the financial activities of the HRA for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the financial statements which are found on pages 31-101.

Financial Highlights

- The assets and deferred outflows of resources of the HRA exceeded its liabilities and deferred inflows of resources at the end of 2018 by \$117.1 million (net position). Net position increased by \$7.6 million during 2018. This net increase included an increase in governmental activity net position by \$6.2 million and an increase in business-type activity net position by \$1.3 million. The business-type activities are the HRA Loan Enterprise Fund, the HRA Parking Enterprise Fund, and the HRA Penfield Enterprise Fund.
- The HRA's governmental funds reported combined fund balances of \$57.2 million. An amount of \$48.0 million is restricted, primarily for future debt service on existing long-term debt and tax increment financing.
- The total principal amount of long-term debt decreased during 2018 by \$8.1 million to a total of \$99.9 million, a 7.5% decrease from 2017. Total interest expense on long-term debt in 2018 was \$8.7 million, an increase of \$1.1 million from 2017.
- The assets of loans receivable and accrued interest receivable on loans, net of allowances, decreased by \$0.6 million to a total of \$5.4 million at December 31, 2018. The allowances for uncollectible loans decreased by \$2.2 million to a total of \$40.4 million at December 31, 2018.
- No HRA administered tax increment financing districts ended in 2018. No HRA administered tax increment financing districts were created in 2018. Total tax increment revenue for HRA Districts was \$25.8 million in 2018, an increase of \$6.2 million from 2017. The captured tax capacity of all Saint Paul tax increment financing districts including the Port Authority is 10.5 % of Saint Paul's total tax capacity. This represents an increase of 0.7 percentage points from 2017.
- The major housing development initiative continued in 2018 with 372 new or substantially rehabilitated single- and multi-family housing units completed in Saint Paul.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the HRA's basic financial statements. The HRA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary schedules and statistical tables, in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad view of the HRA's finances, in a manner similar to a private-sector business. These are found on pages 31-33 of this report.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities).

The HRA's governmental activities include:

- Development in the tax increment financing districts and other redevelopment areas
- Federal, state and local grant programs
- Debt service on tax supported debt
- General operations financed through the HRA General Fund
- Multi-year development projects that are locally funded

The HRA's business-type activities are:

- Development loan programs
- Parking operations
- Penfield

The *statement of net position* presents financial information on all of the HRA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, at December 31, 2018, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the HRA's financial position is improving or deteriorating.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
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For the Fiscal Year Ended December 31, 2018**

The *statement of activities* presents information showing how the HRA's net position changed during 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The HRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the HRA can be divided into two categories: governmental funds and proprietary funds. The governmental fund and proprietary fund financial statements are found on pages 34-37 and pages 38-42 of this report.

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the HRA's near-term financing decisions. Both the *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The HRA maintains the following six governmental funds: HRA General Fund, HRA Grants Fund, HRA Palace Theatre Operations Fund, HRA Debt Service Fund, HRA Tax Increment Capital Projects Fund, and the HRA Development Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these six funds.

The HRA adopts an annual appropriated budget for the HRA General Fund, HRA Palace Theatre Operations Fund, and the HRA Debt Service Fund. Multi-year budgets are adopted for the grants fund and the capital projects funds. Budgetary comparison statements have been provided in the basic financial statements for the HRA General Fund and the HRA Palace Theatre Operations Fund. The HRA's governmental funds reflected positive variances for total expenditures and other financing uses compared to the final 2018 budgets.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
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For the Fiscal Year Ended December 31, 2018**

Proprietary funds are used to account for the same functions reported as business-type activities in the government-wide financial statements. The HRA maintains three proprietary funds: HRA Loan Enterprise Fund, HRA Parking Enterprise Fund, and the HRA Penfield Enterprise Fund. Information is presented separately in the proprietary fund financial statements for each of these funds.

The HRA sold the Penfield Apartments in 2016. Under the purchase agreement, the HRA was to receive the water remediation escrows back within twelve months after completion of the work. When the full costs are known the HRA is to receive a release of \$1.0 million less 125% of the total cost. Then, once the work is completed, the HRA is to receive 25% of the total cost. The full costs of the water remediation were known in 2017 and the HRA received a refund of \$741,211 from the water remediation escrow. The remaining amount of the water remediation escrow is being held in escrow until the remediation is completed.

HRA fund accounting policies are included in Note 2.A.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 45-101 of this report.

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**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

Financial Analysis of the HRA as a Whole

Net Position. The following chart shows components of the HRA's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position and compares 2018 with 2017 at December 31.

**SAINT PAUL HRA'S ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION
At December 31, 2018 and 2017**

	Governmental Activities		Business-type Activities		Totals		Total Percentage Change 2018-2017
	12/31/18	12/31/17	12/31/18	12/31/17	12/31/18	12/31/17	
Assets							
Cash and Investments	\$ 57,459,274	\$ 54,726,285	\$ 41,463,901	\$ 40,475,401	\$ 98,923,175	\$ 95,201,686	3.9%
Other Current Assets	(1,031,021)	(1,691,566)	2,759,674	3,619,181	1,728,653	1,927,615	-10.3%
Land Held for Resale	2,200,631	2,273,531	4,065,742	4,125,142	6,266,373	6,398,673	-2.1%
Loans Receivable	1,084,881	1,258,653	3,701,278	4,125,959	4,786,159	5,384,612	-11.1%
Leases Receivable	3,150,000	3,605,000	-	-	3,150,000	3,605,000	-12.6%
Capital Assets	29,822,213	30,982,404	79,404,302	81,527,423	109,226,515	112,509,827	-2.9%
Other Non-Current Assets	2,537,534	2,464,059	787,011	831,571	3,324,545	3,295,630	0.9%
Total Assets	95,223,512	93,618,366	132,181,908	134,704,677	227,405,420	228,323,043	-0.4%
Deferred Outflows of Resources							
	-	-	901,171	979,919	901,171	979,919	-8.0%
Liabilities							
Other Liabilities	3,969,017	5,006,577	3,694,844	4,056,363	7,663,861	9,062,940	-15.4%
Long-Term Liabilities	56,048,185	59,629,633	47,180,440	51,099,742	103,228,625	110,729,375	-6.8%
Total Liabilities	60,017,202	64,636,210	50,875,284	55,156,105	110,892,486	119,792,315	-7.4%
Deferred Inflows of Resources							
	-	-	331,640	-	331,640	-	N/A
Net Position							
Net Investment in							
Capital Assets	9,896,338	11,022,552	36,579,537	34,307,681	46,475,875	45,330,233	2.5%
Restricted for Debt Service	7,398,819	7,974,116	3,293,341	3,711,550	10,692,160	11,685,666	-8.5%
Restricted for							
Capital Projects	9,832,765	9,109,851	-	-	9,832,765	9,109,851	7.9%
Restricted for Tax							
Increment Financing	30,059,623	23,784,719	-	-	30,059,623	23,784,719	26.4%
Restricted for Operations							
and Maintenance	-	-	-	27,218	-	27,218	-100.0%
Restricted by Grantors	64,531	64,531	890,805	802,592	955,336	867,123	10.2%
Unrestricted	(22,045,766)	(22,973,613)	41,112,472	41,679,450	19,066,706	18,705,837	1.9%
Total Net Position	\$ 35,206,310	\$ 28,982,156	\$ 81,876,155	\$ 80,528,491	\$ 117,082,465	\$ 109,510,647	6.9%

Assets and deferred outflows of resources of the HRA exceeded liabilities and deferred inflows of resources resulting in an overall surplus of \$117.1 million at December 31, 2018. Net position of the business-type activities are \$81.9 million at December 31, 2018. In governmental activities, the HRA issues long-term debt for housing and economic development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds.

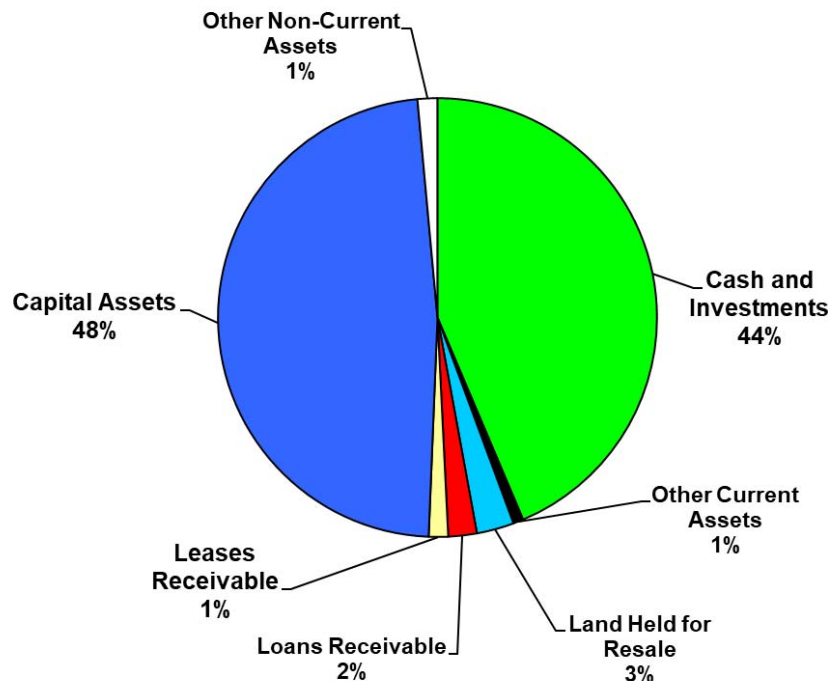
**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

This is common for housing and redevelopment authorities. For the Saint Paul HRA, this has been the case with the tax increment bonds. The debt is to be retired with future revenues, namely property tax increments. In past years financing has been sufficient for all governmental activity long-term debt service payments and other debt service requirements. Likewise, it is projected that future revenues will adequately finance all existing debt service requirements. Unrestricted net position in business-type activities is \$41.1 million at December 31, 2018. However, a large portion of the unrestricted net position is represented by loans receivable, which often have repayment terms in excess of twenty years.

Total assets of the HRA decreased by 0.4%, to a total of \$227.4 million at year-end. Cash and investment balances increased by 3.9% in 2018. The net asset for loans less their allowance decreased in 2018 by 11.1%. Capital assets decreased during 2018 by 2.9%.

The HRA's long-term debt, at \$103.2 million is 93.1% of its total liabilities. The outstanding balance of long-term debt decreased by 6.8% during 2018. Governmental activity long-term debt includes tax-supported debt – the tax increment bonds, along with the lease revenue bonds, various development notes, and advances from other governments. Business-type activity debt includes the parking revenue bonds, that were issued to finance the construction of HRA-owned parking ramps.

2018 Assets



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Changes in Net Position. The following chart shows the changes in net position during 2018 and compares this with 2017.

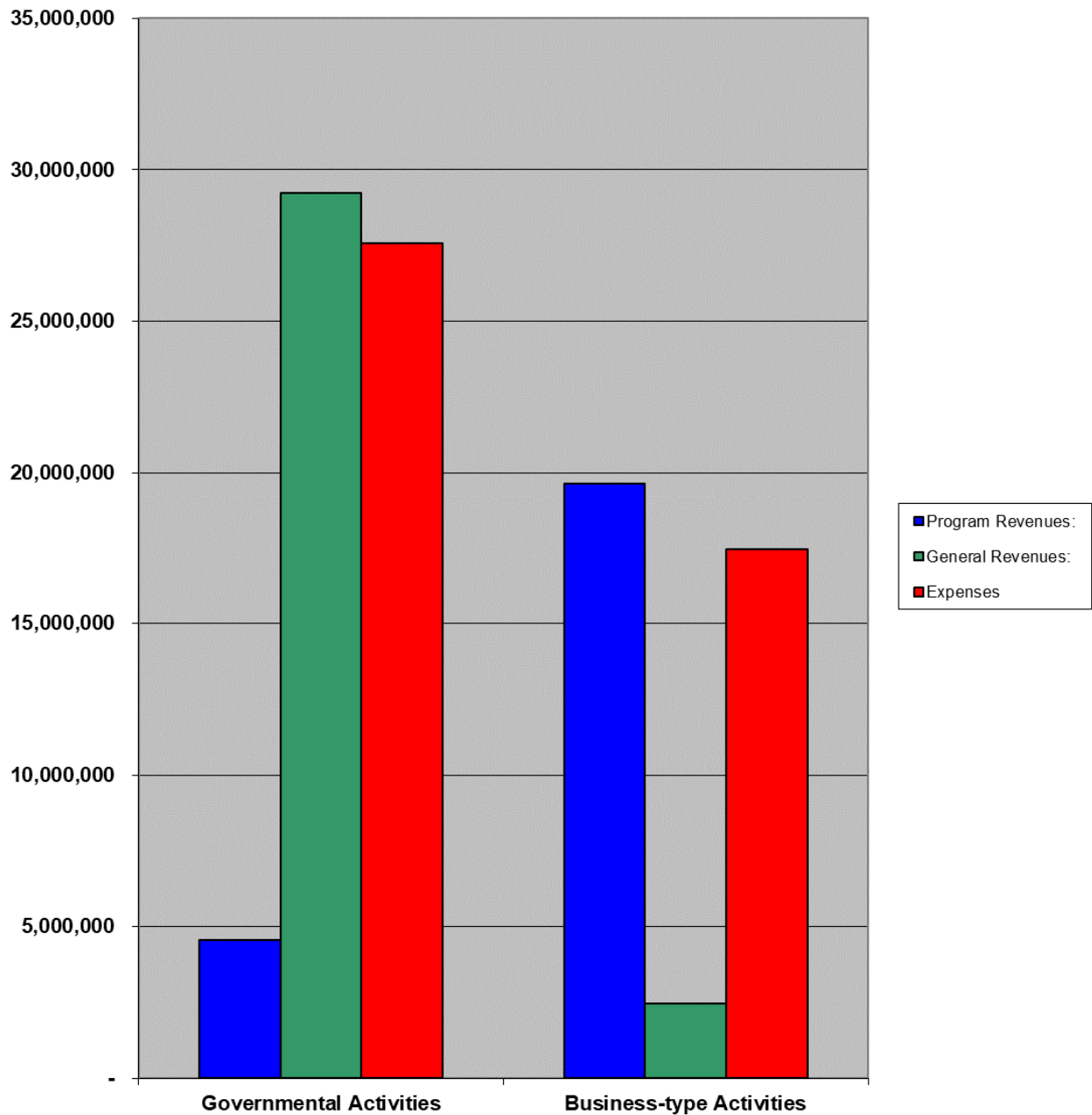
	Governmental Activities		Business-type Activities		Totals		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
<u>Revenues</u>							
Program Revenues:							
Charges for Services	\$ 3,165,485	\$ 3,600,694	\$ 19,009,471	\$ 16,939,278	\$ 22,174,956	\$ 20,539,972	8.0%
Operating Grants and Contributions	1,392,629	920,401	612,892	545,698	2,005,521	1,466,099	36.8%
Capital Grants and Contributions	-	443,040	-	-	-	443,040	-100.0%
General Revenues:							
Property Taxes	28,431,595	22,030,642	1,173,264	1,103,567	29,604,859	23,134,209	28.0%
Investment Income	796,786	1,130,294	83,337	160,409	880,123	1,290,703	-31.8%
Interest Earned - Other	171,163	-	540,329	149,184	711,492	149,184	376.9%
Gain on Sale of Capital Asset	-	-	465,580	-	465,580	-	N/A
Miscellaneous	-	-	192,035	761,141	192,035	761,141	-74.8%
Total Revenues	<u>33,957,658</u>	<u>28,125,071</u>	<u>22,076,908</u>	<u>19,659,277</u>	<u>56,034,566</u>	<u>47,784,348</u>	<u>17.3%</u>
<u>Expenses</u>							
Housing and Economic Development	20,670,626	27,761,356	-	-	20,670,626	27,761,356	-25.5%
Interest on Govt Activity Long-Term Debt	7,062,878	5,850,217	-	-	7,062,878	5,850,217	20.7%
Development Loan Programs	-	-	2,881,898	4,771,234	2,881,898	4,771,234	-39.6%
Parking Operations	-	-	14,546,886	15,294,478	14,546,886	15,294,478	-4.9%
Penfield	-	-	460	4,172	460	4,172	-89.0%
Total Expenses	<u>27,733,504</u>	<u>33,611,573</u>	<u>17,429,244</u>	<u>20,069,884</u>	<u>45,162,748</u>	<u>53,681,457</u>	<u>-15.9%</u>
Excess (Deficiency) before Transfers and Special Items	<u>6,224,154</u>	<u>(5,486,502)</u>	<u>4,647,664</u>	<u>(410,607)</u>	<u>10,871,818</u>	<u>(5,897,109)</u>	
Transfers	-	(58,458)	-	58,458	-	-	
Special Item - Purchase Option Settlement	-	-	(3,300,000)	-	(3,300,000)	-	
Increase (Decrease) in Net Position	6,224,154	(5,544,960)	1,347,664	(352,149)	7,571,818	(5,897,109)	
Net Position, January 1	<u>28,982,156</u>	<u>34,527,116</u>	<u>80,528,491</u>	<u>80,880,640</u>	<u>109,510,647</u>	<u>115,407,756</u>	
Net Position, December 31	<u>\$ 35,206,310</u>	<u>\$ 28,982,156</u>	<u>\$ 81,876,155</u>	<u>\$ 80,528,491</u>	<u>\$ 117,082,465</u>	<u>\$ 109,510,647</u>	

Total revenues of the HRA increased by 17.3% in 2018, while total expenses decreased by 15.9%, with an overall increase in net position in 2018 of \$7.6 million.

As shown in the table, governmental activities are financed mainly with tax revenue. Property tax revenue in governmental activities increased by 29.0% with most of the increase being in tax increment revenue. Operating grants and contributions in governmental activities increased by 51.3% in 2018, primarily because more grant revenue was received for housing and development projects. There were no capital grants and contributions in governmental activities in 2018. Total expenses in governmental activities decreased in 2018 from 2017 by \$5.9 million, or 17.5%.

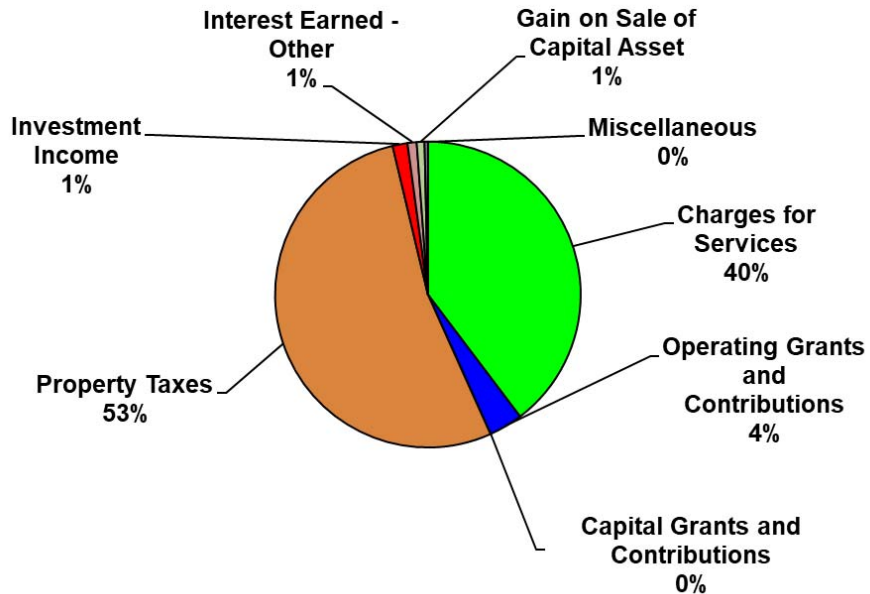
Charges for service revenue in business-type activities in 2018 increased by 12.2%. Total business-type activities expenses decreased in 2018 by \$2.6 million or 13.2%.

2018 Revenue and Expenses

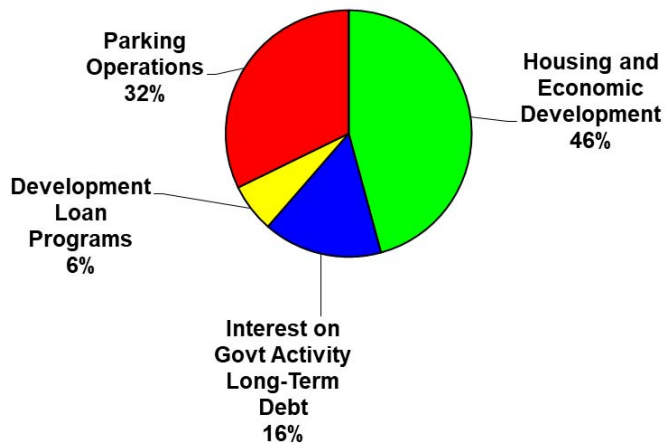


**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
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 For the Fiscal Year Ended December 31, 2018**

2018 Revenues by Source



2018 Expenses by Function



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

Financial Analysis of the HRA's Funds

As noted earlier, the HRA uses fund accounting to maintain control over resources and to ensure and demonstrate compliance with financial-related legal requirements.

Governmental Funds

The focus of the HRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the HRA's financing requirements.

At December 31, 2018, the HRA's governmental funds reported total fund balances of \$57.2 million. 83.9% of this is restricted and 0.6% of this is nonspendable to indicate that it is not available for new spending. \$7.9 million of this restricted amount is for future debt service on existing bonds, notes, and advances. Committed, assigned, and unassigned balances total \$8.9 million. Of the committed, assigned, and unassigned fund balances, \$4.7 million has been committed in the HRA General Fund for support of HRA operations.

The HRA General Fund is the chief operating fund of the HRA. Revenues include the HRA property tax levy, fees from conduit revenue bond issues, property rentals, and investment earnings. The major spending activities are for staff administration of HRA programs, maintenance of HRA properties, and professional services for HRA programs and projects. The fund balance in the HRA General Fund decreased during 2018 by \$1.3 million to a total of \$9.2 million at December 31, 2018, due to an increase in administration costs.

The HRA Grants Fund accounts for intergovernmental revenues provided primarily by the Federal and State governments for housing grant programs and projects. Grant revenues are recognized as eligible grant expenditures are incurred, resulting in little or no fund balance. No grant revenue was received in 2018.

The HRA Palace Theatre Operations Fund accounts for revenues received that are to be used to repay the Palace Theatre construction debt. Total revenues received in 2018 were \$33,977. This revenue was transferred to the fund that was required to pay the \$33,977 debt service.

The HRA Debt Service Fund accumulates resources and pays debt service for the HRA's debt that is not financed by the enterprise funds. Debt service on the bonds is financed by property tax increments, lease payments from the City, and investment earnings. At December 31, 2018, the fund balance is \$7.9 million, which is entirely restricted for future debt service. Total debt spending during 2018 was \$5.1 million.

The HRA Tax Increment Capital Projects Fund accounts for HRA major development projects and capital projects in Saint Paul tax increment districts and other redevelopment areas. The total fund balance of \$30.2 million at December 31, 2018, is restricted for unspent balances of

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

previously approved projects. Total 2018 spending from this Fund was \$16.3 million. All of these projects are financed with tax increment bond proceeds.

The HRA Development Capital Projects Fund accounts for HRA multi-year development projects. These projects are locally funded through transfers from other funds and bonds sold for development purposes. The fund balance was \$9.8 million at December 31, 2018. 2018 spending included housing redevelopment projects.

Proprietary Funds

The proprietary fund financial statements provide the same information found in the business-type activities column of the government-wide statements, but in more detail. The proprietary funds use the economic resources measurement focus and the full accrual basis of accounting, which are the same as those used for private sector business enterprises. The HRA's proprietary funds are the HRA Loan Enterprise Fund, the HRA Parking Enterprise Fund, and the HRA Penfield Enterprise Fund.

The HRA Loan Enterprise Fund accounts for loans issued and related servicing for various housing and economic development programs and projects. The Fund has unrestricted net position totaling \$19.1 million and restricted net position totaling \$0.9 million at December 31, 2018. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$3.7 million (net of allowance) and in many cases have long repayment terms before there will be liquidation to cash. Cash and investments are reported at \$16.3 million at December 31, 2018. The Fund had an overall decrease in net position of less than \$0.1 million for 2018.

The HRA Parking Enterprise Fund accounts for the operation of HRA-owned parking facilities in Saint Paul. The Fund has unrestricted net position of \$21.4 million at December 31, 2018. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$79.4 million. Long-term debt used for financing the construction of the parking facilities is \$40.8 million in principal outstanding at December 31, 2018. The Fund had operating income of \$6.2 million during 2018.

The HRA Penfield Enterprise Fund accounts for the Penfield Apartments. Cash and investments are reported at \$0.6 million at December 31, 2018. The Fund had an overall net position of \$0.6 million at December 31, 2018, all of which was unrestricted. The Penfield Apartments were sold on September 22, 2016, but cash is being held until the final escrow from the water remediation is returned to the HRA.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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HRA General Fund Budgetary Highlights

The final amended budget for the HRA General Fund includes the original adopted budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances), plus any additional supplemental appropriations that were legislated by the Board of Commissioners during the year. Actual 2018 spending was 18.3% lower than the final spending budget. Actual revenues were 14.3% higher than the final financing budget.

Long-Term Debt

At December 31, 2018, the HRA had total long-term debt outstanding of \$103.2 million as shown in the following chart.

**SAINT PAUL HRA'S LONG-TERM DEBT
At December 31, 2018 and 2017**

	Governmental Activities		Business-type Activities		Totals		Total Percentage Change
	2018	2017	2018	2017	2018	2017	2018-2017
Tax Increment Bonds	\$ 32,540,431	\$ 34,723,382	\$ -	\$ -	\$ 32,540,431	\$ 34,723,382	-6.3%
Lease Revenue Bonds	3,227,135	3,696,375	-	-	3,227,135	3,696,375	-12.7%
Parking Revenue Bonds	-	-	29,072,072	30,484,634	29,072,072	30,484,634	-4.6%
Tax Increment - Parking Bonds	-	-	14,322,224	16,735,108	14,322,224	16,735,108	-14.4%
Development Notes	10,954,596	11,849,876	3,786,144	3,880,000	14,740,740	15,729,876	-6.3%
Advances	9,326,023	9,360,000	-	-	9,326,023	9,360,000	-0.4%
Totals	\$ 56,048,185	\$ 59,629,633	\$ 47,180,440	\$ 51,099,742	\$ 103,228,625	\$ 110,729,375	-6.8%

All of the debt has specified revenue sources that are pledged for its retirement. In addition, the City of Saint Paul has issued a general obligation pledge on certain tax increment bonds that have a total of \$22.1 million outstanding at year-end 2018. The City's G.O. pledge provides a secondary source of repayment if tax increments are not sufficient to service the related bonds. For the RiverCentre Facility Lease Revenue Bonds, the City has pledged City sources and RiverCentre revenues to make lease payments to the HRA. Non-payment of the lease by the City may create credit rating implications to the City, which is currently rated AAA by Standard & Poor's. For the Parking Revenue Bonds, in addition to net parking ramp revenues, the City has pledged the first \$3.0 million collected annually in parking meter and parking fine revenues.

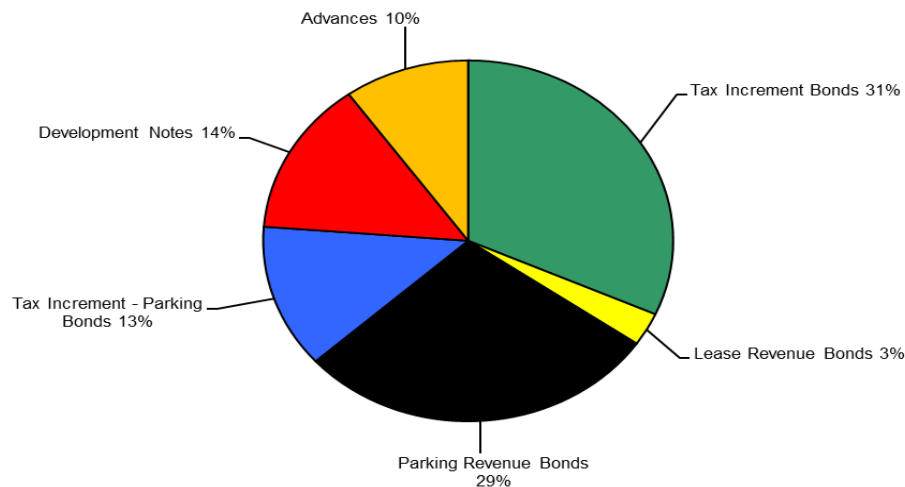
On May 16, 2018, the HRA issued General Obligation Tax Increment Refunding Bonds, Series 2018C in the amount of \$13,175,000. The proceeds were used to current refund the General Obligation Tax Increment Refunding Bonds, Series 2009G.

All 2018 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

Additional information on the HRA's long-term debt can be found in Note 5.F. on pages 72-78 of this report. The schedule of bond coverage in the Statistical Section of this report shows the history and reliability of debt service financing sources.

2018 Long-Term Debt



Capital Assets

The HRA's investment in capital assets for its governmental and business-type activities as of December 31, 2018 is \$109.2 million (net of accumulated depreciation) as shown in the following chart.

**Saint Paul HRA's Capital Assets
(Net of Depreciation)
At December 31, 2018 and 2017**

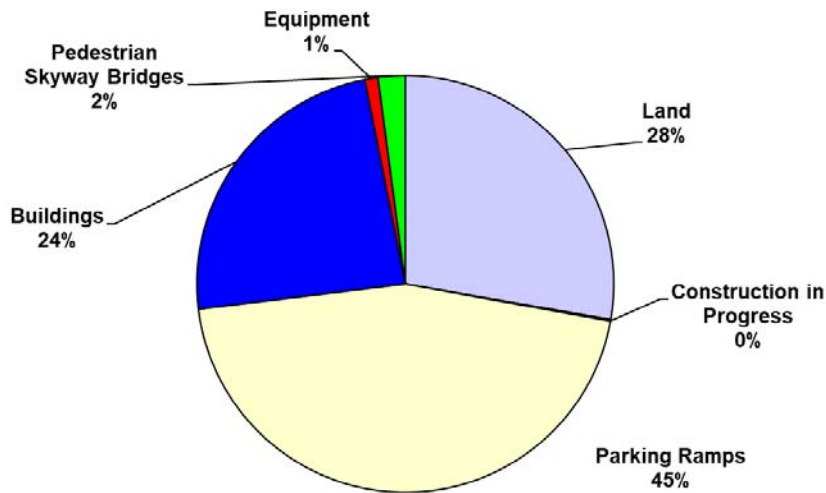
	Governmental Activities		Business-type Activities		Totals		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Land	\$ 3,042,169	\$ 3,042,169	\$ 27,247,487	\$ 27,247,487	\$ 30,289,656	\$ 30,289,656	0.0%
Construction in Progress	20,800	-	120,500	197,547	141,300	197,547	-28.5%
Parking Ramps	-	-	49,386,575	51,751,441	49,386,575	51,751,441	-4.6%
Buildings	24,463,023	25,338,945	1,544,942	1,113,707	26,007,965	26,452,652	-1.7%
Equipment	-	-	1,104,798	1,217,241	1,104,798	1,217,241	-9.2%
Pedestrian Skyway Bridges	2,296,221	2,601,290	-	-	2,296,221	2,601,290	-11.7%
Totals	\$ 29,822,213	\$ 30,982,404	\$ 79,404,302	\$ 81,527,423	\$ 109,226,515	\$ 112,509,827	-2.9%

Total depreciation expense for governmental and business-type activities during 2018 was \$4.4 million.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2018**

Additional information on the HRA's capital assets can be found in Note 5.E. on pages 71-72 of this report. A chart of the HRA's capital assets is shown below.

2018 Capital Assets



Requests for Information

This financial report is designed to provide a general overview of the Saint Paul HRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Saint Paul, Department of Planning and Economic Development, 25 West Fourth Street, Saint Paul, MN, 55102.

BASIC FINANCIAL STATEMENTS AND NOTES

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

STATEMENT OF NET POSITION

December 31, 2018

(Amounts in dollars)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments with Treasurer	\$53,678,962	\$35,389,085	\$89,068,047
Cash with Fiscal Agents	-	1,105,505	1,105,505
Cash and Investments with Trustees	3,530,012	879,820	4,409,832
Accrued Interest Receivable on Investments	321,241	66,805	388,046
Property Taxes Receivable	340,759	26,815	367,574
Accounts Receivable (Net of Allowance)	427,182	505,968	933,150
Due from Other Governmental Units	26,921	-	26,921
Assessments Receivable	-	12,962	12,962
Internal Balances	(2,147,124)	2,147,124	-
Land Held for Resale	2,200,631	4,065,742	6,266,373
Restricted Cash and Investments for:			
General Obligation Bond Debt Service	-	1,910,266	1,910,266
Revenue Bond Debt Service	-	2,179,225	2,179,225
Note Debt Service	250,300	-	250,300
Note Receivable	100,000	-	100,000
Loans Receivable (Net of Allowance)	1,084,881	3,701,278	4,786,159
Accrued Interest Receivable on Loans (Net of Allowance)	36,423	552,466	588,889
Advances to Other Governmental Units	2,401,111	234,545	2,635,656
Direct Financing Leases Receivable	3,150,000	-	3,150,000
Capital Assets Not Being Depreciated:			
Land	3,042,169	27,247,487	30,289,656
Construction in Progress	20,800	120,500	141,300
Capital Assets Net of Accumulated Depreciation:			
Parking Ramps	-	49,386,575	49,386,575
Buildings	24,463,023	1,544,942	26,007,965
Equipment	-	1,104,798	1,104,798
Pedestrian Skyway Bridges	2,296,221	-	2,296,221
TOTAL ASSETS	\$95,223,512	\$132,181,908	\$227,405,420
DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$901,171	\$901,171

Continued

The accompanying notes are an integral part of these financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

STATEMENT OF NET POSITION

December 31, 2018

(Amounts in dollars)

	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
Accounts Payable	\$286,124	\$1,185,007	\$1,471,131
Contracts Payable	254,684	55,750	310,434
Due to Other Governmental Units	1,533,252	3,533	1,536,785
Accrued Interest Payable on Long-Term Debt	590,694	-	590,694
Unearned Revenue	1,063,263	1,654,404	2,717,667
Liabilities Payable from Restricted Assets:			
Accrued Interest on General Obligation Bonds Payable	-	382,542	382,542
Accrued Interest on Revenue Bonds Payable	-	413,608	413,608
General Obligation Bonds Payable - Due within One Year	-	1,485,000	1,485,000
Revenue Bonds Payable - Due within One Year	-	1,185,000	1,185,000
General Obligation Bonds Payable - Due in more than One Year	-	12,837,224	12,837,224
Revenue Bonds Payable - Due in more than One Year	-	27,887,072	27,887,072
Long-Term Liabilities:			
General Obligation Bonds Payable - Due within One Year	725,000	-	725,000
Revenue Bonds Payable - Due within One Year	1,668,000	-	1,668,000
Notes Payable - Due within One Year	233,128	95,777	328,905
Advance from Other Governmental Units - Due in more than One Year	9,326,023	-	9,326,023
General Obligation Bonds Payable - Due in more than One Year	8,256,224	-	8,256,224
Revenue Bonds Payable - Due in more than One Year	25,118,342	-	25,118,342
Notes Payable - Due in more than One Year	10,721,468	3,690,367	14,411,835
Pollution Remediation Obligation	241,000	-	241,000
TOTAL LIABILITIES	\$60,017,202	\$50,875,284	\$110,892,486
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>\$0</u>	<u>\$331,640</u>	<u>\$331,640</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$9,896,338	\$36,579,537	\$46,475,875
Amounts Restricted for:			
Debt Service	7,398,819	3,293,341	10,692,160
Capital Projects	9,832,765	-	9,832,765
Tax Increment Financing	30,059,623	-	30,059,623
Grantors	64,531	890,805	955,336
Unrestricted Amounts (Deficit)	(22,045,766)	41,112,472	19,066,706
TOTAL NET POSITION	\$35,206,310	\$81,876,155	\$117,082,465

The accompanying notes are an integral part of these financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2018

(Amounts in Dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services/ Loan Programs	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Housing and Economic Development	\$20,670,626	\$3,165,485	\$1,392,629	\$ -	(\$16,112,512)	\$ -	(\$16,112,512)
Interest on Governmental Long-Term Debt	7,062,878	-	-	-	(7,062,878)	-	(7,062,878)
Total Governmental Activities	27,733,504	3,165,485	1,392,629	-	(23,175,390)	-	(23,175,390)
Business-type Activities:							
Development Loan Programs	2,881,898	1,087,678	612,892	-	-	(1,181,328)	(1,181,328)
Parking Operations	14,546,886	17,921,793	-	-	-	3,374,907	3,374,907
Penfield Enterprise	460	-	-	-	-	(460)	(460)
Total Business-type Activities	17,429,244	19,009,471	612,892	-	-	2,193,119	2,193,119
Total - All Functions/Programs	\$45,162,748	\$22,174,956	\$2,005,521	\$ -	(23,175,390)	2,193,119	(20,982,271)
General Revenues:							
HRA Property Tax					3,829,334	-	3,829,334
Property Tax Increments					24,602,261	1,173,264	25,775,525
Investment Income					796,786	83,337	880,123
Interest Earned - Other					171,163	540,329	711,492
Gain on Sale of Capital Asset					-	465,580	465,580
Miscellaneous					-	192,035	192,035
Special Item - Purchase Option Settlement (Note 2.R.)					-	(3,300,000)	(3,300,000)
Total General Revenues and Special Items					29,399,544	(845,455)	28,554,089
Change in Net Position					6,224,154	1,347,664	7,571,818
Net Position, January 1, 2018					28,982,156	80,528,491	109,510,647
Net Position, December 31, 2018					\$35,206,310	\$81,876,155	\$117,082,465

The accompanying notes are an integral part of these financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2018
 (Amounts in dollars)

	HRA General	HRA Grants	HRA Palace Theatre Operations	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
ASSETS							
Cash and Investments with Treasurer	\$8,285,876	\$64,531	\$ -	\$4,296,910	\$35,008,612	\$6,023,033	\$53,678,962
Cash and Investments with Trustees	-	-	-	3,530,012	-	-	3,530,012
Accrued Interest Receivable on Investments	80,276	-	-	86,982	153,983	-	321,241
Property Taxes Receivable:							
Due from Ramsey County	51,678	-	-	19,605	147,371	-	218,654
Delinquent	54,561	-	-	19,325	48,219	-	122,105
Accounts Receivable (Net of Allowance)	423,975	-	-	3,207	-	-	427,182
Due from Other Governments	-	26,921	-	-	-	-	26,921
Note Receivable	-	-	-	-	-	100,000	100,000
Loans Receivable (Net of Allowance)	10,609	-	-	-	884,656	189,616	1,084,881
Accrued Interest Receivable on Loans (Net of Allowance)	-	-	-	-	35,937	486	36,423
Land Held for Resale	325,236	-	-	-	982,328	893,067	2,200,631
Restricted Cash and Investments for Note Debt Service	-	-	-	-	250,300	-	250,300
Advances to Other Governmental Units	-	-	-	-	135,616	2,265,495	2,401,111
Advances to Other Funds	730,558	-	-	-	-	1,873,183	2,603,741
Direct Financing Leases Receivable	-	-	-	3,150,000	-	-	3,150,000
TOTAL ASSETS	\$9,962,769	\$91,452	\$ -	\$11,106,041	\$37,647,022	\$11,344,880	\$70,152,164
LIABILITIES, DIR, AND FUND BALANCES							
<u>Liabilities</u>							
Accounts Payable	\$7,034	\$26,921	\$ -	\$4,207	\$91,483	\$156,479	\$286,124
Contracts Payable	254,684	-	-	-	-	-	254,684
Due to Other Governmental Units	-	-	-	-	1,533,252	-	1,533,252
Advance from Other Funds	-	-	-	-	4,750,865	-	4,750,865
Unearned Revenue	-	-	-	-	-	1,063,263	1,063,263
Total Liabilities	\$261,718	\$26,921	\$ -	\$4,207	\$6,375,600	\$1,219,742	\$7,888,188
Total Deferred Inflows of Resources "DIR" (1)	\$468,292	\$26,921	\$ -	\$3,236,065	\$1,034,326	\$290,185	\$5,055,789
<u>Fund Balances</u>							
Nonspendable	\$325,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$325,236
Restricted	-	37,610	-	7,865,769	30,237,096	9,834,953	47,975,428
Committed	4,696,182	-	-	-	-	-	4,696,182
Assigned	4,211,341	-	-	-	-	-	4,211,341
Total Fund Balances	\$9,232,759	\$37,610	\$ -	\$7,865,769	\$30,237,096	\$9,834,953	\$57,208,187
TOTAL LIABILITIES, DIR, AND FUND BALANCES	\$9,962,769	\$91,452	\$ -	\$11,106,041	\$37,647,022	\$11,344,880	\$70,152,164

(1) The individual items in the summary total of deferred inflows of resources are shown in Note 5.L, pages 94-95.

Amounts reported for governmental activities in the Statement of Net Position (pages 31-32) are different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$29,822,213
2. Other long-term resources are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.	5,055,789
3. Long-term liabilities, including bonds, notes and advances payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(56,638,879)
4. Pollution remediation obligation is not due and payable in the current period and, therefore, is not reported in the funds.	(241,000)
Total Reconciling Items	(22,001,877)
Fund Balances per Balance Sheet - Governmental Funds, December 31, 2018	57,208,187
Net Position per Statement of Net Position - Governmental Activities column, December 31, 2018	\$35,206,310

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended December 31, 2018
(Amounts in dollars)

	HRA General	HRA Grants	HRA Palace Theatre Operations	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
REVENUES							
Taxes							
Current Property Taxes	\$3,035,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,035,185
Delinquent Property Taxes	14,325	-	-	-	-	-	14,325
Fiscal Disparities	778,441	-	-	-	-	-	778,441
Property Tax Increments	-	-	-	5,253,485	19,379,758	-	24,633,243
Intergovernmental	-	-	-	-	-	572,118	572,118
Fees, Sales and Services							
Revenue Bond Fees	2,499,351	-	-	-	-	-	2,499,351
Other Fees and Services	50,097	-	33,977	-	-	62,020	146,094
Sales of Land	692	-	-	-	-	-	692
Rentals of Property	-	-	-	561,382	-	-	561,382
Interest on Loans	-	-	-	-	44,544	1,090	45,634
Loan Repayments	-	-	-	-	93,246	128,495	221,741
Investment Income							
Interest Earned on Investments	324,360	-	-	233,461	644,569	-	1,202,390
Increase (Decrease) in the Fair Value of Investments	(171,184)	-	-	25,971	(331,036)	-	(476,249)
Interest Earned - Other	-	-	-	-	-	171,163	171,163
Miscellaneous							
Outside Contributions	-	-	-	711,668	-	81,922	793,590
Total Revenues	6,531,267	-	33,977	6,785,967	19,831,081	1,016,808	34,199,100
EXPENDITURES							
Current							
Housing and Economic Development	7,030,804	26,921	-	-	7,838,701	1,006,654	15,903,080
Intergovernmental - City	801,149	-	-	-	2,859,682	-	3,660,831
Capital Outlay	-	-	-	-	-	20,800	20,800
Debt Service							
Principal Payment on Bonds	-	-	-	2,570,000	-	-	2,570,000
Interest on Bonds	-	-	-	1,829,917	-	-	1,829,917
Principal Payment on Notes	-	-	-	675,000	220,280	-	895,280
Interest on Notes	-	-	-	36,668	4,635,403	-	4,672,071
Principal Payment on Advances	-	-	-	-	-	33,977	33,977
Interest on Advances	-	-	-	-	711,492	-	711,492
Fiscal Charges	-	-	-	34,724	-	-	34,724
Total Expenditures	7,831,953	26,921	-	5,146,309	16,265,558	1,061,431	30,332,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,300,686)	(26,921)	33,977	1,639,658	3,565,523	(44,623)	3,866,928
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	106,715	2,294,875	33,977	2,435,567
Transfers Out	(4,705)	-	(33,977)	(2,290,170)	(106,715)	-	(2,435,567)
Total Other Financing Sources (Uses)	(4,705)	-	(33,977)	(2,183,455)	2,188,160	33,977	-
Net Changes in Fund Balances	(1,305,391)	(26,921)	-	(543,797)	5,753,683	(10,646)	3,866,928
FUND BALANCES, January 1	10,538,150	64,531	-	8,409,566	24,483,413	9,845,599	53,341,259
FUND BALANCES, December 31	\$9,232,759	\$37,610	\$ -	\$7,865,769	\$30,237,096	\$9,834,953	\$57,208,187

Amounts reported for governmental activities in the Statement of Activities (page 33) are different because:

Net change in fund balances - total governmental funds (above)		<u>\$3,866,928</u>
1. Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	20,800	
Current year depreciation	(1,180,991)	(1,160,191)
2. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(241,442)
3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is issued, whereas, these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,581,448
4. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		177,411
Total Reconciling Items		<u>2,357,226</u>
Change in Net Position of Governmental Activities - Statement of Activities		<u><u>\$6,224,154</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HRA GENERAL FUND

For the Fiscal Year Ended December 31, 2018

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,745,716	\$ 3,745,716	\$3,827,951	\$82,235
Fees, Sales and Services	1,768,135	1,768,135	2,550,140	782,005
Investment Income	200,000	200,000	153,176	(46,824)
Total Revenues	<u>5,713,851</u>	<u>5,713,851</u>	<u>6,531,267</u>	<u>817,416</u>
EXPENDITURES				
Current				
Housing and Economic Development	7,976,647	8,776,647	7,030,804	1,745,843
Intergovernmental - City	1,605,855	805,855	801,149	4,706
Total Expenditures	<u>9,582,502</u>	<u>9,582,502</u>	<u>7,831,953</u>	<u>1,750,549</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,868,651)</u>	<u>(3,868,651)</u>	<u>(1,300,686)</u>	<u>2,567,965</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(4,705)</u>	<u>(4,705)</u>
Net Changes in Fund Balances	<u>(3,868,651)</u>	<u>(3,868,651)</u>	<u>(1,305,391)</u>	<u>2,563,260</u>
FUND BALANCE, January 1	<u>10,538,150</u>	<u>10,538,150</u>	<u>10,538,150</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$6,669,499</u></u>	<u><u>\$6,669,499</u></u>	<u><u>\$9,232,759</u></u>	<u><u>\$2,563,260</u></u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HRA PALACE THEATRE OPERATIONS FUND
 For the Fiscal Year Ended December 31, 2018
 (Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fees, Sales and Services	\$ -	\$ 33,977	\$ 33,977	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	33,977	33,977	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(33,977)	(33,977)	-
Net Changes in Fund Balances	-	-	-	-
FUND BALANCE, January 1	-	-	-	-
FUND BALANCE, December 31	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

At December 31, 2018
(Amounts in dollars)

	Business-type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise	HRA Penfield Enterprise	
ASSETS				
Current Assets:				
Cash and Investments with Treasurer	\$15,370,410	\$19,414,917	\$603,758	\$35,389,085
Cash with Fiscal Agents	-	1,105,505	-	1,105,505
Cash and Investments with Trustees	879,820	-	-	879,820
Accrued Interest Receivable on Investments	31,978	34,827	-	66,805
Property Taxes Receivable	-	26,815	-	26,815
Accounts Receivable (Net of Allowance)	-	505,968	-	505,968
Assessments Receivable	12,962	-	-	12,962
Land Held for Resale	4,065,742	-	-	4,065,742
Restricted Cash and Investments for:				
General Obligation Bond Debt Service	-	1,910,266	-	1,910,266
Revenue Bond Debt Service	-	2,179,225	-	2,179,225
Total Current Assets	20,360,912	25,177,523	603,758	46,142,193
Noncurrent Assets:				
Loans Receivable (Net of Allowance)	3,265,028	436,250	-	3,701,278
Accrued Interest Receivable on Loans (Net of Allowance)	431,160	121,306	-	552,466
Advances to Other Governmental Units	234,545	-	-	234,545
Advances to Other Funds	2,397,124	564,744	-	2,961,868
Capital Assets:				
Land	-	27,247,487	-	27,247,487
Construction in Progress	-	120,500	-	120,500
Parking Ramps	-	107,993,186	-	107,993,186
Less: Accumulated Depreciation	-	(58,606,611)	-	(58,606,611)
Buildings	-	1,993,872	-	1,993,872
Less: Accumulated Depreciation	-	(448,930)	-	(448,930)
Equipment	-	3,170,985	-	3,170,985
Less: Accumulated Depreciation	-	(2,066,187)	-	(2,066,187)
Total Capital Assets (Net of Accumulated Depreciation)	-	79,404,302	-	79,404,302
Total Noncurrent Assets	6,327,857	80,526,602	-	86,854,459
TOTAL ASSETS	\$26,688,769	\$105,704,125	\$603,758	\$132,996,652
DEFERRED OUTFLOWS OF RESOURCES (Note 5.L., page 94)	\$ -	\$901,171	\$ -	\$901,171

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

At December 31, 2018
(Amounts in dollars)

	Business-type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise	HRA Penfield Enterprise	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$341,012	\$843,945	\$50	\$1,185,007
Contracts Payable	55,750	-	-	55,750
Due to Other Governmental Units	3,362	171	-	3,533
Accrued Interest on General Obligation Bonds Payable from Restricted Assets	-	382,542	-	382,542
Accrued Interest on Revenue Bonds Payable from Restricted Assets	-	413,608	-	413,608
Unearned Revenue	1,654,404	-	-	1,654,404
Revenue Notes Payable - Due within One Year	95,777	-	-	95,777
General Obligation Bonds Payable from Restricted Assets	-	1,485,000	-	1,485,000
Revenue Bonds Payable from Restricted Assets	-	1,185,000	-	1,185,000
Total Current Liabilities	2,150,305	4,310,266	50	6,460,621
Noncurrent Liabilities:				
General Obligation Bonds Payable	-	12,837,224	-	12,837,224
Revenue Bonds Payable	-	27,887,072	-	27,887,072
Revenue Notes Payable	3,690,367	-	-	3,690,367
Advances from Other Funds	814,744	-	-	814,744
Total Noncurrent Liabilities	4,505,111	40,724,296	-	45,229,407
TOTAL LIABILITIES	\$6,655,416	\$45,034,562	\$50	\$51,690,028
DEFERRED INFLOWS OF RESOURCES (Note 5.L., page 94)	\$ -	\$331,640	\$ -	\$331,640
NET POSITION				
Net Investment in Capital Assets				
Capital Assets				
Capital Assets	\$ -	\$140,526,030	\$ -	\$140,526,030
Accumulated Depreciation	-	(61,121,728)	-	(61,121,728)
Debt: (Related Debt issued for Capital Acquisition)				
Bonds Payable	-	(40,795,000)	-	(40,795,000)
Unamortized Discount and Premium	-	(2,599,296)	-	(2,599,296)
Capital Related Deferred Outflows of Resources	-	901,171	-	901,171
Capital related Deferred Inflows of Resources	-	(331,640)	-	(331,640)
Total Net Investment in Capital Assets	-	36,579,537	-	36,579,537
Restricted for Debt Service	-	3,293,341	-	3,293,341
Restricted for Grantors	890,805	-	-	890,805
Unrestricted Amounts (deficit)	19,142,548	21,366,216	603,708	41,112,472
TOTAL NET POSITION	\$20,033,353	\$61,239,094	\$603,708	\$81,876,155

The accompanying notes are an integral part of these financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2018

(Amounts in dollars)

	Business-type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise	HRA Penfield Enterprise	
OPERATING REVENUES				
Fees, Sales and Services	\$978,132	\$17,913,460	\$ -	\$18,891,592
Interest Earned on Loans	109,546	8,333	-	117,879
Total Operating Revenues	1,087,678	17,921,793	-	19,009,471
OPERATING EXPENSES				
Development Loan Programs	1,856,260	-	-	1,856,260
Costs of Parking and Apartment Facility Operation	-	8,470,842	-	8,470,842
Depreciation	-	3,239,037	-	3,239,037
Total Operating Expenses	1,856,260	11,709,879	-	13,566,139
OPERATING INCOME (LOSS)	(768,582)	6,211,914	-	5,443,332
NONOPERATING REVENUES (EXPENSES)				
Property Tax Increments and Levy	-	1,173,264	-	1,173,264
Operating Grants	472,119	-	-	472,119
Investment Income:				
Interest Earnings	138,106	48,051	-	186,157
Increase (Decrease) in Fair Value of Investments	(56,244)	(46,576)	-	(102,820)
Interest Earned - Other	540,329	-	-	540,329
Interest on Notes	(40,719)	-	-	(40,719)
Interest on Bonds	-	(1,433,001)	-	(1,433,001)
Debt Issuance Costs	-	(109,099)	-	(109,099)
Intergovernmental Revenue	140,773	-	-	140,773
Intergovernmental Expense	(974,415)	(1,137,037)	-	(2,111,452)
Miscellaneous Other Revenues	-	-	192,035	192,035
Miscellaneous Other Expenses	(10,504)	(8,028)	(460)	(18,992)
Gain on Sale of Capital Assets	-	465,580	-	465,580
Loss on Retirement of Assets	-	(149,842)	-	(149,842)
Total Nonoperating Revenues (Expenses)	209,445	(1,196,688)	191,575	(795,668)
Income (Loss) Before Transfers and Special Items	(559,137)	5,015,226	191,575	4,647,664
Transfers In	500,000	-	-	500,000
Transfers Out	-	-	(500,000)	(500,000)
Special Item - Purchase Option Settlement (Note 2.R.)	-	(3,300,000)	-	(3,300,000)
Total Transfers and Special Items	500,000	(3,300,000)	(500,000)	(3,300,000)
CHANGE IN NET POSITION	(59,137)	1,715,226	(308,425)	1,347,664
TOTAL NET POSITION, January 1	20,092,490	59,523,868	912,133	80,528,491
TOTAL NET POSITION, December 31	\$20,033,353	\$61,239,094	\$603,708	\$81,876,155

The accompanying notes are an integral part of these financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2018
(Amounts in dollars)

	Business-type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise	HRA Penfield Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Borrowers	\$1,057,770	\$17,804,748	\$ -	\$18,862,518
Receipts from Others	-	-	192,035	192,035
Payments to Suppliers	(1,556,041)	(8,730,722)	(110)	(10,286,873)
Net Cash Provided (Used) for Operating Activities	(498,271)	9,074,026	191,925	8,767,680
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property Taxes	-	1,181,212	-	1,181,212
Operating Grants Received	472,119	-	-	472,119
Repayment of Advance Made to Other Governments	78,182	-	-	78,182
Repayment of Advance Made to Other Funds	739,671	-	-	739,671
Intergovernmental Revenue	140,773	-	-	140,773
Intergovernmental Expense	(974,415)	(1,137,037)	-	(2,111,452)
Transfers In from Other Funds	500,000	-	-	500,000
Transfers Out to Other Funds	-	-	(500,000)	(500,000)
Net Cash Provided (Used) for Noncapital Financing Activities	956,330	44,175	(500,000)	500,505
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase Option Settlement	-	(3,300,000)	-	(3,300,000)
Proceeds from Sale of Capital Assets	-	465,580	-	465,580
Payments for Acquisition and Construction of Capital Assets:				
Construction in Progress	-	(120,500)	-	(120,500)
Parking Ramps	-	(329,211)	-	(329,211)
Buildings	-	(534,107)	-	(534,107)
Equipment	-	(281,941)	-	(281,941)
Proceeds from Issuance of Long-Term Debt	-	14,416,840	-	14,416,840
Principal Paid on Debt Maturities:				
General Obligation Bonds	-	(16,350,000)	-	(16,350,000)
Revenue Bonds	-	(1,325,000)	-	(1,325,000)
Revenue Notes	(93,856)	-	-	(93,856)
Interest Paid on Debt:				
General Obligation Bonds	-	(431,925)	-	(431,925)
Revenue Bonds	-	(854,225)	-	(854,225)
Revenue Notes	(40,719)	-	-	(40,719)
Payments of Debt Service Issuance Costs	-	(109,099)	-	(109,099)
Net Cash Provided (Used) for Capital and Related Financing Activities	(134,575)	(8,753,588)	-	(8,888,163)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends Received	140,634	49,327	-	189,961
Investment Service Fee Paid	(10,504)	(8,028)	(460)	(18,992)
Increase (Decrease) in the Fair Value of Investments	(56,244)	(46,576)	-	(102,820)
Interest Earned - Other	540,329	-	-	540,329
Net Cash Provided (Used) for Investing Activities	614,215	(5,277)	(460)	608,478
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	937,699	359,336	(308,535)	988,500
CASH AND CASH EQUIVALENTS, January 1	15,312,531	24,250,577	912,293	40,475,401
CASH AND CASH EQUIVALENTS, December 31	\$16,250,230	\$24,609,913	\$603,758	\$41,463,901

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2018
(Amounts in dollars)

	Business-type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise	HRA Penfield Enterprise	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES				
Operating Income (Loss)	(\$768,582)	\$6,211,914	\$ -	\$5,443,332
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) for Operating Activities:				
Depreciation Expense	-	3,239,037	-	3,239,037
Miscellaneous Other Revenues	-	-	192,035	192,035
(Increase) Decrease in Accounts Receivable	14,500	92,598	-	107,098
(Increase) Decrease in Assessments Receivable	989	-	-	989
(Increase) Decrease in Land Held for Resale	59,400	-	-	59,400
(Increase) Decrease in Loans Receivable	624,681	(200,000)	-	424,681
(Increase) Decrease in Accrued Interest Receivable on Loans	(23,979)	(9,643)	-	(33,622)
Increase (Decrease) in Accounts Payable	293,181	(259,880)	(110)	33,191
Increase (Decrease) in Contracts Payable	4,558	-	-	4,558
Increase (Decrease) in Due to Other Governmental Units	2,480	-	-	2,480
Increase (Decrease) in Unearned Revenue	(705,499)	-	-	(705,499)
Total Adjustments	270,311	2,862,112	191,925	3,324,348
Net Cash Provided (Used) for Operating Activities	(\$498,271)	\$9,074,026	\$191,925	\$8,767,680
DETAILS OF CASH AND CASH EQUIVALENTS				
Cash and Investments with Treasurer	\$15,370,410	\$19,414,917	\$603,758	\$35,389,085
Cash with Fiscal Agents	-	1,105,505	-	1,105,505
Cash and Investments with Trustees	879,820	-	-	879,820
Restricted Cash and Investments for:				
General Obligation Bond Debt Service	-	1,910,266	-	1,910,266
Revenue Bond Debt Service	-	2,179,225	-	2,179,225
Total Cash and Cash Equivalents	\$16,250,230	\$24,609,913	\$603,758	\$41,463,901
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Loss on Retirement of Assets	\$ -	(\$149,842)	\$ -	(\$149,842)

The accompanying notes are an integral part of these financial statements.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

1. Reporting Entity

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, (HRA) is a public agency established pursuant to Minn. Laws 1947, Ch. 487, as codified at Minn. Stat. Ch. 469, to undertake urban renewal programs. These programs strive to redevelop the residential, commercial, and industrial areas of the City of Saint Paul (City) and to provide adequate jobs, a sound fiscal base, and a variety of affordable housing for City residents. The HRA is governed by a seven-member Board of Commissioners consisting of the members of the City Council.

The HRA was reorganized during 1978 and 1979. This reorganization consisted of the following:

- A. The HRA employees became employees of the City (Note 5.G.).
- B. The Public Housing Agency was spun off and became a separate governmental entity.
- C. The HRA and the City entered into an agreement, effective January 1, 1979, whereby the City agreed to perform administrative and accounting services for the HRA.

The HRA, for financial reporting purposes, includes all funds for which the HRA is financially accountable. Financial accountability was determined on the basis of selection of the governing body, ability to impose will, a financial benefit/burden relationship, and fiscal dependency including approval of budgets, tax levies, and bonded debt issuance. In applying the above financial accountability criteria, it has been determined that there is a component unit of the HRA.

Also, in applying the financial accountability criteria, it has been determined that the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. The HRA's Board of Commissioners consists of the members of the City Council. The City also has the ability to impose its will on the HRA since City staff are responsible for the day-to-day management of the HRA. The City gives final substantive approval to HRA budgets and HRA tax levies. The financial data of the HRA is blended into the City's Comprehensive Annual Financial Report. Copies of the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018, can be obtained from the Financial Services Office, Accounting Section, 110 City Hall, Saint Paul, Minnesota 55102.

Blended Component Unit

The following component unit has been presented as a blended component unit because the component unit's governing body is the same as the governing body of the Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the HRA has operational responsibility for the component unit.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 1. (Continued)

Penfield Apartments, LLC

Penfield Apartments, LLC is the developer and owner of a 253-unit market rate apartment complex, with structured parking and a grocery store located in the complex. It is a special purpose entity LLC, financed primarily by a HUD guaranteed mortgage, and is wholly owned by a single entity, the HRA. The City of Saint Paul's HRA Board of Commissioners act as the Penfield Apartments, LLC board. The Penfield Apartments were sold on September 22, 2016, and the sales proceeds paid off the mortgages. Separate financial statements since then are not available.

Joint Venture

The Minneapolis/Saint Paul Housing Finance Board (the Board) was established in accordance with a Joint Powers Agreement entered into between the HRA and the former Minneapolis Community Development Agency (MCDA), and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The governing bodies of the HRA and the City of Minneapolis each appoint three of the six members of the Board. The Board was created for the public purpose of providing decent, safe, sanitary, and affordable housing to the residents of the City of Saint Paul and the City of Minneapolis. The powers exercised by the Board include the power to undertake financing programs to implement individual components of the housing plan for each city and to issue revenue bonds to finance such programs. All bonds are special limited obligations of the Board and shall be payable only out of funds specifically pledged for each issue. Total net position at December 31, 2018, was \$8,452,176. The 2018 operations resulted in a decrease of \$95,749 to net position. During 2018, there were no distributions made from the Board to Minneapolis/Saint Paul.

Upon dissolution of the Board, all properties acquired by the Board and any surplus monies shall be distributed to the HRA and the City of Minneapolis in the proportion and otherwise pursuant to directions provided in the related indenture of trust or other bond documents. If properties acquired by the Board and any surplus monies are not traceable to a particular bond issue or the indenture is silent as to distribution of the assets upon discharge of the issue, the assets shall be distributed on the basis of the amount of funds each entity has contributed that would affect those assets. The respective percentage shares of the HRA and the City of Minneapolis in the Board's assets, liabilities, and equity were not determined at December 31, 2018. There has been no investment made by the HRA in the joint venture. Thus, the financial statements do not reflect an equity interest in the joint venture. Complete financial statements of the Board can be obtained from the City of Saint Paul, Department of Planning and Economic Development, 1400 City Hall Annex, 25 West Fourth Street, Saint Paul, Minnesota 55102.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

2. Summary of Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing generally accepted accounting principles (GAAP) for government units through its pronouncements (statements and interpretations). The financial statements of the HRA have been prepared in conformity with GAAP in the United States of America as applied to government units.

A summary of the significant accounting policies follows:

A. Fund Accounting

The HRA's accounting is organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity having its own assets, liabilities, equities, revenues, and expenditures or expenses, as appropriate. Government financial resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All HRA funds are reported as major funds. A description of the funds follows:

Governmental Funds

HRA General Fund - accounts for all financial resources of the HRA, except those accounted for in another fund.

HRA Grants Special Revenue Fund - accounts for specific revenue sources, primarily federal and state grants, which are restricted or committed to expenditure for specified purposes.

HRA Palace Theatre Operations Special Revenue Fund - accounts for Palace Theatre revenues received and transferred to the fund that uses it to repay the Palace Theatre construction debt.

HRA Debt Service Fund - accounts for the financing and payments made on the HRA's long-term general debt.

HRA Tax Increment Capital Projects Fund - accounts for the resources segregated for the purpose of financing capital projects, primarily in Saint Paul's tax increment financing districts.

HRA Development Capital Projects Fund - accounts for multi-year development projects that are locally financed.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.A. (Continued)

Proprietary Funds

HRA Loan Enterprise Fund - accounts for loans issued and services related to housing and business assistance.

HRA Parking Enterprise Fund - accounts for the HRA's parking facility operations that are financed primarily by parking fees.

HRA Penfield Enterprise Fund - accounts for the operations and debt service for the Penfield Apartments. The Penfield Apartments were sold in 2016, but cash is being held until the final water remediation escrow is received.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the activities of the HRA. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and user charges. Interfund transactions within governmental activities and interfund transactions within business-type activities have been removed from these statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers who use services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All HRA funds are considered major funds and are reported as separate columns in the fund financial statements section of the basic financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and contributions are recognized as revenue when eligibility requirements imposed by the provider have been met.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.C. (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues

Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance the expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

Nonexchange Transactions

Derived tax revenue transactions result from assessments imposed by governments on exchange transactions.

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which they were levied to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as deferred inflows of resources and will be recognized as revenue in the fiscal year that they become available. The HRA considers these revenues as available if they are collected within 60 days after year-end.

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and may also establish time requirements. Federal and state grants mandating the HRA perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when the eligibility and time requirements are met, usually when the corresponding HRA expenditure is incurred, using the guidelines of the legal and contractual requirements of the individual programs.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.C. (Continued)

Voluntary nonexchange transactions result from legislative or contractual agreements, such as entitlements and donations. The provider may establish purpose restrictions and eligibility requirements. Revenues are recognized in the year to which they apply according to statute or contract. Contributions from individuals and miscellaneous revenues are also considered voluntary nonexchange transactions and are generally recognized when received in cash because they are usually not measurable until received. Tax credits paid by the state (included in intergovernmental revenue) are recognized as revenue in the fiscal year that they become available. The HRA considers revenues from tax credits paid by the state as available if they are collected within 60 days after year-end.

Exchange Transactions

Exchange transactions include revenues such as interest earned and fees, sales, and services. Interest earned is reported as revenue when it becomes both measurable and available to finance expenditures of the fiscal period. The HRA considers this revenue as available if it is collected within 60 days after year-end. Fees, sales, and services are reported as revenue when received in cash because they are usually not measurable until received.

Expenditures

Expenditures are recorded under the modified accrual method in the accounting period in which the fund liability is incurred, with the exception of principal and interest on general long-term debt, which is recognized when due, and claims and judgments, which are recognized when the obligations are due and payable.

D. Proprietary Fund Financial Statement Presentation

Proprietary funds distinguish operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the HRA Loan Enterprise Fund is the payment of interest from loan recipients and fee revenue from customers who have received loans or grants from the HRA, while the principal operating expenses are administration, bad debts, and loans. The principal operating revenue of the HRA Parking Enterprise Fund is parking fees from parking ramp customers, while the principal operating expenses are parking operation costs, administration, and depreciation on capital assets. All revenues and expenses not meeting these criteria in each fund are reported as non-operating revenues and expenses.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2. (Continued)

E. Cash and Investments

The City maintains a cash and investments pool which is available for use by all HRA funds. Each fund's portion of this pool is displayed in the financial statements within "Cash and Investments with Treasurer." Cash and investments are also maintained by trustees of the HRA under certain revenue bond indentures.

Investments are reported at fair value using a market approach with the exception of non-negotiable investment contracts, certain external investment pools, and money market investments, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less.

Other than certain external investment pools, these exceptions are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer. Investments in certain external investment pools are measured at the net asset value per share provided by the pool. All investment income, including changes in the fair value of investments, is reported as revenue.

For purposes of the Statement of Cash Flows, the proprietary fund's cash equivalents are cash on hand, cash in banks, and highly liquid investments having original maturities (time span from purchase date to maturity date) of three months or less. Included in the classification of cash equivalents are cash and investments with treasurer, cash with fiscal agent, cash and investments with trustees, and restricted cash.

F. Property Taxes

Property tax levies are set by the HRA Board of Commissioners and approved by the City Council in December of each year and certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable assessed property. Taxable assessed property values are established by Ramsey County and reviewed by the State of Minnesota. In determining property taxes, estimated market values are converted to tax capacities based on a statutory rate for each class of property. Property taxes become a lien on taxable property on January 1 in the year of collection and are recorded as receivable by the HRA on that date. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Property tax revenue is recognized in the year for which it is levied. Property taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. In the governmental funds balance sheet, the delinquent taxes receivable are offset by deferred inflows of resources, if not collected within 60 days after year-end, because they are not known to be available to finance current expenditures. In the government-wide financial statements, delinquent taxes receivable are recognized as revenue.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.F. (Continued)

Property tax increments from the tax increment districts listed in Note 4.C. to the financial statements are levied by the City but deposited to HRA funds.

G. Restricted Assets

Certain proceeds of HRA Parking Enterprise Fund revenue and general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. The *revenue bond, and general obligation bond* accounts are used to segregate resources accumulated for debt service payments over the next 12 months. Program income for the HUD Rental Rehab Program is restricted in the HRA Loan Enterprise Fund because it may only be used for affordable housing in accordance with applicable HOME program rules.

H. Loans Receivable

Loans have been issued by the HRA to financially assist private developers in various Saint Paul development projects or to provide housing or commercial rehabilitation financing for Saint Paul property owners. The loans are secured by property mortgages. Loans receivable are reported as an asset in the amount of loan proceeds, less collections on principal. An allowance for uncollectible loans, which offsets the total gross loans receivable, is recognized for the amount of loans receivable for which collection is doubtful or questionable. This allowance is based on an analysis of credit risk and payment delinquency. Interest earned on the loans is recognized as revenue. In governmental funds, the revenue from net loans receivable is not currently available and is reported as deferred inflows of resources, and revenues are recognized when principal payments are received. Unavailable revenue is eliminated when converting the governmental funds balance sheet to the governmental activities column on the Statement of Net Position. In the HRA Loan Enterprise Fund, unearned revenue is reported on the proprietary funds Statement of Net Position for grant-funded net loans receivable, and revenues are recognized when principal payments are received. In the HRA Parking Enterprise Fund, there is no unearned revenue reported on the proprietary funds Statement of Net Position and revenues are recognized when loans are receivable and allowances are recorded.

I. Land Held for Resale

Land is acquired by the HRA for subsequent resale for redevelopment purposes and not as an investment program. In order to entice development, the land is often resold at prices substantially lower than the HRA's cost. Land Held for Resale is reported as an asset at the net realizable value for all assets acquired before 2009 and at cost of purchase for all assets purchased after 2009 in the fund which acquired it. In governmental funds, land acquired is reported as an expenditure in the amount of the acquisition cost and as revenue for the same amount. When the land is subsequently sold, revenue is recognized for the sale amount. In the

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.I. (Continued)

government-wide financial statements, a write-down of the land to market value is reported as an expense.

J. Leases Receivable

The HRA, as the lessor, entered into a lease agreement with the City of Saint Paul during the year ended December 31, 2009, through which the HRA is leasing certain improvements made to the RiverCentre Parking Ramp. The cost of the improvements was financed by the HRA through the issuance of the RiverCentre Parking Facility Lease Revenue Bonds, Note Series 2009. The lease is reported as a direct financing lease since the HRA has transferred substantially all of the risks and benefits of ownership of the improvements to the City, and the HRA is financing an in-substance purchase of the improvements by the City. Under the lease, the City has an option to purchase the improvements at any time prior to the expiration of the lease for the amount of any remaining outstanding bonds plus \$1.

The present value of the total lease payments to be received under the lease agreement is recognized as leases receivable in the HRA Debt Service Fund. Deferred inflows of resources in an amount equal to the leases receivable is also reported in the HRA Debt Service Fund since none of the receivable is considered to be available to finance expenditures of the current period. In the government-wide financial statements, this deferred inflows of resources is eliminated when converting the governmental funds balance sheet to the governmental activities column on the Statement of Net Position.

K. Capital Assets

Capital assets, which include land, buildings, pedestrian skyway bridges, parking ramp structures and parking lots, equipment, and construction in progress are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the applicable proprietary fund financial statements. Capital assets are not reported on the governmental funds balance sheet. All capital assets are reported at cost if purchased or constructed, or at acquisition value if received as a gift or contribution. The reported amount of the capital assets is not reflective of the current value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress is not depreciated. The equipment is depreciated over a three-year to 15-year useful life. The parking lots are depreciated over a 15-year useful life. Buildings, parking ramps, and pedestrian skyway bridges are depreciated over a 30-year or 40-year useful life. The depreciation method used is straight-line.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.K. (Continued)

Capital assets are defined by the HRA as assets with an estimated useful life in excess of two years and individual cost exceeding the following thresholds:

Land	any amount
Equipment	\$ 5,000
Buildings	50,000
Parking ramps	20,000
Pedestrian skyway bridges	20,000

L. Unearned Revenues

Unearned revenue arises when resources are received by the HRA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the HRA has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. This is true for both the government-wide and the fund financial statements.

M. Long-Term Liabilities

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund Statements of Net Position. Bond discounts and premiums, are deferred and amortized over the life of the bonds using the straight-line interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond discounts and premiums during the current period. The face amount of debt is reported as other financing sources for governmental funds. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The HRA has deferred outflows for refundings of debt that qualify for reporting in this category in the business-type activities and proprietary fund Statement of Net Position. This deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.N. (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The HRA has the following items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, *various unavailable revenues*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from seven sources: property tax levy and increments, investment interest receivable, operating grants, accounts receivable, note and loans receivable, and lease receivable. These amounts are recognized as an inflow of resources in the period that the amounts become available. The HRA also has deferred inflows for refundings of debt that qualify for reporting in this category in the business-type activities and proprietary fund Statement of Net Position. This deferred inflow on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

O. Net Position

In the government-wide financial statements and the proprietary fund financial statements, net position includes three components. First is the amount for Net Investment in Capital Assets. Second, restricted net position reports amounts that have restrictions imposed by parties outside the HRA (such as creditors, grantors, or federal or state laws). Finally, the difference between total net position and the first two components is unrestricted net position.

When both restricted and unrestricted resources are available for use, it is the HRA's policy to use restricted resources first, if legally permissible, then unrestricted resources as they are needed.

P. Fund Balances - Governmental Fund Financial Statements

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts to be spent for specific purposes as determined by enabling legislation or imposed by grantors or debt covenants; used before unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a board resolution of the HRA Board of Commissioners. Once the resolution is passed, the limitation imposed by the resolution remains in place until the HRA Board of Commissioners passes a resolution removing or revising the limitation, or the specific fund balance amount is spent. The HRA Board of Commissioners is the highest level of decision-making authority for the HRA.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 2.P. (Continued)

Amounts in the assigned fund balance classification are intended to be used by the HRA for HRA spending purposes but do not meet the criteria to be classified as committed. The HRA Board of Commissioners has assigned fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments may be removed without an additional resolution being passed.

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. When any combination of committed, assigned, and unassigned resources are available for use, it is the HRA's policy to use committed resources first, then assigned, then unassigned resources as needed.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers. Transfers between governmental funds and transfers between proprietary funds are eliminated in the government-wide financial statements.

R. Special Item

The HRA entered into an option to purchase agreement dated November 1, 1997 with Principal Mutual Life Insurance Company (Principal) that granted Principal the option to purchase the World Trade Center Parking Ramp. In 2018, Principal assigned this option to St. Paul Tower, L.P., WF Tower Holdings, LP, Overland W.F.P.-1, L.P., and Overland W.F.P.-2, L.P. (collectively "WFP"). The HRA subsequently entered into a settlement agreement with WFP on November 20, 2018. This settlement agreement required the HRA to pay \$3.3 million to retain ownership of the World Trade Center Parking Ramp.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

3. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the Government-wide Statement of Net Position.

The third element of that reconciliation explains that “long-term liabilities, including bonds, notes, and advances payable, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this (\$56,638,879) difference are as follows:

Governmental activities premium on bonds payable	\$ (753,566)
Governmental activities net bonds payable	(35,014,000)
Governmental activities notes payable	(10,954,596)
Governmental activities advances from other governments	(9,326,023)
Accrued interest payable	<u>(590,694)</u>
 Net Adjustment to Decrease Fund Balance - Total	
Governmental Funds to Arrive at Net Position -	
Governmental Activities	<u>\$ (56,638,879)</u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities.

The third element of that reconciliation explains that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is issued, whereas, these amounts are amortized in the Statement of Activities”. The details of this \$3,581,448 difference are as follows:

2018 amortization of premium	\$ 82,191
2018 principal payments on bonds	2,570,000
2018 principal payments on notes	895,280
2018 principal payments on advances	<u>33,977</u>
 Net Adjustment to Increase Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u>\$ 3,581,448</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 3.B. (Continued)

The fourth element of that reconciliation explains that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds”. The details of this \$177,411 difference are as follows:

Accrued interest on bonds:	
At December 31, 2017	\$ 632,806
At December 31, 2018	(583,895)
Accrued interest on notes:	
At December 31, 2017	26,299
At December 31, 2018	(6,799)
Pollution remediation obligation	<u>109,000</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ 177,411</u>

4. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

The HRA followed these procedures in establishing the 2018 budget:

The Executive Director presented a proposed budget to the HRA Board of Commissioners for the fiscal year commencing the following January 1, 2018. This budget included proposed expenditures and other uses and the means of financing them. Upon approval by the HRA Board, the Executive Director submitted the budget to the Mayor of the City of Saint Paul who submitted this budget to the City Council for consideration, approval, and certification. All budget amendments that authorize an increase in total fund spending require approval by the HRA Board of Commissioners. Amendments transferring budgeted amounts between cost centers within the same fund require administrative approval by the HRA Executive Director and the City Office of Financial Services Director. HRA Board approval is required for budget amendments transferring greater than \$100,000 of budget amounts between cost centers in the HRA Development Capital Projects Fund.

All annual governmental fund budgets are adopted on a basis consistent with GAAP. Multi-year governmental fund budgets are utilized in the grants special revenue fund and the capital projects funds.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 4.A. (Continued)

Unexpended appropriation balances lapse at the end of the fiscal year in the annual operating budgets. Unexpended appropriation balances do not lapse at the end of the fiscal year in the multi-year budgets.

Encumbrance accounting, under which purchase orders are recorded, is used. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end were not reported as expenditures or liabilities in the financial statements. The encumbrances are reappropriated and honored in the subsequent year.

Formal automated budgetary integration is employed as a management control device during the year. The legal level of budgetary control (that is, the level at which expenditures and other financing uses cannot legally exceed the appropriated amount) is at the fund level. Appropriations are controlled administratively at the project/activity level within multi-year budgeted funds. Governmental and proprietary funds with annually adopted budgets are controlled administratively at the accounting unit level and within the following major object levels of expenditure: debt service, services and supplies, equipment, and transfers out. Management is authorized to spend within the above stated administration limits without an HRA Board approved budget amendment or a budget amendment approved by the HRA Executive Director and the City Office of Financial Services Director.

Spending budgets are controlled by encumbering requisitions and purchase orders. Encumbering instruments which exceed available appropriations are not authorized until additional appropriations are made available. There were no significant encumbrances for the annually budgeted funds at the end of 2018.

B. General Obligation Bonds Issued by the City of Saint Paul for HRA Programs

During 1998, the City of Saint Paul issued Block 39 Tax Increment General Obligation Bonds, Series 1998A and Series 1998B, in the amount of \$21,255,000 and \$18,745,000, respectively. Proceeds from the Series 1998A and Series 1998B were used to finance the acquisition of Block 39 properties in the downtown area and to construct a parking facility and retail space. During 2009, the City issued the Block 39 Tax Increment Refunding Bonds, Series 2009G and 2009H, in the amount of \$20,695,000 and \$8,655,000, respectively, which refunded the 1998 Bonds. The final scheduled debt service payments were made in 2015 for the Series 2009H bonds. During 2018, the City issued Block 39 Tax Increment Refunding Bond, Series 2018C, in the amount of \$13,175,000, which refunded the 2009G Bond. The bonds have a City general obligation pledge but are to be retired using tax increments from the HRA's Block 39 Lawson/Arena District and revenues from the parking facility. The outstanding Series 2018C bonds are reported as a liability in the HRA Parking Enterprise Fund and in the business-type activities column of the HRA's Government-wide Statement of Net Position (Note 5.F.).

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 4.B. (Continued)

In March 2010, the City of Saint Paul issued Koch Mobil Tax Increment Refunding Bonds, Series 2010A, in the amount of \$2,670,000. The proceeds of the 2010 bonds were used to currently refund Koch Mobil Tax Increment Bonds, Series 2007B. The bonds are to be retired using HRA tax increment revenue from the Koch Mobil Tax Increment District. The City has issued a general obligation pledge on the 2010 bonds. The outstanding Series 2010A bonds are reported as a liability in the governmental activities column of the HRA's Government-wide Statement of Net Position (Note 5.F.).

In August 2011, the City of Saint Paul issued US Bank Tax Increment Refunding Bonds, Series 2011F and 2011G, in the amount of \$3,060,000 and \$8,870,000, respectively, which refunded the 2001 bonds. The bonds have a City general obligation pledge but are to be retired using tax increments from the HRA's US Bank Riverfront Renaissance District. The final scheduled debt service payments were made in 2015 for the Series 2011F bonds. The outstanding Series 2011G bonds are reported as a liability in the governmental activities column of the HRA's Government-wide Statement of Net Position (Note 5.F.).

C. Tax Increment Financing Districts

Pursuant to state law, the following tax increment financing districts have been established in Saint Paul and are administered by the HRA.

District Number	District	Year Established	Duration of District	Outstanding Long-Term Debt (Including Advances)
83	Spruce Tree Centre/Metz Bakery Area	1987	26 years	\$ -
87	Riverfront	1987	26 years	-
100	Neighborhood Business Development - Scattered Sites	1988	26 years	-
135	Snelling - University	1990	26 years	-
193	Hubbard Site	1997	26 years	-
194	1919 University	1997	26 years	-
212	Block 4 Minnesota Mutual	1997	26 years	1,019,178
213	Block 39 Lawson/Arena	1997	26 years	13,175,000
215	Superior Street Cottages	1998	26 years	10,000
224	North Quadrant Phase 1 - Essex	2000	26 years	770,000
225	Riverfront Renaissance-Upper Landing	2001	26 years	13,461,539
228	Emerald Park – Emerald Gardens	2002	26 years	4,780,000
232	Straus Building	2002	26 years	-
233	North Quadrant Expansion 1 - Dakota	2003	26 years	929,000
234	Phalen Village	2001	26 years	-
236	J. J. Hill	2001	26 years	2,476,000
237	Osceola Park	2002	26 years	-
240	Bridgescreek Senior Place	2003	26 years	-

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 4.C. (Continued)

District Number	District	Year Established	Duration of District	Outstanding Long-Term Debt (Including Advances)
241	North Quadrant Phase 2	2004	26 years	890,000
243	Shepard - Davern Owner Occupied	2003	26 years	-
245	Shepard - Davern Senior Rental	2003	26 years	-
248	Koch Mobil	2004	26 years	3,913,384
257	Payne Phalen	2005	26 years	-
260	North Quadrant - Sibley	2006	26 years	-
261	Riverfront Renaissance - US Bank	2006	26 years	7,120,000
262	Riverfront Renaissance - Drake Marble	2006	26 years	669,000
263	Riverfront Renaissance - Uncommitted	2006	26 years	1,695,446
264	Riverfront Renaissance - Llewellyn	2006	26 years	30,692
265	Riverfront Renaissance - HRA	2006	26 years	-
266	Emerald Park - Metro	2006	26 years	-
267	Emerald Park - Berry	2006	26 years	-
268	North Quadrant Expansion 1 - Sibley	2006	26 years	-
269	Phalen - Rose Hill	2006	26 years	-
271	Carlton Lofts	2007	26 years	-
278	Highland Pointe Lofts	2007	26 years	-
279	Minnesota Building	2010	26 years	-
281	2700 The Avenue	2008	26 years	-
282	Minnesota Events District	2009	26 years	-
291	Carondelet Village	2011	26 years	-
299	Cossetta Project	2011	9 years	-
301	Penfield	2012	26 years	-
302	Pioneer – Endicott	2012	26 years	-
304	Schmidt Brewery	2012	26 years	5,259
305	West Side Flats	2014	26 years	-
313	Hamline Station East	2014	26 years	17,192
314	Hamline Station West	2014	26 years	34,842
317	Custom House/Post Office	2014	26 years	-
318	East 7 th Bates Senior Housing	2014	26 years	57,058
319	2700 University at Gateway Station	2014	26 years	94,686
322	Ford Site	2016	26 years	66,245
324	Wilson II Housing Project	2016	26 years	50,643
325	Schmidt Keg House Project	2015	26 years	65,700
Total Outstanding at December 31, 2018				<u>\$ 51,330,864</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 4.C. (Continued)

Total tax capacity amounts and tax increment revenue for these districts in 2018 are as follows:

Current tax capacity (assessed in 2017, payable in 2018)	\$ 24,444,434
Captured tax capacity retained by the HRA	20,621,394
Total tax increment revenue in 2018 (includes developer shortfall if any)	25,806,507
Total delinquent tax increment receivable at December 31, 2018	94,359

D. Conduit Debt Obligations

The HRA has issued Commercial/Industrial Development, Homeownership Mortgage, and Rental Housing Revenue Bonds to assist developers, businesses, and low-to moderate-income homeowners in projects which improve the economic and housing conditions of the City. The bonds are secured by the financed property and are payable solely from the revenues of the individual commercial/industrial or housing projects. The bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Conduit bonds issued subsequent to January 1, 1996, have an outstanding principal balance of \$2 billion at December 31, 2018. The aggregate principal amount payable for conduit bonds issued prior to January 1, 1996, could not be determined; however, their original issue amounts totaled \$2.9 billion. There were 185 conduit bonds issued prior to January 1, 1996, and 167 conduit bonds issued subsequent to January 1, 1996.

E. Deficit - Net Position of Governmental Activities

On the Government-wide Statement of Net Position, the HRA is reporting a negative unrestricted net position of \$22,045,766 but is reporting an overall positive net position of \$35,206,310. The individual governmental funds which form a part of the governmental activities all have positive fund balances. The deficit was created with the addition of long-term debt to the government-wide governmental activities. The HRA issues long-term debt for development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. The debt is to be retired with future revenues, such as property tax increments or sales taxes. (See Notes 3.A. and 5.F.)

5. Detailed Notes on All Funds

A. Deposits and Investments

Through agreement with the City, the HRA deposit and investment functions are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to the HRA's portfolio of deposits and investments.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.A. (Continued)

(1) Deposits

Minn. Stat. § 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution’s banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated “A” or better, revenue obligations rated “AA” or better, irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. All pledged collateral is held in the City’s name at third party institutions.

The following table represents the HRA’s deposits balances at December 31, 2018:

Deposits:	
City cash and investment pool	\$ 97,817,599
Parking ramp	1,105,505
Cash with trustees	71
Total deposits	<u>\$ 98,923,175</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the HRA’s deposits may not be returned to it. The City is authorized to use only those financial institutions that have been approved by the City Council. The HRA’s deposits at December 31, 2018 consist of parking ramp checking and money market accounts, and trustee cash. The HRA deposits also consist of the City cash and investment pool.

(2) Investments

Minn. Stat. § 118A.04 and 118A.05 generally authorize the following types of investments as available to the HRA:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, sub. 6;

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.A.(2) (Continued)

- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

In addition, under Minn. Stat. § 469.012, the HRA can invest funds in properties or securities in which savings banks may legally invest funds which provides broad investment authority.

The City Council has adopted an investment policy, dated July 9, 2003, which provides requirements and guidelines for the following:

- Authority and responsibility;
- Administrative and review procedures;
- Credit risk, interest rate risk, liquidity return, and avoidance of loss;
- Investments in special programs and projects;
- Short term and longer term investments; and
- Investment manager selection and termination.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City minimizes its exposure to interest rate risk by investing in both shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City has established maximum guidelines for investment duration.

Credit Risk - Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy is that each portfolio must be invested in compliance with State of Minnesota Statute 118A. This statute governs which securities and with what credit ratings the City can hold in its portfolio and requires a broker certification annually from all

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.A.(2) (Continued)

brokers stating that they have read the City policy and will remain compliant with the statute.

Custodial Credit Risk - Investments

The custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of an investment or collateral securities that are in possession of an outside party. According to City policy, all securities purchased are held by a third-party safekeeping agent appointed as custodian (US Bank) who is also the lending agent/counterparty. Certificates of Deposit and select securities purchased from the City of St. Paul may be kept in the City's safe. The securities lending agreement, although the program is suspended, is still in place between the City and its custodian.

The City has no custodial credit risk for investments at December 31, 2018.

Concentration of Credit Risk

The concentration of credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes its credit risk by investing primarily in U.S. government backed securities. In accordance with the City's investment policy, the taxable municipal general obligation bonds are rated A or higher and the taxable municipal revenue bonds are rated AA or higher. The U.S. Agencies that are not explicitly guaranteed by the U.S. Government are rated Aaa.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.A.(2) (Continued)

The following table represents the HRA's investment balances at December 31, 2018, and information relating to potential investment risks:

	Credit Risk		Investment Maturities in Years	Carrying Amount at Fair Value	Percentage of Fair Value Per Issuer
	Credit Rating	Rating Agency			
Negotiable Certificates of Deposit:					
Highland Bank Certificate of Deposit	N/R	N/A	less than 1	\$ 606,288	0.6%
Money Market Mutual Funds:					
First American Government Obligations Fund Class D	AAAm	Standard & Poor's	less than 1	1,697,662	1.8%
First American Government Treasury Obligations Fund Class Y	AAAm	Standard & Poor's	less than 1	331,636	0.3%
US Bank Money Market Account 5-ct	A-1+	Standard & Poor's	less than 1	894,355	0.9%
Wells Fargo Advantage 100% Treasuries Fund	AAAm	Standard & Poor's	less than 1	879,820	0.9%
Total Investments Held Outside the City				\$ 4,409,761	
HRA funds invested with the City's investment pool				93,407,838	95.5%
Total Investments				\$ 97,817,599	100.0%
Deposits:					
Parking ramp checking and money market accounts				\$ 1,105,505	
Trustee cash				71	
Total Deposits				\$ 1,105,576	
Total Deposits and Investments				\$ 98,923,175	

N/A - Not Applicable

N/R - Not Rated

(3) Reconciliation

The above amounts of deposits and investments in Note 5.A.(1) and Note 5.A.(2), respectively, reconcile to the Government-wide Statement of Net Position as follows:

Cash and Investments with Treasurer	\$ 89,068,047
Cash with Fiscal Agents	1,105,505
Cash and Investments with Trustees	4,409,832
Restricted Cash and Investments for General Obligation Bond Debt Service	1,910,266
Restricted Cash and Investments for Revenue Bond Debt Service	2,179,225
Restricted Cash and Investments for Note Debt Service	250,300
Total Deposits and Investments	\$ 98,923,175

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.A.(Continued)

(4) Net Increase (Decrease) in the Fair Value of Investments

All investment income, including changes in the fair value of investments, is reported as revenue on the operating statements of both governmental and proprietary funds. The calculation of realized gains and losses from the sale of investments is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The decrease in the fair value of investments during 2018 was \$579,069. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at December 31, 2018, was \$1,029,144.

(5) Fair Value Measurement

The HRA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are not observable. The HRA's investments at year end are all valued at the Net Asset Value (NAV) rather than at the defined level.

The HRA invests in money market funds for the benefit of liquid investments that can be readily re-invested. Money market funds held by the HRA seek a constant NAV of \$1.00 per share. The investments are used primarily for debt service. The HRA also has a money market fund for homeownership loans issued through the joint venture with the Minneapolis/Saint Paul Housing Finance Agency.

The HRA invests funds in the City of Saint Paul investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. The HRA invests in this pool for the purpose of joint investment with the City in order to enhance investment earnings. There are no redemption limitations.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5. (Continued)

B. Loans Receivable

Loans receivable are reported as assets in the following funds at December 31, 2018 (net of allowances):

HRA General Fund	\$ 10,609
HRA Tax Increment Capital Projects Fund	884,656
HRA Development Capital Projects Fund	189,616
HRA Loan Enterprise Fund	3,265,028
HRA Parking Enterprise Fund	<u>436,250</u>
 Total All Funds	 <u>\$ 4,786,159</u>

Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable in the total amount of \$40,446,897 at December 31, 2018. During 2018, loans determined to be uncollectible or forgiven were written-off the books in the amount of \$173,824, net of allowance.

Changes in total gross loans receivable, allowances for uncollectible loans, and accrued interest receivable on loans for 2018 are shown below.

Total gross loans receivable - January 1, 2018	\$ 48,012,114
Loans issued	1,612,589
Principal payments received	(1,406,768)
Loans forgiven and written-off	<u>(2,984,879)</u>
 Total Gross Loans Receivable - December 31, 2018	 <u>\$ 45,233,056</u>
 Less: allowance for uncollectible loans - January 1, 2018	 42,627,502
Loans issued allowance	1,240,292
Allowances adjusted for principal payments received	(232,211)
Allowances adjusted for valuation	(377,631)
Loans forgiven and written-off	<u>(2,811,055)</u>
 Total Allowance for Uncollectible Loans - December 31, 2018	 <u>40,446,897</u>
 Net Loans Receivable - December 31, 2018	 <u>\$ 4,786,159</u>
 Accrued Interest Receivable on Loans - December 31, 2018 (Net of Allowance)	 <u>\$ 588,889</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.B. (Continued)

At December 31, 2018, future minimum principal and interest payments to be received under the loan agreements for the next ten years are as follows:

2019	\$ 1,122,658
2020	1,161,518
2021	4,439,716
2022	1,017,796
2023	824,768
2024 - 2028	<u>3,819,409</u>
Total	<u>\$ 12,385,865</u>

During 2006, the HRA entered into an agreement with the City to sell a loan receivable from The Science Museum of Minnesota (SM). The SM loan was sold for \$2,400,000 and had a principal balance of \$4,000,000 at the time of sale which resulted in a loss on the sale of \$1,600,000. The \$2,400,000 in sale proceeds was used by the HRA to repay Ramsey County relating to the final closeout of the West Midway Tax Increment Financing District. Also, as part of the loan sale agreement, the HRA was obligated to advance to the City an amount of \$860,000 in installments from 2006 through 2010. The City is to repay this advance, together with 5% interest, in installments from 2011 through 2021. In 2011, the City began repayment of the advance, with a payment of \$87,475 including interest.

C. Land Held for Resale

Land held for resale is reported in the following funds as an asset at December 31, 2018:

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
HRA General Fund	\$ 325,236	\$ -	\$ -	\$ 325,236
HRA Tax Increment Capital Projects Fund	982,328	-	-	982,328
HRA Development Capital Projects Fund	965,967	-	72,900	893,067
HRA Loan Enterprise Fund	<u>4,125,142</u>	<u>-</u>	<u>59,400</u>	<u>4,065,742</u>
Total All Funds	<u>\$ 6,398,673</u>	<u>\$ -</u>	<u>\$ 132,300</u>	<u>\$ 6,266,373</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5. (Continued)

D. Leases Receivable

As described in Note 2.J., the HRA entered into direct financing leases with the City during the year ended December 31, 2009.

The City is obligated under the RiverCentre Parking Facility Improvement Lease to make lease payments through 2024, which are to be used by the HRA to finance debt service payments on its RiverCentre Parking Facility Lease Revenue Bonds, Series 2009. The City of Saint Paul has approved a debt capital management plan which includes the amounts needed to make the lease payments through 2024.

The following is a summary of the leases receivable for the year ended December 31, 2018:

Year Ending December 31	RiverCentre Parking Facility Improvement Lease
2019	\$ 608,798
2020	606,716
2021	606,424
2022	607,822
2023	607,617
2024	<u>304,050</u>
Total	<u>\$ 3,341,427</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.E. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Balance January 1, 2018	Increase	Decrease	Balance December 31, 2018
Land (not depreciated)	\$ 3,042,169	\$ -	\$ -	\$ 3,042,169
Construction in progress (not depreciated)	-	20,800	-	20,800
Buildings	29,874,383	-	-	29,874,383
Pedestrian skyway bridges	12,931,967	-	-	12,931,967
Total at historical cost	45,848,519	20,800	-	45,869,319
Less: accumulated depreciation				
Buildings	(4,535,438)	(875,922)	-	(5,411,360)
Pedestrian skyway bridges	(10,330,677)	(305,069)	-	(10,635,746)
Total accumulated depreciation	(14,866,115)	(1,180,991)	-	(16,047,106)
Total Governmental Activities Capital Assets – Net	\$ 30,982,404	\$ (1,160,191)	\$ -	\$ 29,822,213

Business-type Activities	Balance January 1, 2018	Increase	Decrease	Balance December 31, 2018
Land (not depreciated)	\$ 27,247,487	\$ -	\$ -	\$ 27,247,487
Construction in progress (not depreciated)	197,547	120,500	197,547	120,500
Parking Ramps	107,759,241	526,758	292,813	107,993,186
Buildings	1,459,765	534,107	-	1,993,872
Equipment	2,944,178	281,941	55,134	3,170,985
Total at historical cost	139,608,218	1,463,306	545,494	140,526,030
Less: accumulated depreciation				
Parking Ramps	\$ (56,007,800)	\$ (2,758,477)	\$ (159,666)	\$ (58,606,611)
Buildings	(346,058)	(102,872)	-	(448,930)
Equipment	(1,726,937)	(377,688)	(38,438)	(2,066,187)
Total accumulated depreciation	(58,080,795)	(3,239,037)	(198,104)	(61,121,728)
Total Business-type Activities Capital Assets – Net	\$ 81,527,423	\$ (1,775,731)	\$ 347,390	\$ 79,404,302

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.E. (Continued)

Depreciation expense for 2018 was charged to functions/programs as follows:

Governmental Activities		
Housing and economic development	\$	<u>1,180,991</u>
Business-type Activities		
Parking operations	\$	<u>3,239,037</u>

F. Long-Term Debt

Long-term debt consists of bonds payable, notes payable, and advances from other governments. This debt has been issued for both governmental and business-type activities. Governmental activity debt has been issued to provide financing for housing and economic development programs and projects. Business-type debt was issued to finance the construction of parking facilities and development projects.

(1) Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Balance January 1, 2018	Increase	Decrease	Balance December 31, 2018	Due Within One Year
Bonds payable					
Tax increment bonds	\$ 33,979,000	\$ -	\$ 2,115,000	\$ 31,864,000	\$ 1,918,000
Lease revenue bonds	3,605,000	-	455,000	3,150,000	475,000
Add: unamortized premium on lease revenue bonds	91,375	-	14,240	77,135	-
Add: unamortized premium on tax increment bonds	744,382	-	67,951	676,431	-
Total bonds payable	<u>38,419,757</u>	<u>-</u>	<u>2,652,191</u>	<u>35,767,566</u>	<u>2,393,000</u>
Notes payable	11,849,876	-	895,280	10,954,596	233,128
Advances from other government	<u>9,360,000</u>	<u>-</u>	<u>33,977</u>	<u>9,326,023</u>	<u>-</u>
Total Governmental Activities Long-Term Debt	<u>\$ 59,629,633</u>	<u>\$ -</u>	<u>\$ 3,581,448</u>	<u>\$ 56,048,185</u>	<u>\$ 2,626,128</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F.(1) (Continued)

Business-type Activities	Balance January 1, 2018	Increase	Decrease	Balance December 31, 2018	Due Within One Year
Bonds payable					
Parking revenue bonds	\$ 28,945,000	\$ -	\$ 1,325,000	\$ 27,620,000	\$ 1,185,000
Tax increment - parking bonds	16,350,000	13,175,000	16,350,000	13,175,000	1,485,000
Add: unamortized premium on tax increment bonds	385,108	1,241,840	479,724	1,147,224	-
Add: unamortized premium on parking revenue bonds	1,539,634	-	87,562	1,452,072	-
Total bonds payable	47,219,742	14,416,840	18,242,286	43,394,296	2,670,000
Notes payable					
LAAND Initiative loans	1,580,000	-	-	1,580,000	-
Housing 5000 Program loan	2,300,000	-	93,856	2,206,144	95,777
Total notes payable	3,880,000	-	93,856	3,786,144	95,777
Total Business-type Activities Long-Term Debt	\$ 51,099,742	\$ 14,416,840	\$ 18,336,142	\$ 47,180,440	\$ 2,765,777

A long-term advance of \$9,360,000 was received from the City in 2016 for construction of the Palace Theatre. Interest at 3 % per annum commences on the beginning of the 3rd year of the operating use agreement. The HRA is to repay the advance only from and to the extent that operating revenues are collected by the HRA, with payments applied to interest first. Annual operating revenues to be received are unknown and therefore, future payments for this advance are not included with the annual requirements schedule for governmental activity.

All 2018 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

In November 2013, a loan agreement, with a revolving line of credit, was executed between the Saint Paul Foundation (Foundation) and the HRA whereby the Foundation has made available funds in the amount of \$2,500,000 to the HRA for use in its major housing initiative, the Housing 5000 Program. Any of the funds advanced under the loan agreement to the HRA by the Foundation are to be used solely for developer loans on approved housing projects. The agreement was amended in March 2016 to provide up to \$2,300,000 in loans for the Model Cities Brownstone project. The HRA is to repay the principal amount of the advances to the Foundation as the developer loans are repaid to the HRA. Simple interest of 1% on the outstanding Foundation advances is payable on each December 31 starting with 2016. December 1, 2026, is the final maturity date under the loan agreement.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F.(1) (Continued)

On May 16, 2018, the HRA issued General Obligation Tax Increment Refunding Bonds, Series 2018C in the amount of \$13,175,000. The proceeds were used to current refund the General Obligation Tax Increment Refunding Bonds, Series 2009G. The difference between the reacquisition price and the net carrying amount of the refunded debt was (\$366,672), resulting in deferred inflows of resources in the HRA Parking Enterprise Fund. The net present value benefit savings of refunding the Series 2009G bonds was \$521,267. The refunding resulted in an economic gain of \$723,142 over the life of the Series 2018C bond.

(2) Description of Bonds, Notes, Advances, and Sources for Retirement

Governmental Activities

The governmental activity long-term debt, represented by the Tax Increment Bonds, Lease Revenue Bonds, long-term notes, and advances from other governments, are not general obligations of the HRA, are not backed by the full faith and credit of the HRA, and are to be retired through specific revenue sources. Under Minn. Stat. § 469.034, the HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Tax increments, lease payments, and advances are pledged under the respective bond covenants. Debt service payments have been made on the bonds, notes, and advances using the designated financing sources. The City has issued a general obligation pledge on the Koch Mobil Tax Increment Refunding Bonds, Series 2010A and the US Bank Tax Increment Bonds, Series 2011G. The governmental activity bonds and notes are serviced by the HRA Debt Service Fund. The governmental activity advances are serviced by the fund that received the advance. A listing of the governmental activity bonds, notes and advances at December 31, 2018, follows on the next page:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F.(2) (Continued)

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2018
North Quadrant Tax Increment Refunding Bonds, Series 2002	North Quadrant District Tax Increments	7.50	\$ 1,089,000	\$ 770,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	North Quadrant District Tax Increments	7.00	1,140,000	929,000
Drake Marble Tax Increment Bonds, Series 2002	Riverfront Renaissance District Tax Increments	6.75	1,800,000	669,000
9th Street Lofts Tax Increment Bonds, Series 2004	9th Street Lofts District Tax Increments	6.375	1,335,000	890,000
Great Northern Lofts (JJ Hill) Tax Increment Bonds, Series 2004	JJ Hill District Tax Increments	6.25	3,660,000	2,476,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2009	Lease Payments from the City of Saint Paul	3.00 - 4.50	6,790,000	3,150,000
Koch Mobil Tax Increment Refunding Bonds, Series 2010A	Koch Mobil District Tax Increments	2.00 - 4.00	2,670,000	1,805,000
Emerald Gardens Tax-Exempt Tax Increment Revenue Bonds, Series 2010	Emerald Gardens District Tax Increments	5.00 - 6.50	6,595,000	4,780,000
US Bank Tax Increment Refunding Bonds, Series 2011G	Riverfront Renaissance District Tax Increments	2.00 - 4.00	8,870,000	7,120,000
Upper Landing Tax Increment Refunding Bonds, Series 2012	Riverfront Renaissance District Tax Increments	5.00	15,790,000	12,425,000
HUD Section 108 Note, Series 2003-A	EDI Grant, Port Authority	5.20	3,300,000	-
Catholic Charities Midway Residence POPSHP Loan	Forgiven after 20 years of compliance	0.00	10,599,852	10,599,852
Upper Landing Tax Increment Revenue Note, Series 2008	Upper Landing District Tax Increments	5.75	2,019,087	354,744
Palace Theatre Revenue Advance	Palace Theatre operating revenue received by the HRA	3.00	9,360,000	9,326,023
Total Governmental Activities Long-Term Debt			\$ 75,017,939	\$ 55,294,619

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F.(2) (Continued)

Business-type Activities

The business-type activity long-term debt is reported in the HRA Parking Enterprise Fund and the HRA Loan Enterprise Fund where specific fund revenues are used to service the debt. A listing of the business-type bonds and notes at December 31, 2018, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2018
Block 39 Tax Increment Refunding Bonds, Series 2009G	Block 39 District Tax Increments Block 39 Parking Revenues	3.00 - 4.00	\$ 20,695,000	\$ -
Parking Revenue Refunding Bonds, Series 2017A (Tax Exempt)	HRA Parking Revenues	3.00 - 5.00	26,315,000	26,315,000
Parking Revenue Refunding Bonds, Series 2017B (Taxable)	HRA Parking Revenues	1.00 - 3.00	2,630,000	1,305,000
Block 39 Tax Increment Refunding Bonds, Series 2018C	Block 39 District Tax Increments Block 39 District Parking Revenues	3.00 - 5.00	13,175,000	13,175,000
LAAND Initiative Loan	Land Sales Proceeds	0.00	1,000,000	1,000,000
LAAND Initiative Loan	Land Sales Proceeds	0.00	580,000	580,000
Housing 5000 Program Loan	Model Cities Brownstone	1.00	2,300,000	2,206,144
Total Business-type Activities Long-Term Debt			\$ 66,695,000	\$ 44,581,144

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F. (Continued)

(3) Annual Requirements – Principal and Interest on Long-Term Debt

Annual principal and interest debt service requirements for governmental activity long-term debt are as follows:

Year Ending December 31	Tax Increment Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 1,918,000	\$ 1,582,436	\$ 475,000	\$ 120,788
2020	2,069,000	1,495,852	495,000	101,387
2021	2,235,000	1,399,101	510,000	81,288
2022	2,349,000	1,294,119	535,000	60,387
2023	2,461,000	1,183,446	555,000	37,894
2024-2028	17,599,000	3,864,984	580,000	13,050
2029-2033	3,233,000	102,791	-	-
Total	<u>\$ 31,864,000</u>	<u>\$ 10,922,729</u>	<u>\$ 3,150,000</u>	<u>\$ 414,794</u>

Year Ending December 31	Development Notes		Total Governmental Activity	
	Principal	Interest	Principal	Interest
2019	\$ 233,128	\$ 17,094	\$ 2,626,128	\$ 1,720,318
2020	121,616	3,497	2,685,616	1,600,736
2021	-	-	2,745,000	1,480,389
2022	-	-	2,884,000	1,354,506
2023	-	-	3,016,000	1,221,340
2024-2028	10,599,852	-	28,778,852	3,878,034
2029-2033	-	-	3,233,000	102,791
Total	<u>\$ 10,954,596</u>	<u>\$ 20,591</u>	<u>\$ 45,968,596</u>	<u>\$ 11,358,114</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.F.(3) (Continued)

Annual principal and interest debt service requirements for business-type activity long-term debt are as follows:

Year Ending December 31	Parking Revenue Bonds HRA Parking Enterprise Fund		Tax Increment - Parking Bonds HRA Parking Enterprise Fund		LAAND Initiative Loans HRA Loan Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
	2019	\$ 1,185,000	\$ 992,660	\$ 1,485,000	\$ 703,402	\$ -
2020	1,205,000	969,790	1,380,000	504,100	1,580,000	17,400
2021	1,240,000	934,744	1,450,000	433,350	-	-
2022	1,290,000	885,144	1,520,000	359,100	-	-
2023	1,355,000	820,644	1,600,000	281,100	-	-
2024-2028	7,815,000	3,064,420	5,740,000	381,450	-	-
2029-2033	9,375,000	1,509,470	-	-	-	-
2034-2038	4,155,000	195,778	-	-	-	-
Total	<u>\$ 27,620,000</u>	<u>\$ 9,372,650</u>	<u>\$ 13,175,000</u>	<u>\$ 2,662,502</u>	<u>\$ 1,580,000</u>	<u>\$ 34,800</u>

Year Ending December 31	Housing 5000 Program HRA Loan Enterprise Fund		Total Business-type Activity	
	Principal	Interest	Principal	Interest
	2019	\$ 95,777	\$ 22,368	\$ 2,765,777
2020	97,619	21,455	4,262,619	1,512,745
2021	99,735	20,407	2,789,735	1,388,501
2022	101,776	19,396	2,911,776	1,263,640
2023	103,859	18,364	3,058,859	1,120,108
2024-2028	1,707,378	47,491	15,262,378	3,493,361
2029-2033	-	-	9,375,000	1,509,470
2034-2038	-	-	4,155,000	195,778
Total	<u>\$ 2,206,144</u>	<u>\$ 149,481</u>	<u>\$ 44,581,144</u>	<u>\$ 12,219,433</u>

G. Employee Benefits, Pension Plan Obligations

As part of the reorganization discussed in Note 1, the HRA employees became employees of the City in 1978. The HRA has no employees. Services are provided by the City in administering HRA programs. All pension costs, vacation, and sick leave benefits are paid and accounted for by the City.

H. Risk Management

The HRA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City of Saint Paul administers the HRA's risk management activities. The HRA's risk management activities are reported in the HRA General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.H. (Continued)

been incurred but not reported (IBNRs). The liability for claims and judgments is recognized when amounts are due and payable. The HRA had no January 1, 2017, liability for claims and judgments; nor were there any fiscal year 2017 or 2018 claims or claims payments, which resulted in any end of fiscal year 2017 or 2018 claims liabilities.

The HRA acquired in 2009 a site with existing pollution which required remediation. To address its exposure to risk of loss related to pollution liability torts, the HRA has purchased a Premises Pollution Liability Insurance Policy. The limits of this liability coverage is \$20,000,000 and the policy expires in December 23, 2019.

The City has purchased all risk property insurance coverage for its real and personal property throughout the City. The deductible for each occurrence of damage or loss of property is \$250,000. Each City department participating in the insurance program is charged a yearly amount based upon pro rata shares of the property insurance coverage, and contributions are made to a risk retention pool to address potential losses due to the higher deductible. The HRA is responsible for the first \$10,000 of each loss. The risk retention pool reimburses losses that exceed \$10,000 that are not covered by insurance. The HRA General Fund pays the insurance premium for HRA-related property coverage. The HRA General Fund reimburses the City for deductible amounts paid each year based on its share of the property insurance coverage. There were no significant reductions in insurance for the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. A complete audit and actuarial analysis is conducted by the City's Risk Management Division to insure proper premium, retention, and administrative charges. Tort liability is administered by the City with professional claim managers and attorneys. Because the HRA has no employees, there is no risk for workers' compensation and unemployment compensation (Note 5.G.).

I. Pay-As-You-Go Tax Increment Notes

The HRA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within Saint Paul. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.I. (Continued)

The HRA has issued pay-as-you-go tax increment notes to finance development in the following tax increment financing districts as of December 31, 2018.

No.	Tax Increment Financing District – Project	Date Issued	Note Amount	Note Principal Balance 12/31/2017	Note Principal Balance 12/31/2018	Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2018
194	1919 University	11/7/1997	\$ 1,357,000	\$ 1,357,000	\$ 1,357,000	\$ 107,475
212	Block 4-TIR Note, Series 2004	5/6/2004	17,800,000	13,609,908	12,973,748	1,418,730
215	Superior Street Cottages Series 2016	5/6/2016	205,000	159,305	121,434	43,889
232	Straus Building	12/26/2002	600,000	596,964	596,964	48,574
234	Phalen Village-Cub Foods Project **	3/1/2008	3,100,000	2,416,770	2,238,223	322,936
237	Osceola Park Senior Housing	11/4/2002	950,000	950,000	950,000	82,574
240	Bridgecreek Senior Place Project	6/30/2004	2,398,952	2,398,952	2,398,952	135,187
241	Lyons Court Rental Project	4/14/2004	682,000	682,000	682,000	42,084
243	Shepard-Davern Ownership Housing	11/1/2006	3,257,067	2,593,317	2,503,764	257,160
244	Shepard Davern Rental Housing **	3/28/2006	4,820,000	2,581,616	2,007,896	693,728
245	Shepard-Davern Gateway Senior **	12/2/2003	1,353,286	1,303,148	1,236,974	127,902
248	Koch Mobil-Schmidt Rathskeller	12/22/2017	1,290,260	1,290,260	1,290,260	-
257	Phalen Senior Lofts Project	2/10/2005	925,000	908,750	908,750	34,725
260	North Quadrant Rental Phase I	2/1/2001	2,140,000	2,140,000	2,140,000	221,235
267	Emerald Park Rental	10/16/2002	3,110,000	2,352,522	1,905,165	616,283
268	North Quadrant Rental Phase II	2/28/2002	1,500,000	1,500,000	1,500,000	137,292
269	Phalen Village Ames Lake	8/1/2003	418,000	418,000	418,000	20,676
271	Carlton Lofts	10/1/2005	2,358,660	2,358,660	2,358,660	155,407
278	River Pointe Lofts Project **	12/27/2007	1,829,000	1,294,399	1,113,875	245,505
279	Minnesota Building	6/9/2010	936,000	936,000	936,000	74,123
291	Carondelet Village *	8/12/2010	3,104,000	3,104,000	1,588,846	261,260
299	Cosseta	11/4/2011	388,000	285,023	218,631	84,020
302	Pioneer-Endicott Note #1	10/31/2012	2,500,000	2,500,000	2,352,603	414,174
302	Pioneer-Endicott Note #2	12/15/2017	900,000	900,000	669,328	230,672
304	Schmidt Brewery	11/16/2012	3,770,000	3,770,000	3,770,000	257,200
305	West Side Flats	11/19/2012	3,800,000	3,695,631	3,408,612	401,437
313	Hamline Station East	12/12/2014	530,000	530,000	530,000	45,198
314	Hamline Station West	12/12/2014	1,559,000	1,559,000	1,559,000	64,157
317	Custom House/Post Office	11/12/2014	5,800,000	5,800,000	5,719,365	497,480
318	East 7th-Bates Senior Housing	6/2/2015	2,291,000	2,291,000	2,291,000	169,908
319	2700 University at Westgate Station	6/29/2015	7,865,000	7,865,000	7,865,000	403,452
324	Wilson II Housing Project	10/31/2016	1,720,000	1,720,000	1,720,000	-
325	Schmidt Keg House Project	3/8/2017	1,700,000	1,700,000	1,700,000	1,794
	Total		<u>\$ 86,957,225</u>	<u>\$ 77,567,225</u>	<u>\$ 73,030,050</u>	<u>\$ 7,616,237</u>

* 2018 ending principal balance reflects non-cash reductions for principal deemed paid of \$615,989 and \$899,165 for 2017 & 2018, respectively. Amounts deemed paid are not included in amount expended as cash was not actually expended.

** In 2018 re-allocations were made between prior years' principal and interest to correct principal and interest paid. In each case principal paid was increased and interest paid decreased. These adjustments did not affect amounts expended in 2018 and are not included in amounts expended for 2018. Amount of adjustments were: #234-\$1,972; #244-\$4,738; #245-\$2,763 & #278-\$808.

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Note 5.I. (Continued)

The notes are payable only after the HRA has received tax increment revenue from the above districts and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2018, since all scheduled note payments have been made from the available tax increment. All expenditures under the notes are reported in the HRA Tax Increment Capital Project Fund.

During 2018, the HRA had 33 tax increment pay-as-you-go agreements and one subordinate loan agreement in place or executed. The agreements are not a general obligation of the HRA and are payable solely from available tax increment revenues. Accordingly, these agreements are not reflected in the financial statements of the HRA. Details of the pay-as-you-go notes are as follows:

1) TIF District #194, 1919 University:

Issued in 1997 in the principal sum of \$1,357,000 with an interest rate of 9.75% per annum. Principal and interest is paid on August 1, 1999, and each February 1 and August 1 thereafter to and including February 1, 2025. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 95% of available tax increments received in the prior six months. The payment reimburses the developer for land acquisition and other public redevelopment costs. Principal and interest payments will be completed February 1, 2025, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2025. The current year abatement (TIF note payments) amounted to \$107,475. At December 31, 2018, the principal amount outstanding on the note was \$1,357,000.

2) TIF District #212, Block 4 – TIR Note, Series 2004:

Issued in 2004 in the principal sum of \$17,800,000 with an interest rate of 5.75% per annum. Principal and interest is paid on August 1, 2013 and each February 1 and August 1 thereafter to and including February 1, 2027. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% declining to 87.5% on August 1, 2016, and to 85% on August 1, 2021 of available tax increments received in the prior six months. The payment reimburses the developer for land acquisition, site assembly and other public redevelopment costs including parking. Principal and interest payments will be completed February 1, 2027, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2027. The current year abatement (TIF note payments) amounted to \$1,418,730. At December 31, 2018, the principal amount outstanding on the note was \$12,973,748.

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Note 5.I. (Continued)

3) TIF District #215, Superior Street Cottages Series 2016:

Issued in 1998 in the original principal sum of \$311,341 with an interest rate of 6.00% per annum. Principal and interest is paid on March 15, 1999, and each September 15 and March 15 thereafter to and including March 15, 2016. A new note was issued in 2016 in the principal sum of \$205,000 with an interest rate of 4.00% per annum. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months, provided that the total payments made under the new note do not exceed \$236,000. The payment reimburses the project owner for affordable housing construction costs. Principal and interest payments will be completed March 15, 2026, or earlier if the total payments equal \$236,000, the full principal is repaid earlier or has been deemed paid in full, or if the note is otherwise terminated. The Taxable Tax Increment Revenue Note, Series 2016 (dated May 6, 2016) replaces the tax increment revenue portion of the Multi-Family Housing Revenue Note (Superior Street Cottages Project) Series 1998 dated as of July 16, 1998 (the original note) which is hereby deemed cancelled and the HRA has no further obligation to make any payments under the original note. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2026. The current year abatement (TIF note payments) amounted to \$43,889. At December 31, 2018, the principal amount outstanding on this note was \$121,434.

4) TIF District #232, Straus Building:

Issued in 2002 in the principal sum of \$600,000 with an interest rate of 6.25% per annum. Principal and interest is paid on March 1, 2004, and each September 1 and March 1 thereafter to and including March 1, 2029. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months up to \$23,800. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2029, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2029. The current year abatement (TIF note payments) amounted to \$48,574. At December 31, 2018, the principal amount outstanding on the note was \$596,964.

5) TIF District #234, Phalen Village – Cub Foods Project:

Issued in 2008 in the principal sum of \$3,100,000 with an interest rate of 6.00% per annum. Principal and interest is paid on August 1, 2010, and each February 1 and August 1 thereafter to and including February 1, 2029. Payments are payable solely from

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Note 5.I.(5) (Continued)

available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of the Cub Foods tax increment plus 90% of the balance of available tax increment from the TIF district up to \$47,100 received in the prior six months. The payment reimburses the developer for land acquisition, site assembly and other public redevelopment costs. Principal and interest payments will be completed February 1, 2029, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2029. The current year abatement (TIF note payments) amounted to \$322,936. At December 31, 2018, the principal amount outstanding on the note was \$2,238,223.

6) TIF District #236, JJ Hill Subordinate Loan:

Issued in 2002 in the principal sum of \$260,000 without a set interest rate. The principal and interest shall be due in a single payment at such time as a supplemental reserve account is fully funded in the amount of \$260,000. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The payment reimburses the developer for monies used to fund a debt service reserve established under the bond indenture and pledged to the holders of the HRA's JJ Hill Tax Increment Bonds, Series 2004. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the TIF district expires on December 31, 2028. The current year abatement (TIF note payments) amounted to \$0. At December 31, 2018, the principal amount outstanding on the loan was \$260,000.

7) TIF District #237, Osceola Park Senior Housing:

Issued in 2002 in the principal sum of \$950,000 with an interest rate of 6.35% per annum. Principal and interest is paid on March 1, 2005, and each September 1 and March 1 thereafter to and including March 1, 2030. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2030, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2030. The current year abatement (TIF note payments) amounted to \$82,574. At December 31, 2018, the principal amount outstanding on the note was \$950,000.

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Note 5.I. (Continued)

8) TIF District #240, Bridgecreek Senior Place Project:

Issued in 2004 in the principal sum of \$2,398,952 with an interest rate of 6.00% per annum. Principal and interest is paid on September 1, 2004, and each March 1 and September 1 thereafter to and including March 1, 2030. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2030, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2030. The current year abatement (TIF note payments) amounted to \$135,187. At December 31, 2018, the principal amount outstanding on the note was \$2,398,952.

9) TIF District #241, Lyons Court Rental Project:

Issued in 2004 in the principal sum of \$682,000 with an interest rate of 5.80% per annum. Principal and interest is paid on September 15, 2006, and each March 15 and September 15 thereafter to and including March 15, 2028. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months up to \$30,500. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 15, 2028, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2028. The current year abatement (TIF note payments) amounted to \$42,084. At December 31, 2018, the principal amount outstanding on the note was \$682,000.

10) TIF District #243, Shepard-Davern Ownership Housing:

Issued in 2006 in the principal sum of \$3,257,067 with an interest rate of 6.50% per annum. Principal and interest is paid on March 1, 2007, and each September 1 and March 1 thereafter to and including March 1, 2032. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for land acquisition, site assembly, and other public redevelopment costs. Principal and interest payments will be completed March 1, 2032, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that

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Note 5.I.(10) (Continued)

may remain after the final payment on March 1, 2032. The current year abatement (TIF note payments) amounted to \$257,160. At December 31, 2018, the principal amount outstanding on the note was \$2,503,764.

11) TIF District #244, Shepard-Davern Rental Housing:

Issued in 2006 in the principal sum of \$4,820,000 with an interest rate of 5.09% per annum. Principal and interest is paid on October 1, 2006, and each April 1 and October 1 thereafter to and including April 1, 2032. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for land acquisition, site assembly and other public redevelopment costs. Principal and interest payments will be completed April 1, 2032, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on April 1, 2032. The current year abatement (TIF note payments) amounted to \$693,728. At December 31, 2018, the principal amount outstanding on the note was \$2,007,896.

12) TIF District #245, Shepard-Davern Gateway Senior:

Issued in 2003 in the principal sum of \$1,353,286 with an interest rate of 5.00% per annum. Principal and interest is paid on September 1, 2006, and each March 1 and September 1 thereafter to and including March 1, 2032. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for land acquisition, site assembly, and other public redevelopment costs. Principal and interest payments will be completed March 1, 2032, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2032. The current year abatement (TIF note payments) amounted to \$127,902. At December 31, 2018, the principal amount outstanding on the note was \$1,236,974.

13) TIF District #248, Koch Mobil-Schmidt Rathskeller:

Issued in 2017 in the principal sum of \$1,290,260 with an interest rate of 4.50% per annum. Principal and interest is paid each September 1 and March 1 following an initial payment after the project is completed and conditions are satisfied, and continuing until the earlier of the following: a) the date immediately following the final collection of pledged tax increments received prior to the date the Koch Mobil TIF District is decertified by the HRA, or b) March 1, 2031. Payments are payable solely from available pledged tax increments derived from the Koch Mobil TIF District and paid to the HRA.

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Note 5.I.(13) (Continued)

The pay-as-you-go note provides for the payment to the developer equal to 20% of available tax increments received by the HRA. The payment reimburses the developer for qualifying redevelopment expenses related to the renovation of the Schmidt Rathskeller building. Principal and interest payments will be completed March 1, 2031, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2031. The current year abatement (TIF note payments) amounted to \$0. At December 31, 2018, the principal amount outstanding on the note was \$1,290,260.

14) TIF District #257, Payne Senior Lofts Project:

Issued in 2005 in the principal sum of \$925,000 with an interest rate of 5.72% per annum. Principal and interest is paid on September 15, 2007, and each March 15 and September 15 thereafter to and including March 15, 2032. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for site-related and public redevelopment costs. Principal and interest payments will be completed March 15, 2032, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2032. The current year abatement (TIF note payments) amounted to \$34,725. At December 31, 2018, the principal amount outstanding on the note was \$908,750.

15) TIF District #260, North Quadrant Rental Phase I:

Issued in 2001 in the principal sum of \$2,140,000 with an interest rate of 8.00% per annum. Principal and interest is paid on August 15, 2003, and each February 15 and August 15 thereafter to and including February 15, 2028. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 95% of available tax increments received in the prior six months. The payment reimburses the developer for site-related and public redevelopment costs. Principal and interest payments will be completed February 15, 2028, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 15, 2028. The current year abatement (TIF note payments) amounted to \$221,235. At December 31, 2018, the principal amount outstanding on the note was \$2,140,000.

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Note 5.I. (Continued)

16) TIF District #267, Emerald Park Rental:

Issued in 2002 in the principal sum of \$3,110,000 with an interest rate of 7.50% per annum. Principal and interest is paid on September 1, 2005, and each March 1 and September 1 thereafter to and including March 1, 2030. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months up to \$279,354. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2030, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2030. The current year abatement (TIF note payments) amounted to \$616,283. At December 31, 2018, the principal amount outstanding on the note was \$1,905,165.

17) TIF District #268, North Quadrant Rental Phase II and North Quadrant Shortfall TIR, Note II:

Issued in 2002 in the principal sum of \$1,500,000 with an interest rate of 8.00% per annum. Principal and interest is paid on August 15, 2003, and each February 15 and August 15 thereafter to and including February 15, 2028. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for public redevelopment costs. Principal and interest payments will be completed February 15, 2028, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 15, 2028. The current year abatement (TIF note payments) amounted to \$137,292. At December 31, 2018, the principal amount outstanding on the note was \$1,500,000.

18) TIF District #269, Phalen Village Ames Lake:

Issued in 2003 in the principal sum of \$418,000 with an interest rate of 8.50% per annum. Principal and interest is paid on February 15, 2004, and each August 15 and February 15 thereafter to and including February 15, 2029. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for site assembly and land acquisition costs. Principal and interest payments will be completed February 15, 2029, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no

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Note 5.I.(18) (Continued)

obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 15, 2029. The current year abatement (TIF note payments) amounted to \$20,676. At December 31, 2018, the principal amount outstanding on the note was \$418,000.

19) TIF District #271, Carleton Lofts:

Issued in 2005 in the principal sum of \$2,358,660 with an interest rate of 6.00% per annum. Principal and interest is paid on September 1, 2008, and each March 1 and September 1 thereafter to and including March 1, 2033. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2033, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2033. The current year abatement (TIF note payments) amounted to \$155,407. At December 31, 2018, the principal amount outstanding on the note was \$2,358,660.

20) TIF District #278, River Pointe Lofts Project:

Issued in 2007 in the principal sum of \$1,829,000 with an interest rate of 5.25% per annum. Principal and interest is paid on February 1, 2009, and each August 1 and February 1 thereafter to and including February 1, 2035. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed February 1, 2035, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2035. The current year abatement (TIF note payments) amounted to \$245,505. At December 31, 2018, the principal amount outstanding on the note was \$1,113,875.

21) TIF District #279, Minnesota Building:

Issued in 2010 in the principal sum of \$936,000 with an interest rate of 5.94% per annum. Principal and interest is paid on September 15, 2012, and each March 15 and September 15 thereafter to and including March 15, 2037. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA.

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Note 5.I.(21) (Continued)

The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 15, 2037, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2037. The current year abatement (TIF note payments) amounted to \$74,123. At December 31, 2018, the principal amount outstanding on the note was \$936,000.

22) TIF District #291, Carondelet Village:

Issued in 2010 in the principal sum of \$3,104,000 with an interest rate of 6.00% per annum. Principal and interest is paid on September 15, 2013, and each March 15 and September 15 thereafter to and including March 15, 2039. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA.

The pay-as-you-go note provides for the payment to the developer equal to 90% of the available tax increment received in the prior six months for payments ending March 15, 2016, and 62.55% for payments beginning September 15, 2016. The payment reimburses the developer for site assembly and other public redevelopment costs. Principal and interest payments will be completed March 15, 2039, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated (there is a provision in the note that may reduce the outstanding principal of the note with surplus revenue on each September 15, commencing September 15, 2015, and will likely result in earlier termination). The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2039. The current year abatement (TIF note payments by cash disbursement) amounted to \$261,260. At December 31, 2018, the principal amount outstanding on the note was \$1,588,846 (\$615,989 of principal was deemed paid in 2017 and the principal amount outstanding was \$2,488,011 at December 31, 2017, and \$899,165 of principal was deemed paid in 2018 that reduced the outstanding principal to the amount at December 31, 2018).

23) TIF District #299, Cossetta:

Issued in 2011 in the principal sum of \$388,000 with an interest rate of 6.50% per annum. Principal and interest is paid on September 15, 2013, and each March 15 and September 15 thereafter to and including March 15, 2021. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for site-related parking and other public redevelopment costs. Principal and interest payments will be completed March 15, 2021, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The

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Note 5.I.(23) (Continued)

HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2021. The current year abatement (TIF note payments) amounted to \$84,020. At December 31, 2018, the principal amount outstanding on the note was \$218,631.

24) TIF District #302, Pioneer Endicott Note #1:

Issued in 2012 in the principal sum of \$2,500,000 with an interest rate of 6.50% per annum. Principal and interest is paid on September 1, 2015, and each March 1 and September 1 thereafter to and including March 1, 2041. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 65% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition, site-related, and other public redevelopment costs. Principal and interest payments will be completed March 1, 2041, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2041. The current year abatement (TIF note payments) amounted to \$414,174. At December 31, 2018, the principal amount outstanding on the note was \$2,352,603.

25) TIF District #302, Pioneer Endicott Note #2:

Issued in 2017 in the principal sum of \$900,000 with an initial interest rate of 5.25% per annum. Principal and interest is paid each September 1 and March 1 following an initial payment after the project is completed and conditions are satisfied, and continuing until the March 1 which follows 2 collection years from the final collection year for the TIF District #302, Pioneer Endicott (TIF Note #1) listed above. Payments are payable solely from available pledged tax increments derived from the Pioneer Endicott TIF District and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 12% of available tax increments received by the HRA until the TIF District #302, Pioneer Endicott (TIF Note #1) listed above is paid and then equal to 40% for the following two years. The payment reimburses the developer (Minnesota Museum of American Art) for qualifying redevelopment expenses related to the renovation of the Pioneer Endicott building related to their specific project. Principal and interest payments will be completed two years following the repayment of the TIF District #302, Pioneer Endicott (TIF Note #1) listed above (but in no event, any later than March 1, 2041), unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment following the two collection years detailed above. The current year abatement (TIF note payments) amounted to \$230,672. At December 31, 2018, the principal amount outstanding on the note was \$669,328.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.I. (Continued)

26) TIF District #304, Schmidt Brewery:

Issued in 2012 in the principal sum of \$3,770,000 with an interest rate of 4.45% per annum. Principal and interest is paid on September 1, 2015, and each March 1 and September 1 thereafter to and including March 1, 2041. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition and affordable housing construction costs. Principal and interest payments will be completed March 1, 2041, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2041. The current year abatement (TIF note payments) amounted to \$257,200. At December 31, 2018, the principal amount outstanding on the note was \$3,770,000.

27) TIF District #305, West Side Flats:

Issued in 2012 in the principal sum of \$3,800,000 with an interest rate of 3.15% per annum. Principal and interest is paid on September 15, 2016, and each September 15 and March 15 thereafter to and including March 15, 2041. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition and affordable housing construction costs. Principal and interest payments will be completed March 15, 2041, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 15, 2041. The current year abatement (TIF note payments) amounted to \$401,437. At December 31, 2018, the principal amount outstanding on the note was \$3,408,612.

28) TIF District #313, Hamline Station East:

Issued in 2014 in the principal sum of \$530,000 with an interest rate of 5.82% per annum. Principal and interest is paid on September 1, 2017, and each March 1 and September 1 thereafter to and including March 1, 2043. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition and affordable housing construction costs. Principal and interest payments will be completed March 1, 2043, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.I.(28) (Continued)

after the final payment on March 1, 2043. The current year abatement (TIF note payments) amounted to \$45,198. At December 31, 2018, the principal amount outstanding on the note was \$530,000.

29) TIF District #314, Hamline Station West:

Issued in 2014 in the principal sum of \$1,559,000 with an interest rate of 5.50% per annum. Principal and interest is paid on September 1, 2017, and each March 1 and September 1 thereafter to and including March 1, 2043. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition and affordable housing construction costs. Principal and interest payments will be completed March 1, 2043, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2043. The current year abatement (TIF note payments) amounted to \$64,157. At December 31, 2018, the principal amount outstanding on the note was \$1,559,000.

30) TIF District #317, Custom House/Post Office:

Issued in 2014 in the principal sum of \$5,800,000 with an initial interest rate of 4.00% per annum, to be adjusted up to 6.00%. Principal and interest is paid on September 1, 2017, and each March 1 and September 1 thereafter to and including March 1, 2043. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 65% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition, site related and other public redevelopment costs. Principal and interest payments will be completed March 1, 2043, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2043. The current year abatement (TIF note payments) amounted to \$497,480. At December 31, 2018, the principal amount outstanding on the note was \$5,719,365.

31) TIF District #318, East - Bates Senior Housing:

Issued in 2015 in the principal sum of \$2,291,000 with an interest rate of 3.84% per annum. Principal and interest is paid on September 1, 2017, and each March 1 and September 1 thereafter to and including March 1, 2043. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.I.(31) (Continued)

available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2043, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2043. The current year abatement (TIF note payments) amounted to \$169,908. At December 31, 2018, the principal amount outstanding on the note was \$2,291,000.

32) TIF District #319, 2700 University at Westgate Station:

Issued in 2015 in the principal sum of \$7,865,000 with an interest rate of 5.16% per annum. Principal and interest is paid on September 1, 2017, and each March 1 and September 1 thereafter to and including March 1, 2043. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for acquisition and affordable housing construction costs. Principal and interest payments will be completed March 1, 2043, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2043. The current year abatement (TIF note payments) amounted to \$403,452. At December 31, 2018, the principal amount outstanding on the note was \$7,865,000.

33) TIF District #324, Wilson II Housing Project:

Issued in 2016 in the principal sum of \$1,720,000 with an interest rate of 4.25% per annum. Principal and interest is paid on September 1, 2019, and each March 1 and September 1 thereafter to and including March 1, 2045. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for affordable housing construction costs. Principal and interest payments will be completed March 1, 2045, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2045. The current year abatement (TIF note payments) amounted to \$0. At December 31, 2018, the principal amount outstanding on the note was \$1,720,000.

34) TIF District #325, Schmidt Keg House Project:

Issued in 2017 in the principal sum of \$1,700,000 with an interest rate of 4.95% per annum. Principal and interest is paid on September 1, 2018, and each March 1 and

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.I.(34) (Continued)

September 1 thereafter to and including March 1, 2044. Payments are payable solely from available pledged tax increments derived from the property and paid to the HRA. The pay-as-you-go note provides for the payment to the developer equal to 90% of available tax increments received in the prior six months. The payment reimburses the developer for qualifying redevelopment expenses related to the renovation of the Schmidt Keg House building. Principal and interest payments will be completed March 1, 2044, unless the full principal is repaid earlier or has been deemed paid in full or if the note is otherwise terminated. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2044. The current year abatement (TIF note payments) amounted to \$1,794. At December 31, 2018, the principal amount outstanding on the note was \$1,700,000.

J. Loan Guaranty Commitments

The HRA has entered into agreements with lending institutions and various Saint Paul businesses to guarantee the repayment of a portion of loans issued by the lending institutions to the businesses. The primary repayment source of these loans is the business. The HRA would be required to repay a portion of the loans in the event of default by the business. There are no private loans issued where a HRA guaranty exists at December 31, 2018.

K. Construction and Other Significant Commitments

The HRA has construction in progress for public art at the Palace Theatre. Total construction in progress of \$20,800 is included with the Governmental Activities Statement of Net Position.

The HRA has construction in progress for tenant improvements of \$113,700 for the Lawson Retail Center adjoining the Lawson Parking Ramp and for security cameras of \$6,800 that are in the process of being installed at the Block 19 Parking Ramp. Total construction in progress of \$120,500 is included with the HRA Parking Enterprise Fund Statement of Net Position and the Business-type Activities Statement of Net Position.

L. Deferred Outflows/Inflows of Resources

The amounts reported as Deferred Outflows of Resources in the Business-type Activities and on the Statement of Net Position – Proprietary Funds in the HRA Parking Enterprise Fund include \$901,171 from debt refunding.

The amounts reported as Deferred Inflows of Resources in the Business-type Activities and on the Statement of Net Position – Proprietary Funds in the HRA Parking Enterprise Fund include \$331,640 from debt refunding.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.L. (Continued)

The amounts reported as Deferred Inflows of Resources on the Balance Sheet – Governmental Funds in the HRA General Fund, HRA Grants Fund, HRA Debt Service Fund, HRA Tax Increment Capital Projects Fund, and HRA Development Capital Projects Fund include \$468,292, \$26,921, \$3,236,065, \$1,034,326, and \$290,185, respectively, are from the following unavailable revenue sources:

	HRA General Fund	HRA Grants Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	HRA Development Capital Projects Fund	HRA Total Governmental Funds
Investment Interest	\$ 34,154	\$ -	\$ 66,740	\$ 101,451	\$ 569	\$ 202,914
Property Tax Increments	-	-	19,325	48,219	-	67,544
Property Tax Levy	54,561	-	-	-	-	54,561
Operating Grant	-	26,921	-	-	-	26,921
Accounts Receivable	368,968	-	-	-	-	368,968
Leases Receivable	-	-	3,150,000	-	-	3,150,000
Notes and Loans Receivable	10,609	-	-	884,656	289,616	1,184,881
Total Deferred Inflows of Resources	\$ 468,292	\$ 26,921	\$ 3,236,065	\$ 1,034,326	\$ 290,185	\$ 5,055,789

M. Interfund Transactions

(1) Interfund Receivables and Payables

During the course of its operations, the HRA has transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of December 31, 2018, individual fund interfund receivable and payable balances were as follows:

Fund	Interfund Receivable	Interfund Payable
HRA General Fund	\$ 730,558	\$ -
HRA Tax Increment Capital Projects Fund	-	4,750,865
HRA Development Capital Projects Fund	1,873,183	-
HRA Loan Enterprise Fund	2,397,124	814,744
HRA Parking Enterprise Fund	564,744	-
Total Interfund Receivables and Payables - All Funds	\$ 5,565,609	\$ 5,565,609

Note: All advances are noncurrent.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.M.(1) (Continued)

The interfund receivables in the HRA General Fund, the HRA Development Capital Projects Fund, and the HRA Loan Enterprise Fund include \$730,558, \$1,623,183, and \$2,397,124, respectively, which were advanced to the HRA Tax Increment Capital Projects Fund for the purpose of financing development expenditures in various tax increment financing districts prior to the receipt of tax increment revenues in these districts. The advances are to be repaid with interest when future available tax increment revenues are received in these districts. The interfund receivables in the HRA Development Capital Projects Fund and the HRA Parking Enterprise Fund include \$250,000 and \$564,744, respectively, which were advanced to the HRA Loan Enterprise Fund for the purchase of land held for resale, and to hold a loan to a ballpark project.

(2) Interfund Transfers

Individual fund interfund transfers during the fiscal year ended December 31, 2018, were as follows:

Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
HRA General Fund	\$ -	\$ 4,705
HRA Palace Theatre Operations Special Revenue Fund	-	33,977
HRA Debt Service Fund	106,715	2,290,170
HRA Tax Increment Capital Projects Fund	2,294,875	106,715
HRA Development Capital Projects Fund	33,977	-
HRA Loan Enterprise Fund	500,000	-
HRA Penfield Enterprise Fund	-	500,000
Total Interfund Transfers - All Funds	\$ 2,935,567	\$ 2,935,567

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them or (2) move unrestricted revenues from the fund that collects them to programs and projects accounted in another fund in accordance with budgetary authorizations.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5. (Continued)

N. Net Position/Fund Balances

(1) Net Position - Governmental Activities

The amount reported as “Net Investment in Capital Assets” on the government-wide Statement of Net Position for the governmental activities as of December 31, 2018, is determined as follows:

Capital assets	\$ 45,869,319
Less: accumulated depreciation	(16,047,106)
Less: outstanding principal of related debt	<u>(19,925,875)</u>
 Net Investment in Capital Assets	 <u><u>\$ 9,896,338</u></u>

The amount reported as “Restricted for Debt Service” on the government-wide Statement of Net Position for the governmental activities is based on required balances per bond indentures. This amount is \$7,398,819 at December 31, 2018.

(2) Net Position - Business-type Activities

The amount reported as “Net Investment in Capital Assets” on the government-wide Statement of Net Position for the business-type activities and on the Statement of Net Position for the Proprietary Funds as of December 31, 2018, is determined as follows:

Capital assets	\$ 140,526,030
Less: accumulated depreciation	(61,121,728)
Less: outstanding principal of related debt	(43,394,296)
Plus: capital-related deferred outflows of resources	901,171
Less: capital-related deferred inflows of resources	<u>(331,640)</u>
 Net Investment in Capital Assets	 <u><u>\$ 36,579,537</u></u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.N.(2) (Continued)

The amount reported as “Restricted for Debt Service” is based on required balances per bond indentures. The amount reported as “Restricted for Debt Service” on the government-wide Statement of Net Position for the business-type activities and on the Statement of Net Position for Proprietary Funds as of December 31, 2018, as follows:

	HRA Parking Enterprise Fund
Restricted Assets	
Cash for general obligation bond debt service	\$ 1,910,266
Cash for revenue bond debt service	2,179,225
Less: liabilities payable from restricted assets accrued interest on bonds	<u>(796,150)</u>
Restricted for Debt Service	<u>\$ 3,293,341</u>

The amount reported as “Restricted for Grantors” is based on restrictions from granting agencies. The amount reported as “Restricted for Grantors” on the government-wide Statement of Net Position for the business-type activities and on the Statement of Net Position for Proprietary Funds as of December 31, 2018, as follows:

	HRA Loan Enterprise Fund
Restricted assets – program income cash balance for grants	<u>\$ 890,805</u>
Restricted for Grantors	<u>\$ 890,805</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 5.N. (Continued)

(3) Fund Balances – Governmental Funds

Portions of the HRA’s fund balance are nonspendable, restricted due to legal restrictions, committed by HRA action, assigned by HRA management, or unassigned. At December 31, 2018, fund balance classifications were reported in the following governmental funds:

	HRA General Fund	HRA Grants Fund	HRA Palace Theatre Operations Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	HRA Development Capital Projects Fund	Total Governmental Funds
Nonspendable							
Land Held for Resale	\$ 325,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,236
Restricted							
Land Held for Resale	\$ -	\$ -	\$ -	\$ -	\$ 982,328	\$ 893,067	\$ 1,875,395
Debt Service	-	-	-	7,865,769	-	-	7,865,769
Tax Increment Financing	-	-	-	-	29,254,768	-	29,254,768
Grants	-	37,610	-	-	-	-	37,610
Capital Projects	-	-	-	-	-	8,941,886	8,941,886
Total Restricted	\$ -	\$ 37,610	\$ -	\$ 7,865,769	\$ 30,237,096	\$ 9,834,953	\$ 47,975,428
Committed							
Economic Development	\$ 4,696,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,696,182
Assigned							
Economic Development	\$ 4,211,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,211,341
Total Fund Balance	<u>\$ 9,232,759</u>	<u>\$ 37,610</u>	<u>\$ -</u>	<u>\$ 7,865,769</u>	<u>\$ 30,237,096</u>	<u>\$ 9,834,953</u>	<u>\$ 57,208,187</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

6. Contingent Liabilities

Litigation

The HRA, in connection with the normal conduct of its affairs, is involved in various judgments, claims, and litigation; it is expected that the final settlement of these matters will not materially affect the financial statements of the HRA.

Regions Hospital Parking Ramp Contingent Lease

During 2006, the Port Authority of the City of Saint Paul (Port) issued revenue bonds to finance construction of a parking ramp at the Regions Hospital complex. The bonds are 30 year bonds with final scheduled retirement in 2036. The Port leases the ramp for years 2008 through 2030 to Regions Hospital. The HRA agreed to a lease commitment in an amount equal to the annual debt service on the Port bonds for the years 2031 through 2036. The scheduled principal balance on the bonds is \$6,045,000 in 2031 prior to the 2031 through 2036 debt payments. This HRA lease is not triggered and no payments are made by the HRA if any one of the following takes place:

1. Regions Hospital continues to need the ramp for their business and extends the lease with the Port from 2031 through 2036.
2. Sometime during the period of 2008 through 2030, Regions Hospital elects to purchase the ramp for the greater of the outstanding debt or fair market value of the ramp.
3. Regions Hospital defaults on the Port lease and the bond trustee determines on behalf of the bondholders to sell the ramp to a third party and cancels the HRA lease commitment.

Cleanup of Hazardous Materials

Properties owned by the HRA may have certain contingent liabilities associated with them due to potential contamination from hazardous materials or difficulty in securing vacant structures located on them. It is not expected that these contingencies will have a material effect on the financial statements of the HRA.

The Willow Reserve Property has been identified as possible sites of pollution or contamination. The Willow Reserve property is comprised of 11 single family homes, to be constructed by Habitat for Humanity, a public alley, and public space. The public alley and space is in the HRA's possession. During excavation in 2017, construction debris was discovered and excavation stopped. The former use of the site included a greenhouse/garden center, out buildings and one or more residential structures. Several additional borings were conducted by Habitat for Humanity in 2017 and contaminants discovered include asbestos containing waste materials, buried debris and solid waste, arsenic, lead and benzo(a)pyrene (a carcinogen). Habitat for Humanity conducted the site investigation, development of a Phase I and Phase II report, and Response Action Plan. The method of investigation and the proposed course of action have been approved by the Minnesota Pollution Control Agency (MPCA). The investigation covers the entire site and has been done, in part, on behalf of the HRA. The estimated costs for cleanup for the homes, public alley, and public

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

Note 6. (Continued)

space are \$700,000. The HRA portion of the costs is estimated to be \$350,000, of which \$109,000 was paid in 2018. The remaining estimated costs are \$241,000 and are included with the Pollution Remediation Obligation identified on the Government-Wide Statement of Net Position. This pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, cleanup grants awarded, technology, or changes in applicable laws or regulations.

7. Subsequent Events

On April 8, 2019, the City issued Bonds, Series 2019 in the amount of \$12,475,000. The proceeds will be used to current refund the HRA RiverCentre Parking Lease Revenue Bonds, Series 2009. The City exercised its option to purchase the improvements financed by these bonds to restructure the City's lease obligations.

A development agreement between the HRA and QOC Ventures, LLC was executed June 18, 2019, for development of the Seven Corners/Gateway parking lot. On August 9, 2019, the HRA sold this parking lot to Saint Paul QOC Ventures, LLC. for \$5,000,000.

SUPPLEMENTARY SCHEDULES

Supplementary schedules are presented to provide useful additional financial data to readers of this report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HRA DEBT SERVICE FUND**

For the Fiscal Year Ended December 31, 2018
(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,005,266	\$ 6,005,266	\$ 5,253,485	\$ (751,781)
Fees, Sales and Services	576,988	576,988	561,382	(15,606)
Investment Income	112,176	142,280	259,432	117,152
Miscellaneous	696,697	696,697	711,668	14,971
Total Revenues	<u>7,391,127</u>	<u>7,421,231</u>	<u>6,785,967</u>	<u>(635,264)</u>
EXPENDITURES				
Debt Service				
Principal Payment on Bonds	2,498,750	2,553,367	2,570,000	(16,633)
Interest on Bonds	1,840,986	1,846,555	1,829,917	16,638
Principal Payment on Notes	675,000	675,000	675,000	-
Interest on Notes	21,697	36,668	36,668	-
Fiscal Charges	24,598	54,989	34,724	20,265
Total Expenditures	<u>5,061,031</u>	<u>5,166,579</u>	<u>5,146,309</u>	<u>20,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,330,096</u>	<u>2,254,652</u>	<u>1,639,658</u>	<u>(614,994)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	115,388	115,388	106,715	(8,673)
Transfers Out	(2,417,512)	(2,342,068)	(2,290,170)	51,898
Total Other Financing Sources (Uses)	<u>(2,302,124)</u>	<u>(2,226,680)</u>	<u>(2,183,455)</u>	<u>43,225</u>
Net Changes in Fund Balances	<u>27,972</u>	<u>27,972</u>	<u>(543,797)</u>	<u>(571,769)</u>
FUND BALANCE, January 1	<u>8,409,566</u>	<u>8,409,566</u>	<u>8,409,566</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 8,437,538</u>	<u>\$ 8,437,538</u>	<u>\$ 7,865,769</u>	<u>\$ (571,769)</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEPOSITS AND INVESTMENTS

ALL FUNDS

At December 31, 2018

(Amounts in dollars at cost)

Investment Description	Maturity Date	Interest Rate	Amount
Parking Ramp Checking and Money Market Accounts at St. Paul Banks			\$1,105,505
Money Market Mutual Funds:			
First American Government Obligations Fund Class D		0.02%	1,697,662
First American Treasury Obligations Fund Class Y		0.00%	331,636
US Bank Money Market 5 - Ct Accounts		0.04%	894,355
Wells Fargo Advantage Money Market Fund Accounts		0.01%	879,820
Highland Bank Certificate of Deposit	3/30/2019	3.75%	606,288
Trustee Cash		0.00%	71
City Cash and Investments Pool			93,407,838
TOTAL DEPOSITS AND INVESTMENTS			\$98,923,175
 <u>Summary by Statement of Net Position Account</u>			
Cash and Investments with Treasurer			\$89,068,047
Cash with Fiscal Agents			1,105,505
Cash and Investments with Trustees			4,409,832
Restricted Cash and Investments for General Obligation Bond Debt Service			1,910,266
Restricted Cash and Investments for Revenue Bond Debt Service			2,179,225
Restricted Cash and Investments for Note Debt Service			250,300
TOTAL DEPOSITS AND INVESTMENTS			\$98,923,175

SCHEDULE OF LOANS RECEIVABLE**ALL FUNDS**

At December 31, 2018

(Amounts in dollars)

<u>Fund - Program</u>	<u>Number of Loans Outstanding</u>	<u>Principal Balance 12/31/2018</u>	<u>Allowance for Uncollectible Loans 12/31/2018</u>	<u>Net Reported Loans Receivable 12/31/2018</u>
HRA GENERAL FUND				
Escrow Account for Taxes and Insurance	1	\$ 42,435	\$ 31,826	\$ 10,609
Total HRA General Fund	1	\$ 42,435	\$ 31,826	\$ 10,609
HRA GRANTS SPECIAL REVENUE FUND				
Ready for Rail Program	4	\$ 16,703	\$ 16,703	\$ -
Total HRA Grants Special Revenue Fund	4	\$ 16,703	\$ 16,703	\$ -
HRA TAX INCREMENT CAPITAL PROJECTS FUND				
Jobs Bill Loan Program	45	\$ 3,706,702	\$ 2,981,546	\$ 725,156
Scattered Site TIF Bonds	8	5,620,206	5,460,706	159,500
Total HRA Tax Increment Capital Projects Fund	53	\$ 9,326,908	\$ 8,442,252	\$ 884,656
HRA DEVELOPMENT CAPITAL PROJECTS FUND				
HRA Funded	56	\$ 443,000	\$ 443,000	\$ -
Inspiring Communities	22	331,500	331,500	-
ISP Programs	13	567,959	378,343	189,616
Total HRA Development Capital Projects Fund	91	\$ 1,342,459	\$ 1,152,843	\$ 189,616
HRA LOAN ENTERPRISE FUND				
Tax Credit Assistance Program (TCAP)	2	\$ 3,166,171	\$ 3,166,171	\$ -
Section 1602 Tax Credit Exchange (TCE)	3	11,302,314	11,302,314	-
Rental Rehab	13	298,722	224,042	74,680
Enterprise Leverage	2	72,868	37,908	34,960
Commercial Real Estate	6	1,163,133	1,045,633	117,500
Home Purchase and Rehab	17	208,752	156,564	52,188
Home Ownership Opportunities	2	30,000	30,000	-
Housing Real Estate	12	6,428,667	5,913,167	515,500
Mixed Income Housing	10	957,764	708,457	249,307
Business Assistance	2	239,000	219,500	19,500
Strategic Investment Program	5	165,410	165,410	-
Business - UDAG	2	19,865	9,933	9,932
Housing - UDAG	2	256,000	253,500	2,500
Downtown Tax Increment	1	393,755	295,316	98,439
Neighborhood Development Tax Increment	1	24,000	1,200	22,800
HUD Rental Rehab	11	2,163,452	2,088,018	75,434
Home Mortgage Loan Origination Program	107	1,143,844	994,466	149,378
Mortgage Foreclosure Prevention	9	34,024	25,518	8,506
New Housing and Blighted Land Tax Increment	1	360,000	180,000	180,000
Affordable Housing	5	4,869,732	3,215,328	1,654,404
Ramsey County Rehab	25	377,078	377,078	-
Total HRA Loan Enterprise Fund	238	\$ 33,674,551	\$ 30,409,523	\$ 3,265,028
HRA PARKING ENTERPRISE FUND				
Neighborhood Parking	2	\$ 515,000	\$ 315,000	\$ 200,000
Land Purchase	1	315,000	78,750	236,250
Total HRA Parking Enterprise Fund	3	\$ 830,000	\$ 393,750	\$ 436,250
TOTAL ALL FUNDS	390	\$ 45,233,056	\$ 40,446,897	\$ 4,786,159

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF BONDS, NOTES, AND ADVANCES

December 31, 2018
(Amounts in dollars)

Debt Issue	Lender	Sources for Retirement	Interest Rate (%)
<u>GOVERNMENTAL ACTIVITIES</u>			
BONDS:			
North Quadrant Tax Increment Refunding Bonds, Series 2002	Public Sale	North Quadrant District Tax Increments	7.50
North Quadrant Phase II Tax Increment Bonds, Series 2002	Public Sale	North Quadrant District Tax Increments	7.00
Drake Marble Tax Increment Bonds, Series 2002	Public Sale	Riverfront Renaissance District Tax Increments	6.75
9th Street Lofts Tax Increment Bonds, Series 2004	Private Placement	9th Street Lofts District Tax Increments	6.375
Great Northern Lofts (JJ Hill) Tax Increment Bonds, Series 2004	Private Placement	JJ Hill District Tax Increments	6.25
RiverCentre Parking Facility Lease Revenue Bonds, Series 2009	Public Sale	Lease Payments from the City of Saint Paul	3.00 - 4.50
Koch Mobil Tax Increment Refunding Bonds, Series 2010A *	Public Sale	Koch Mobil District Tax Increments	2.00 - 4.00
Emerald Gardens Tax-Exempt Tax Increment Revenue Bonds, Series 2010	Public Sale	Emerald Gardens District Tax Increments	5.00 - 6.50
US Bank Tax Increment Refunding Bonds, Series 2011G *	Public Sale	Riverfront Renaissance District Tax Increments	2.00 - 4.00
Upper Landing Tax Increment Refunding Bonds, Series 2012	Public Sale	Riverfront Renaissance District Tax Increments	5.00
TOTAL BONDS - GOVERNMENTAL ACTIVITIES			
NOTES:			
HUD Section 108 Note, Series 2003-A	Public Sale	EDI Grant, Port Authority	5.20
Catholic Charities Midway Residence POPSH Loan	Public Sale	Forgiven after 20 years of compliance	0.00
Upper Landing Tax Increment Revenue Note, Series 2008	City of Saint Paul	Upper Landing District Tax Increments	5.75
TOTAL NOTES - GOVERNMENTAL ACTIVITIES			
ADVANCES:			
Palace Theatre Revenue Advance	City of Saint Paul	Palace Theatre operating revenue received by the HRA	3.00
TOTAL ADVANCES - GOVERNMENTAL ACTIVITIES			
TOTAL BONDS, NOTES, AND ADVANCES - GOVERNMENTAL ACTIVITIES			

<u>Issue Date</u>	<u>Final Maturity Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Payable December 31, 2018</u>
2002	2028	\$ 1,089,000	\$ 319,000	\$ 770,000
2002	2028	1,140,000	211,000	929,000
2002	2028	1,800,000	1,131,000	669,000
2004	2028	1,335,000	445,000	890,000
2004	2029	3,660,000	1,184,000	2,476,000
2009	2024	6,790,000	3,640,000	3,150,000
2010	2031	2,670,000	865,000	1,805,000
2010	2029	6,595,000	1,815,000	4,780,000
2011	2028	8,870,000	1,750,000	7,120,000
2012	2029	15,790,000	3,365,000	12,425,000
		<u>\$ 49,739,000</u>	<u>\$ 14,725,000</u>	<u>\$ 35,014,000</u>
2003	2022	\$ 3,300,000	\$ 3,300,000	\$ -
2006	2026	10,599,852	-	10,599,852
2008	2020	2,019,087	1,664,343	354,744
		<u>\$ 15,918,939</u>	<u>\$ 4,964,343</u>	<u>\$ 10,954,596</u>
2016	None	\$ 9,360,000	\$ 33,977	\$ 9,326,023
		<u>\$ 9,360,000</u>	<u>\$ 33,977</u>	<u>\$ 9,326,023</u>
		<u>\$ 75,017,939</u>	<u>\$ 19,723,320</u>	<u>\$ 55,294,619</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF BONDS, NOTES, AND ADVANCES

December 31, 2018
(Amounts in dollars)

Debt Issue	Lender	Sources for Retirement	Interest Rate (%)
<u>BUSINESS-TYPE ACTIVITIES</u>			
BONDS:			
Block 39 Tax Increment Refunding Bonds, Series 2009G *	Public Sale	Block 39 District Tax Increments Block 39 Parking Revenues	3.00 - 4.00
Parking Revenue Refunding Bonds, Series 2017A (Tax Exempt)	Public Sale	HRA Parking Revenues	3.00 - 5.00
Parking Revenue Refunding Bonds, Series 2017B (Taxable)	Public Sale	HRA Parking Revenues	1.00 - 3.00
Block 39 Tax Increment Refunding Bonds, Series 2018C *	Public Sale	Block 39 Tax Increments Block 39 Parking Revenues	3.00 - 5.00
TOTAL BONDS - BUSINESS-TYPE ACTIVITIES			
NOTES			
LAAND Initiative Loan	Met Council	Land Sales Proceeds	0.00
LAAND Initiative Loan	Family Housing Fund	Land Sales Proceeds	0.00
Housing 5000 Program Loan	Saint Paul Foundation	Model Cities Brownstone Loan Payments	1.00
TOTAL NOTES - BUSINESS -TYPE ACTIVITIES			
TOTAL BONDS, NOTES, AND ADVANCES - BUSINESS-TYPE ACTIVITIES			

* The City of Saint Paul has issued a general obligation pledge on these bonds.

<u>Issue Date</u>	<u>Final Maturity Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Payable December 31, 2018</u>
2009	2025	\$ 20,695,000	\$ 20,695,000	\$ -
2017	2035	26,315,000	-	26,315,000
2017	2020	2,630,000	1,325,000	1,305,000
2018	2027	13,175,000	-	13,175,000
		<u>\$ 62,815,000</u>	<u>\$ 22,020,000</u>	<u>\$ 40,795,000</u>
2009	2014	\$ 1,000,000	\$ -	\$ 1,000,000
2009	2014	580,000	-	580,000
2016	2026	2,300,000	93,856	2,206,144
		<u>\$ 3,880,000</u>	<u>\$ 93,856</u>	<u>\$ 3,786,144</u>
		<u>\$ 66,695,000</u>	<u>\$ 22,113,856</u>	<u>\$ 44,581,144</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

December 31, 2018
(Amounts in dollars)

Year	North Quadrant (Essex on the Park) Tax Increment Refunding Bonds, Series 2002		North Quadrant Phase II Tax Increment Bonds, Series 2002		Drake Marble Tax Increment Bonds, Series 2002		9th Street Lofts Tax Increment Bonds, Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ -	\$57,750	\$ -	\$65,030	\$ -	\$45,158	\$ -	\$56,738
2020	-	57,750	-	65,030	-	45,158	-	56,738
2021	-	57,750	-	65,030	-	45,158	-	56,738
2022	-	57,750	-	65,030	-	45,158	-	56,738
2023	-	57,750	-	65,030	-	45,158	-	56,738
2024	-	57,750	-	65,030	-	45,158	-	56,738
2025	-	57,750	-	65,030	-	45,158	-	56,738
2026	-	57,750	-	65,030	-	45,158	-	56,738
2027	-	57,750	-	65,030	-	45,158	-	56,738
2028	770,000	28,875	929,000	32,515	669,000	22,579	890,000	28,369
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
Totals	<u>\$ 770,000</u>	<u>\$ 548,625</u>	<u>\$ 929,000</u>	<u>\$ 617,785</u>	<u>\$ 669,000</u>	<u>\$ 429,001</u>	<u>\$ 890,000</u>	<u>\$ 539,011</u>

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

December 31, 2018
 (Amounts in dollars)

Year	JJ Hill Tax Increment Bonds, Series 2004		RiverCentre Parking Facility Lease Revenue Bonds, Series 2009		Koch Mobil Tax Increment Refunding Bonds, Series 2010A		Emerald Gardens Tax Increment Bonds, Series 2010	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$173,000	\$152,094	\$475,000	\$120,788	\$110,000	\$60,878	\$300,000	\$291,669
2020	184,000	141,094	495,000	101,387	115,000	57,697	325,000	274,091
2021	195,000	129,438	510,000	81,288	120,000	54,230	350,000	254,013
2022	209,000	117,031	535,000	60,387	125,000	50,493	380,000	231,200
2023	221,000	103,782	555,000	37,894	130,000	46,475	405,000	206,669
2024	236,000	89,750	580,000	13,050	130,000	42,250	440,000	180,263
2025	250,000	74,781	-	-	135,000	37,810	475,000	151,669
2026	266,000	58,906	-	-	140,000	33,065	510,000	120,250
2027	283,000	42,031	-	-	150,000	27,915	550,000	85,799
2028	301,000	24,063	-	-	155,000	22,347	590,000	48,750
2029	158,000	4,938	-	-	160,000	16,440	455,000	14,788
2030	-	-	-	-	165,000	10,100	-	-
2031	-	-	-	-	170,000	3,400	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
Totals	<u>\$ 2,476,000</u>	<u>\$ 937,908</u>	<u>\$ 3,150,000</u>	<u>\$ 414,794</u>	<u>\$ 1,805,000</u>	<u>\$ 463,100</u>	<u>\$ 4,780,000</u>	<u>\$ 1,859,161</u>

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

December 31, 2018
 (Amounts in dollars)

Year	US Bank Tax Increment Refunding Bonds, Series 2011G		Upper Landing Tax Increment Refunding Bonds, Series 2012		Upper Landing Tax Increment Revenue Note, Series 2008		Catholic Charities Midway Residence POPSH Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$615,000	\$240,744	\$720,000	\$612,375	\$233,128	\$17,094	\$ -	\$ -
2020	635,000	222,294	810,000	576,000	121,616	3,497	-	-
2021	655,000	203,244	915,000	533,500	-	-	-	-
2022	675,000	183,594	960,000	487,125	-	-	-	-
2023	695,000	163,344	1,010,000	438,500	-	-	-	-
2024	715,000	140,756	1,065,000	387,375	-	-	-	-
2025	740,000	116,625	1,115,000	333,500	-	-	-	-
2026	770,000	90,725	1,175,000	277,000	-	-	10,599,852	-
2027	795,000	62,812	1,235,000	217,500	-	-	-	-
2028	825,000	33,000	1,295,000	155,000	-	-	-	-
2029	-	-	2,125,000	53,125	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
Totals	\$ 7,120,000	\$ 1,457,138	\$ 12,425,000	\$ 4,071,000	\$ 354,744	\$ 20,591	\$ 10,599,852	\$ -

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

December 31, 2018
(Amounts in dollars)

Year	LAAND Initiative Metropolitan Council Loan Saxon Site		LAAND Initiative Family Housing Fund Midway Chev Site		Housing 5000 Program Saint Paul Foundation Note Model Cities Brownstone Project		Parking Revenue Refunding Bonds, Series 2017A (Tax Exempt)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ -	\$ -	\$ -	\$17,400	\$95,777	\$22,368	\$ -	\$967,294
2020	1,000,000	-	580,000	17,400	97,619	21,455	1,085,000	967,294
2021	-	-	-	-	99,735	20,407	1,240,000	934,744
2022	-	-	-	-	101,776	19,396	1,290,000	885,144
2023	-	-	-	-	103,859	18,364	1,355,000	820,644
2024	-	-	-	-	105,890	17,358	1,425,000	752,894
2025	-	-	-	-	108,152	16,237	1,495,000	681,644
2026	-	-	-	-	1,493,336	13,896	1,570,000	606,894
2027	-	-	-	-	-	-	1,630,000	544,094
2028	-	-	-	-	-	-	1,695,000	478,894
2029	-	-	-	-	-	-	1,765,000	411,094
2030	-	-	-	-	-	-	1,820,000	358,144
2031	-	-	-	-	-	-	1,875,000	303,544
2032	-	-	-	-	-	-	1,930,000	247,294
2033	-	-	-	-	-	-	1,985,000	189,394
2034	-	-	-	-	-	-	2,045,000	129,844
2035	-	-	-	-	-	-	2,110,000	65,934
Totals	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 580,000</u>	<u>\$ 34,800</u>	<u>\$ 2,206,144</u>	<u>\$ 149,481</u>	<u>\$ 26,315,000</u>	<u>\$ 9,344,788</u>

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

December 31, 2018
 (Amounts in dollars)

Year	Parking Revenue Refunding Bonds, Series 2017B (Taxable)		Block 39 Tax Increment Refunding Bonds, Series 2018C		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$1,185,000	\$25,366	\$1,485,000	\$703,402	\$5,391,905	\$3,456,148
2020	120,000	2,496	1,380,000	504,100	6,948,235	3,113,481
2021	-	-	1,450,000	433,350	5,534,735	2,868,890
2022	-	-	1,520,000	359,100	5,795,776	2,618,146
2023	-	-	1,600,000	281,100	6,074,859	2,341,448
2024	-	-	1,680,000	199,100	6,376,890	2,047,472
2025	-	-	1,765,000	112,975	6,083,152	1,749,917
2026	-	-	1,130,000	51,900	17,654,188	1,477,312
2027	-	-	1,165,000	17,475	5,808,000	1,222,302
2028	-	-	-	-	8,119,000	874,392
2029	-	-	-	-	4,663,000	500,385
2030	-	-	-	-	1,985,000	368,244
2031	-	-	-	-	2,045,000	306,944
2032	-	-	-	-	1,930,000	247,294
2033	-	-	-	-	1,985,000	189,394
2034	-	-	-	-	2,045,000	129,844
2035	-	-	-	-	2,110,000	65,934
Totals	<u>\$ 1,305,000</u>	<u>\$ 27,862</u>	<u>\$ 13,175,000</u>	<u>\$ 2,662,502</u>	<u>\$ 90,549,740</u>	<u>\$ 23,577,547</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

SCHEDULE OF INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS

ALL FUNDS

For the Fiscal Year Ended December 31, 2018

(Amounts in dollars)

	<u>Federal</u>	<u>State</u>	<u>City</u>	<u>Total</u>
<u>HRA DEVELOPMENT CAPITAL PROJECTS FUND</u>				
Financing for Capital Projects	\$ -	\$ -	\$ 300,000	\$ 300,000
Community Homeownership Impact Funds	-	272,118	-	272,118
Total HRA Development Capital Projects Fund	<u>\$ -</u>	<u>\$ 272,118</u>	<u>\$ 300,000</u>	<u>\$ 572,118</u>
<u>HRA LOAN ENTERPRISE FUND</u>				
Bond Financing for Predevelopment	\$ -	\$ -	\$ 76,570	\$ 76,570
Interest on Advance	-	-	9,293	9,293
National Foreclosure Mitigation Counseling Program - Minnesota Housing Finance Agency	1,469	-	-	1,469
Homeowner Loan Program - State Administered	-	452,150	-	452,150
Mortgage Foreclosure Prevention Assistance Program - State Administered	-	18,500	-	18,500
Sustainable Building Policy Updates	-	-	10,000	10,000
Return of Unused City Capital Project Funding	-	-	44,910	44,910
Total HRA Loan Enterprise Fund	<u>\$ 1,469</u>	<u>\$ 470,650</u>	<u>\$ 140,773</u>	<u>\$ 612,892</u>
TOTAL INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS	<u>\$ 1,469</u>	<u>\$ 742,768</u>	<u>\$ 440,773</u>	<u>\$ 1,185,010</u>

**SCHEDULE OF INTERGOVERNMENTAL EXPENDITURES AND EXPENSES
ALL FUNDS**

For the Fiscal Year Ended December 31, 2018

(Amounts in dollars)

	<u>City</u>
<u>HRA GENERAL FUND</u>	
Financing for Planning and Economic Development Operating Costs	\$ 448,671
Financing for HRA Board Salaries and Expenses	183,233
Financing for Policy Analyst	84,322
Financing for Right Track Program	66,437
Financing for Citizen Participation Program	<u>18,486</u>
Total HRA General Fund	<u>801,149</u>
<u>HRA TAX INCREMENT CAPITAL PROJECTS FUND</u>	
Financing for RiverCentre Arena Revenue Bonds	2,791,715
Financing for Soccer Stadium Site Infrastructure	<u>67,967</u>
Total HRA Tax Increment Capital Projects Fund	<u>2,859,682</u>
<u>HRA LOAN ENTERPRISE FUND</u>	
Financing for Minority Business Development	833,806
Financing for Right Track Program	125,000
Financing for Soccer Stadium Site Infrastructure	<u>15,609</u>
Total HRA Loan Enterprise Fund	<u>974,415</u>
<u>HRA PARKING ENTERPRISE FUND</u>	
Financing for Parking Meter Operations	395,000
Financing for Parking Meter Improvements	643,000
Financing for Farmers Market Parking Operations	24,037
Financing for Lawson Retail Operations	<u>75,000</u>
Total HRA Parking Enterprise Fund	<u>1,137,037</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES AND EXPENSES	<u><u>\$ 5,772,283</u></u>

STATISTICAL SECTION

This part of the HRA's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the HRA's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the HRA's financial performance and well-being have changed over time.	118-133
Revenue Capacity	
These schedules contain trend information to help the reader assess the HRA's most significant local revenue sources.	135-145
Debt Capacity	
These schedules present information to help the reader assess the affordability of the HRA's current levels of outstanding debt and the HRA's ability to issue additional debt in the future.	146-161
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the HRA's activities take place.	162-163
Operating Information	
These schedules contain service and capital asset data to help the reader understand how the information in the HRA's financial report relates to the services the HRA provides and the activities it performs.	164-167

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities			(b)	
Net Investment in Capital Assets	\$ 10,540,586	\$ 9,888,295	\$ 9,356,032	\$ 8,680,756
Restricted	5,266,362	5,548,931	14,346,114	12,230,743
Unrestricted	<u>(45,504,293)</u>	<u>(43,143,612)</u>	<u>(54,824,532)</u>	<u>(57,967,763)</u>
Total Governmental Activities Net Position (a)	<u>(29,697,345)</u>	<u>(27,706,386)</u>	<u>(31,122,386)</u>	<u>(37,056,264)</u>
Business-type Activities			(b)	
Net Investment in Capital Assets	23,496,206	26,573,501	30,569,951	42,227,870
Restricted	8,763,988	13,786,889	4,726,217	4,610,890
Unrestricted	<u>33,349,092</u>	<u>27,002,634</u>	<u>33,102,047</u>	<u>33,211,597</u>
Total Business-type Activities Net Position	<u>65,609,286</u>	<u>67,363,024</u>	<u>68,398,215</u>	<u>80,050,357</u>
Total Saint Paul HRA				
Net Investment in Capital Assets	34,036,792	36,461,796	39,925,983	50,908,626
Restricted	14,030,350	19,335,820	19,072,331	16,841,633
Unrestricted	<u>(12,155,201)</u>	<u>(16,140,978)</u>	<u>(21,722,485)</u>	<u>(24,756,166)</u>
Total Housing & Redevelopment Authority Net Position	<u>\$ 35,911,941</u>	<u>\$ 39,656,638</u>	<u>\$ 37,275,829</u>	<u>\$ 42,994,093</u>

(a) The deficit in governmental activities net position is explained in Management's Discussion and Analysis and Note 4.E. to the financial statements.

(b) Restated

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
(b)			(b)		
\$ 8,005,434	\$ 7,330,112	\$ 9,793,139	\$ 20,498,706	\$ 11,022,552	\$ 9,896,338
12,372,431	30,974,146	27,664,863	36,994,276	40,933,217	47,355,738
<u>(54,404,315)</u>	<u>(31,972,604)</u>	<u>(23,821,849)</u>	<u>(20,823,012)</u>	<u>(22,973,613)</u>	<u>(22,045,766)</u>
<u>(34,026,450)</u>	<u>6,331,654</u>	<u>13,636,153</u>	<u>36,669,970</u>	<u>28,982,156</u>	<u>35,206,310</u>
(b)					
54,190,603	47,512,699	46,591,094	33,066,408	34,307,681	36,579,537
4,430,646	5,571,110	4,698,504	4,766,231	4,541,360	4,184,146
<u>26,801,902</u>	<u>34,574,716</u>	<u>39,875,937</u>	<u>43,048,001</u>	<u>41,679,450</u>	<u>41,112,472</u>
<u>85,423,151</u>	<u>87,658,525</u>	<u>91,165,535</u>	<u>80,880,640</u>	<u>80,528,491</u>	<u>81,876,155</u>
62,196,037	54,842,811	56,384,233	53,565,114	45,330,233	46,475,875
16,803,077	36,545,256	32,363,367	41,760,507	45,474,577	51,539,884
<u>(27,602,413)</u>	<u>2,602,112</u>	<u>16,054,088</u>	<u>22,224,989</u>	<u>18,705,837</u>	<u>19,066,706</u>
<u>\$ 51,396,701</u>	<u>\$ 93,990,179</u>	<u>\$ 104,801,688</u>	<u>\$ 117,550,610</u>	<u>\$ 109,510,647</u>	<u>\$ 117,082,465</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
EXPENSES			(1)
Governmental Activities:			
Housing and Economic Development	\$ 30,430,746	\$ 53,868,777	\$ 41,241,422
Interest on Long-Term Debt	10,264,402	10,132,800	11,037,746
Total Governmental Activities Expenses	<u>40,695,148</u>	<u>64,001,577</u>	<u>52,279,168</u>
Business-type Activities:			
Development Loan Programs	5,194,227	1,462,546	4,515,981
Parking Operations	11,864,859	11,610,535	11,584,599
Lofts	-	-	-
Penfield	-	-	-
Total Business-type Activities Expenses	<u>17,059,086</u>	<u>13,073,081</u>	<u>16,100,580</u>
Total Saint Paul HRA Expenses	<u>57,754,234</u>	<u>77,074,658</u>	<u>68,379,748</u>
PROGRAM REVENUES			
Governmental Activities:			
Charges for Services:			
Housing and Economic Development	1,715,578	5,104,319	1,465,054
Operating Grants and Contributions	20,874,019	37,531,003	23,644,851
Capital Grants and Contributions	271,305	27,711	148,459
Total Governmental Activities Program Revenues	<u>22,860,902</u>	<u>42,663,033</u>	<u>25,258,364</u>
Business-type Activities:			
Charges for Services:			
Development Loan Programs	1,748,389	504,286	2,478,443
Parking Operations	11,204,743	11,394,497	12,140,085
Lofts	-	-	-
Penfield	-	-	-
Operating Grants and Contributions	1,352,810	317,340	647,787
Capital Grants and Contributions	-	534,591	1,592,480
Total Business-type Activities Program Revenues	<u>14,305,942</u>	<u>12,750,714</u>	<u>16,858,795</u>
Total Saint Paul HRA Program Revenues	<u>37,166,844</u>	<u>55,413,747</u>	<u>42,117,159</u>
NET (EXPENSE) REVENUE			
Governmental Activities	(17,834,246)	(21,338,544)	(27,020,804)
Business-type Activities	<u>(2,753,144)</u>	<u>(322,367)</u>	<u>758,215</u>
Total Saint Paul HRA Net (Expense) Revenue	<u>\$ (20,587,390)</u>	<u>\$ (21,660,911)</u>	<u>\$ (26,262,589)</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 38,347,251	\$ 35,650,269	\$ 25,470,071	\$ 18,308,894	\$ 21,848,201	\$ 27,761,356	\$ 20,670,626
9,027,333	8,442,342	10,166,094	5,931,537	6,169,591	5,850,217	7,062,878
<u>47,374,584</u>	<u>44,092,611</u>	<u>35,636,165</u>	<u>24,240,431</u>	<u>28,017,792</u>	<u>33,611,573</u>	<u>27,733,504</u>
3,090,554	2,826,743	1,802,462	4,380,104	9,039,259	4,771,234	2,881,898
11,105,306	11,779,363	11,938,124	13,469,087	13,389,604	15,294,478	14,546,886
-	-	1,122,190	1,168,300	438,769	-	-
-	-	3,777,489	4,587,216	3,685,094	4,172	460
<u>14,195,860</u>	<u>14,606,106</u>	<u>18,640,265</u>	<u>23,604,707</u>	<u>26,552,726</u>	<u>20,069,884</u>	<u>17,429,244</u>
<u>61,570,444</u>	<u>58,698,717</u>	<u>54,276,430</u>	<u>47,845,138</u>	<u>54,570,518</u>	<u>53,681,457</u>	<u>45,162,748</u>
3,651,135	1,659,753	3,586,141	2,602,414	2,254,099	3,600,694	3,165,485
24,344,903	24,700,142	46,968,517	2,039,549	1,040,493	920,401	1,392,629
-	-	-	-	4,846,083	443,040	-
<u>27,996,038</u>	<u>26,359,895</u>	<u>50,554,658</u>	<u>4,641,963</u>	<u>8,140,675</u>	<u>4,964,135</u>	<u>4,558,114</u>
919,137	968,535	606,581	3,820,711	174,557	284,973	1,087,678
12,186,953	13,525,771	13,669,640	14,856,306	15,828,064	16,654,305	17,921,793
-	-	1,013,404	964,050	590	-	-
-	-	2,745,170	4,924,670	3,820,113	-	-
983,084	2,673,781	2,223,684	576,559	795,291	545,698	612,892
15,713	17,971	-	-	-	-	-
<u>14,104,887</u>	<u>17,186,058</u>	<u>20,258,479</u>	<u>25,142,296</u>	<u>20,618,615</u>	<u>17,484,976</u>	<u>19,622,363</u>
<u>42,100,925</u>	<u>43,545,953</u>	<u>70,813,137</u>	<u>29,784,259</u>	<u>28,759,290</u>	<u>22,449,111</u>	<u>24,180,477</u>
(19,378,546)	(17,732,716)	14,918,493	(19,598,468)	(19,877,117)	(28,647,438)	(23,175,390)
<u>(90,973)</u>	<u>2,579,952</u>	<u>1,618,214</u>	<u>1,537,589</u>	<u>(5,934,111)</u>	<u>(2,584,908)</u>	<u>2,193,119</u>
<u>\$ (19,469,519)</u>	<u>\$ (15,152,764)</u>	<u>\$ 16,536,707</u>	<u>\$ (18,060,879)</u>	<u>\$ (25,811,228)</u>	<u>\$ (31,232,346)</u>	<u>\$ (20,982,271)</u>

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			(1)
Governmental Activities:			
HRA Property Tax	\$ 2,172,763	\$ 2,990,745	\$ 3,174,596
Property Tax Increments	21,153,837	20,984,261	19,794,753
State Market Value Homestead Credit	305,835	354,395	347,852
Investment Income	1,340,151	1,062,612	1,900,121
Interest Earned - Other	-	-	-
Transfers	<u>(2,131,339)</u>	<u>(2,062,510)</u>	<u>(188,087)</u>
Total Governmental Activities	<u>22,841,247</u>	<u>23,329,503</u>	<u>25,029,235</u>
Business-type Activities			
HRA Property Tax	-	-	-
Property Tax Increments	1,178,925	1,258,761	1,242,838
Investment Income	99,135	305,311	733,407
Interest Earned - Other	-	-	-
Miscellaneous	-	-	-
Gain on Sale of Capital Assets	-	-	-
Transfers	2,131,339	2,062,510	188,087
Special Item	-	-	-
Total Business-type Activities	<u>3,409,399</u>	<u>3,626,582</u>	<u>2,164,332</u>
Total Saint Paul HRA General Revenues and Other			
Changes in Net Position	<u>26,250,646</u>	<u>26,956,085</u>	<u>27,193,567</u>
CHANGES IN NET POSITION			
Governmental Activities	5,007,001	1,990,959	(1,991,569)
Business-type Activities	<u>656,255</u>	<u>3,304,215</u>	<u>2,922,547</u>
Total Saint Paul HRA Changes in Net Position	<u>\$ 5,663,256</u>	<u>\$ 5,295,174</u>	<u>\$ 930,978</u>

Notes:

Large housing and development expenses were incurred and large operating grants, contributions, and direct appropriations were received during 2010 for tax credit assistance and exchange.

(1) Restated

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 2,678,548	\$ 2,462,066	\$ 2,515,651	\$ 2,534,187	\$ 3,240,341	\$ 3,504,744	\$ 3,829,334
20,437,440	19,277,414	19,828,634	20,129,392	21,946,057	18,525,898	24,602,261
-	-	-	-	-	-	-
370,954	(681,645)	1,405,439	644,865	593,254	1,130,294	796,786
-	-	-	-	-	-	171,163
<u>(10,042,274)</u>	<u>(994,613)</u>	<u>1,689,887</u>	<u>3,594,523</u>	<u>14,988,428</u>	<u>(58,458)</u>	<u>-</u>
<u>13,444,668</u>	<u>20,063,222</u>	<u>25,439,611</u>	<u>26,902,967</u>	<u>40,768,080</u>	<u>23,102,478</u>	<u>29,399,544</u>
257,046	618,035	650,730	656,206	-	-	-
1,181,563	1,120,132	1,102,365	1,124,374	1,099,375	1,103,567	1,173,264
259,732	(221,893)	553,952	219,249	1,587	160,409	83,337
-	-	-	-	191,184	149,184	540,329
-	-	-	-	-	761,141	192,035
2,500	31,681	-	-	-	-	465,580
10,042,274	994,613	(1,689,887)	(3,594,523)	(14,988,428)	58,458	-
-	-	-	3,564,115	9,345,498	-	(3,300,000)
<u>11,743,115</u>	<u>2,542,568</u>	<u>617,160</u>	<u>1,969,421</u>	<u>(4,350,784)</u>	<u>2,232,759</u>	<u>(845,455)</u>
<u>25,187,783</u>	<u>22,605,790</u>	<u>26,056,771</u>	<u>28,872,388</u>	<u>36,417,296</u>	<u>25,335,237</u>	<u>28,554,089</u>
(5,933,878)	2,330,506	40,358,104	7,304,499	20,890,963	(5,544,960)	6,224,154
<u>11,652,142</u>	<u>5,122,520</u>	<u>2,235,374</u>	<u>3,507,010</u>	<u>(10,284,895)</u>	<u>(352,149)</u>	<u>1,347,664</u>
<u>\$ 5,718,264</u>	<u>\$ 7,453,026</u>	<u>\$ 42,593,478</u>	<u>\$ 10,811,509</u>	<u>\$ 10,606,068</u>	<u>\$ (5,897,109)</u>	<u>\$ 7,571,818</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

PROGRAM REVENUES BY FUNCTIONS / PROGRAMS

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u> (1)	<u>2012</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Housing and Economic Development				
Charges for Services	\$ 1,715,578	\$ 5,104,319	\$ 1,465,054	\$ 3,651,135
Operating Grants and Contributions	20,874,019	37,531,003	23,644,851	24,344,903
Capital Grants and Contributions	<u>271,305</u>	<u>27,711</u>	<u>148,459</u>	<u>-</u>
Total Housing and Economic Development	<u>22,860,902</u>	<u>42,663,033</u>	<u>25,258,364</u>	<u>27,996,038</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>22,860,902</u>	<u>42,663,033</u>	<u>25,258,364</u>	<u>27,996,038</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Development Loan Programs				
Charges for Services	1,748,389	504,286	2,478,443	919,137
Operating Grants and Contributions	1,352,810	317,340	647,787	983,084
Capital Grants and Contributions	<u>-</u>	<u>534,591</u>	<u>1,592,480</u>	<u>15,713</u>
Total Development Loan Programs	<u>3,101,199</u>	<u>1,356,217</u>	<u>4,718,710</u>	<u>1,917,934</u>
Parking Operations				
Charges for Services	11,204,743	11,394,497	12,140,085	12,186,953
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Parking Operations	<u>11,204,743</u>	<u>11,394,497</u>	<u>12,140,085</u>	<u>12,186,953</u>
Lofts				
Charges for Services	-	-	-	-
Operating Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Lofts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Penfield				
Charges for Services	-	-	-	-
Operating Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Penfield	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>14,305,942</u>	<u>12,750,714</u>	<u>16,858,795</u>	<u>14,104,887</u>
TOTAL - ALL FUNCTIONS / PROGRAMS	<u>\$ 37,166,844</u>	<u>\$ 55,413,747</u>	<u>\$ 42,117,159</u>	<u>\$ 42,100,925</u>

(1) Restated

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,659,753	\$ 3,586,141	\$ 2,602,414	\$ 2,254,099	\$ 3,600,694	\$ 3,165,485
24,700,142	46,968,517	2,039,549	1,040,493	920,401	1,392,629
-	-	-	4,846,083	443,040	-
<u>26,359,895</u>	<u>50,554,658</u>	<u>4,641,963</u>	<u>8,140,675</u>	<u>4,964,135</u>	<u>4,558,114</u>
<u>26,359,895</u>	<u>50,554,658</u>	<u>4,641,963</u>	<u>8,140,675</u>	<u>4,964,135</u>	<u>4,558,114</u>
968,535	606,581	3,820,711	174,557	284,973	1,087,678
1,673,781	721,925	419,430	795,291	545,698	612,892
-	-	-	-	-	-
<u>2,642,316</u>	<u>1,328,506</u>	<u>4,240,141</u>	<u>969,848</u>	<u>830,671</u>	<u>1,700,570</u>
13,525,771	13,669,640	14,856,306	15,828,064	16,654,305	17,921,793
1,000,000	82,945	-	-	-	-
17,971	-	-	-	-	-
<u>14,543,742</u>	<u>13,752,585</u>	<u>14,856,306</u>	<u>15,828,064</u>	<u>16,654,305</u>	<u>17,921,793</u>
-	1,013,404	964,050	590	-	-
-	157,299	157,129	-	-	-
<u>-</u>	<u>1,170,703</u>	<u>1,121,179</u>	<u>590</u>	<u>-</u>	<u>-</u>
-	2,745,170	4,924,670	3,820,113	-	-
-	1,261,515	-	-	-	-
<u>-</u>	<u>4,006,685</u>	<u>4,924,670</u>	<u>3,820,113</u>	<u>-</u>	<u>-</u>
<u>17,186,058</u>	<u>20,258,479</u>	<u>25,142,296</u>	<u>20,618,615</u>	<u>17,484,976</u>	<u>19,622,363</u>
<u>\$ 43,545,953</u>	<u>\$ 70,813,137</u>	<u>\$ 29,784,259</u>	<u>\$ 28,759,290</u>	<u>\$ 22,449,111</u>	<u>\$ 24,180,477</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u> (1)	<u>2012</u>
HRA General Fund				
Nondspendable	\$ -	\$ -	\$ 717,599	\$ 717,599
Committed	-	-	4,448,812	6,168,246
Assigned	-	-	1,414,495	597,945
Unassigned	-	-	4,242,795	4,145,023
Reserved	742,647	731,031	-	-
Unreserved	<u>9,614,435</u>	<u>9,133,372</u>	<u>-</u>	<u>-</u>
Total HRA General Fund	<u>\$ 10,357,082</u>	<u>\$ 9,864,403</u>	<u>\$ 10,823,701</u>	<u>\$ 11,628,813</u>
All Other HRA Funds				
Nondspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	44,696,696	32,446,803
Assigned	-	-	562,349	562,349
Reserved	25,366,854	31,047,251	-	-
Unreserved	<u>28,496,659</u>	<u>21,230,536</u>	<u>-</u>	<u>-</u>
Total All Other HRA Funds	<u>\$ 53,863,513</u>	<u>\$ 52,277,787</u>	<u>\$ 45,259,045</u>	<u>\$ 33,009,152</u>
TOTAL - ALL HRA FUNDS				
Nondspendable	\$ -	\$ -	\$ 717,599	\$ 717,599
Restricted	-	-	44,696,696	32,446,803
Committed	-	-	4,448,812	6,168,246
Assigned	-	-	1,976,844	1,160,294
Unassigned	-	-	4,242,795	4,145,023
Reserved	26,109,501	31,778,282	-	-
Unreserved	<u>38,111,094</u>	<u>30,363,908</u>	<u>-</u>	<u>-</u>
Total All HRA Funds	<u>\$ 64,220,595</u>	<u>\$ 62,142,190</u>	<u>\$ 56,082,746</u>	<u>\$ 44,637,965</u>
Restatement				
Total All HRA Funds, Restated				

- (1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the Authority's fund balance classifications.
- (2) The implementation of a new fund structure related to the City's implementation of the new finance system on January 1, 2014 resulted in a significant change in the Authority's fund balance classifications.
- (3) On January 1, 2017, the fund balances for governmental funds were adjusted to eliminate deferred inflows for land held for resale.

<u>2013</u> (2)	<u>2014</u>	<u>2015</u>	<u>2016</u> (3)	<u>2017</u>	<u>2018</u>
\$ 717,599	\$ 692,050	\$ 1,047,962	\$ -	\$ 325,236	\$ 325,236
5,814,724	6,370,768	7,172,276	6,148,400	6,001,576	4,696,182
1,224,283	4,959,422	4,245,483	4,937,447	4,211,338	4,211,341
4,147,129	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,903,735</u>	<u>\$ 12,022,240</u>	<u>\$ 12,465,721</u>	<u>\$ 11,085,847</u>	<u>\$ 10,538,150</u>	<u>\$ 9,232,759</u>
\$ -	\$ 3,047,078	\$ 3,658,385	\$ -	\$ -	\$ -
30,156,288	28,709,493	29,116,951	51,524,185	42,803,109	47,975,428
241,165	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,397,453</u>	<u>\$ 31,756,571</u>	<u>\$ 32,775,336</u>	<u>\$ 51,524,185</u>	<u>\$ 42,803,109</u>	<u>\$ 47,975,428</u>
\$ 717,599	\$ 3,739,128	\$ 4,706,347	\$ -	\$ 325,236	\$ 325,236
30,156,288	28,709,493	29,116,951	51,524,185	42,803,109	47,975,428
5,814,724	6,370,768	7,172,276	6,148,400	6,001,576	4,696,182
1,465,448	4,959,422	4,245,483	4,937,447	4,211,338	4,211,341
4,147,129	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,301,188	<u>\$ 43,778,811</u>	<u>\$ 45,241,057</u>	62,610,032	<u>\$ 53,341,259</u>	<u>\$ 57,208,187</u>
(3,120,079)			2,142,854		
<u>\$ 39,181,109</u>			<u>\$ 64,752,886</u>		

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES				
Taxes	\$ 23,145,710	\$ 23,568,364	\$ 23,240,973	\$ 24,402,731
Intergovernmental	20,330,468	35,188,892	22,421,293	23,229,228
Fees, Sales and Services	2,676,402	5,556,017	2,008,781	4,248,416
Investment Income	1,322,681	1,074,507	1,904,956	413,264
Miscellaneous	543,551	2,448,040	1,223,558	1,115,675
Total Revenues	<u>48,018,812</u>	<u>67,835,820</u>	<u>50,799,561</u>	<u>53,409,314</u>
EXPENDITURES				
Housing and Economic Development	15,705,363	37,390,286	23,993,249	31,220,168
Intergovernmental	17,133,134	16,142,704	16,896,257	16,209,356
Capital Outlay	-	-	-	-
Debt Service:				
Interest	10,353,912	10,089,143	11,311,119	9,493,948
Principal	5,671,147	9,227,737	6,580,944	7,588,309
Issuance Costs & Fiscal Charges	141,085	384,506	139,665	297,016
Debt Prepayment Penalty	-	-	-	-
Total Expenditures	<u>49,004,641</u>	<u>73,234,376</u>	<u>58,921,234</u>	<u>64,808,797</u>
Excess of Revenues over (under) Expenditures	(985,829)	(5,398,556)	(8,121,673)	(11,399,483)
OTHER FINANCING SOURCES (USES)				
Proceeds from Borrowing	-	6,595,000	-	-
Proceeds from Refunding	7,003,608	2,682,662	12,085,316	16,785,330
Redemption of Refunded Bonds	(4,970,000)	(3,895,000)	(9,835,000)	(17,141,000)
Transfers In	2,154,432	7,462,416	20,745,170	9,712,248
Transfers Out	(4,658,222)	(9,524,926)	(20,933,258)	(9,401,876)
Total Other Financing Sources (Uses)	<u>(470,182)</u>	<u>3,320,152</u>	<u>2,062,228</u>	<u>(45,298)</u>
Net Change in Fund Balance	<u>\$ (1,456,011)</u>	<u>\$ (2,078,404)</u>	<u>\$ (6,059,445)</u>	<u>\$ (11,444,781)</u>
Debt Service as a Percentage of Noncapital Expenditures	32.7%	26.4% (a)	30.4%	26.4%

(a) In 2010, a balloon payment of \$3,450,000 was made on the HUD Section 108 Note, Series 2003-B.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 21,775,071	\$ 22,383,553	\$ 22,724,508	\$ 25,197,511	\$ 22,048,750	\$ 28,461,194
23,854,124	44,599,377	1,471,179	11,129,073	732,844	572,118
2,154,654	2,922,779	3,944,542	3,165,531	3,665,322	3,474,894
(705,720)	1,238,909	598,355	547,786	1,101,846	897,304
846,018	2,910,215	983,295	1,029,548	670,018	793,590
<u>47,924,147</u>	<u>74,054,833</u>	<u>29,721,879</u>	<u>41,069,449</u>	<u>28,218,780</u>	<u>34,199,100</u>
18,857,958	14,445,892	15,138,425	16,926,287	16,950,979	15,903,080
16,197,775	9,732,751	2,652,900	2,867,458	10,587,230	3,660,831
-	-	3,129,938	11,372,429	1,274,290	20,800
8,286,020	10,468,007	6,105,479	6,326,420	5,994,186	7,213,480
5,924,558	37,692,841	4,796,830	10,526,669	4,743,140	3,499,257
-	56,887	30,584	29,639	22,124	34,724
-	757,271	-	-	-	-
<u>49,266,311</u>	<u>73,153,649</u>	<u>31,854,156</u>	<u>48,048,902</u>	<u>39,571,949</u>	<u>30,332,172</u>
(1,342,164)	901,184	(2,132,277)	(6,979,453)	(11,353,169)	3,866,928
-	-	-	9,360,000	-	-
-	2,006,611	-	-	-	-
-	-	-	-	-	-
7,659,365	7,169,198	4,173,451	16,819,094	3,558,596	2,435,567
<u>(8,653,978)</u>	<u>(5,479,311)</u>	<u>(578,928)</u>	<u>(1,830,666)</u>	<u>(3,617,054)</u>	<u>(2,435,567)</u>
<u>(994,613)</u>	<u>3,696,498</u>	<u>3,594,523</u>	<u>24,348,428</u>	<u>(58,458)</u>	<u>-</u>
<u>\$ (2,336,777)</u>	<u>\$ 4,597,682</u>	<u>\$ 1,462,246</u>	<u>\$ 17,368,975</u>	<u>\$ (11,411,627)</u>	<u>\$ 3,866,928</u>
28.8%	66.9%	38.0%	46.0%	28.0%	35.5%

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

NET POSITION - PROPRIETARY FUNDS

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
HRA Loan Enterprise Fund			(1)	
Net Investment in Capital Assets	\$ -	\$ (21,292)	\$ 1,530,300	\$ 14,015,074
Restricted	1,072,523	7,250,562	393,566	256,756
Unrestricted	<u>21,645,396</u>	<u>17,267,290</u>	<u>23,048,381</u>	<u>22,371,117</u>
Total HRA Loan Enterprise Fund	<u>22,717,919</u>	<u>24,496,560</u>	<u>24,972,247</u>	<u>36,642,947</u>
HRA Parking Enterprise Fund				
Net Investment in Capital Assets	23,496,206	26,594,793	27,152,295	28,212,796
Restricted	7,691,465	6,536,327	4,332,651	4,354,134
Unrestricted	<u>11,703,696</u>	<u>9,735,344</u>	<u>11,941,022</u>	<u>10,840,480</u>
Total HRA Parking Enterprise Fund	<u>42,891,367</u>	<u>42,866,464</u>	<u>43,425,968</u>	<u>43,407,410</u>
HRA Lofts Enterprise Fund				
Net Investment in Capital Assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total HRA Lofts Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
HRA Penfield Enterprise Fund				
Net Investment in Capital Assets	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total HRA Penfield Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL - ALL PROPRIETARY FUNDS				
Net Investment in Capital Assets	23,496,206	26,573,501	28,682,595	42,227,870
Restricted	8,763,988	13,786,889	4,726,217	4,610,890
Unrestricted	<u>33,349,092</u>	<u>27,002,634</u>	<u>34,989,403</u>	<u>33,211,597</u>
Total Net Position - All Proprietary Funds	<u>\$ 65,609,286</u>	<u>\$ 67,363,024</u>	<u>\$ 68,398,215</u>	<u>\$ 80,050,357</u>
2013 Restatements (2)				
Total Net Position - All Proprietary Funds, Restated				

(1) Restated

(2) The implementation of a new fund structure related to the City's implementation of the new finance system on January 1, 2014 resulted in a significant change in the Authority's net position classifications.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 25,145,183	\$ -	\$ -	\$ -	\$ -	\$ -
414,569	773,865	815,483	834,754	802,592	890,805
<u>13,396,478</u>	<u>16,496,404</u>	<u>18,830,554</u>	<u>22,881,556</u>	<u>19,289,898</u>	<u>19,142,548</u>
<u>38,956,230</u>	<u>17,270,269</u>	<u>19,646,037</u>	<u>23,716,310</u>	<u>20,092,490</u>	<u>20,033,353</u>
29,045,420	30,153,360	31,490,755	33,066,408	34,307,681	36,579,537
4,016,077	4,273,882	3,883,021	3,931,477	3,738,768	3,293,341
<u>13,155,150</u>	<u>14,245,591</u>	<u>15,920,392</u>	<u>17,780,311</u>	<u>21,477,419</u>	<u>21,366,216</u>
<u>46,216,647</u>	<u>48,672,833</u>	<u>51,294,168</u>	<u>54,778,196</u>	<u>59,523,868</u>	<u>61,239,094</u>
-	1,774,510	-	-	-	-
-	523,363	-	-	-	-
-	<u>174,812</u>	<u>971,985</u>	-	-	-
-	<u>2,472,685</u>	<u>971,985</u>	-	-	-
-	15,584,829	15,100,339	-	-	-
-	<u>3,657,909</u>	<u>4,153,006</u>	<u>2,386,134</u>	<u>912,133</u>	<u>603,708</u>
-	<u>19,242,738</u>	<u>19,253,345</u>	<u>2,386,134</u>	<u>912,133</u>	<u>603,708</u>
54,190,603	47,512,699	46,591,094	33,066,408	34,307,681	36,579,537
4,430,646	5,571,110	4,698,504	4,766,231	4,541,360	4,184,146
<u>26,551,628</u>	<u>34,574,716</u>	<u>39,875,937</u>	<u>43,048,001</u>	<u>41,679,450</u>	<u>41,112,472</u>
85,172,877	<u>\$ 87,658,525</u>	<u>\$ 91,165,535</u>	<u>\$ 80,880,640</u>	<u>\$ 80,528,491</u>	<u>\$ 81,876,155</u>
250,274					
<u>\$ 85,423,151</u>					

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

CHANGES IN NET POSITION - PROPRIETARY FUNDS

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2009	2010	2011	2012
OPERATING REVENUES			(2)	
Fees, Sales and Services:				
Loan Programs	\$ 1,329,083	\$ 139,364	\$ 1,466,278	\$ 726,949
Apartment Facilities	-	-	-	-
Parking Facilities	11,204,743	11,394,497	12,140,085	12,101,480
Interest Earned on Loans	419,306	364,922	1,012,165	277,661
Total Operating Revenues	<u>12,953,132</u>	<u>11,898,783</u>	<u>14,618,528</u>	<u>13,106,090</u>
OPERATING EXPENSES				
Development Loan Programs	2,970,167	710,321	2,929,465	639,686
Costs of Parking and Apartment Facility Operation	5,043,784	5,425,658	5,229,275	5,652,432
Depreciation	2,766,036	2,846,729	2,937,220	3,187,169
Bad Debt Expense on Loans	187,588	309,257	5,994	-
Forgivable Loan Expense	1,708,022	161,365	609,833	-
Total Operating Expenses	<u>12,675,597</u>	<u>9,453,330</u>	<u>11,711,787</u>	<u>9,479,287</u>
OPERATING INCOME (LOSS)	277,535	2,445,453	2,906,741	3,626,803
NONOPERATING REVENUES (EXPENSES)				
Property Tax Increments	1,178,925	1,258,761	1,242,838	1,438,609
Operating Grants	427,828	294,329	519,025	681,284
Gain on Sale of Capital Assets	-	-	-	2,500
Noncapital Contributions	924,982	23,011	128,762	301,800
Investment Income	99,134	305,311	733,407	259,732
Interest Earned - Other	-	-	-	-
Interest on Long-Term Debt	(3,909,476)	(3,162,276)	(3,313,774)	(3,201,470)
Debt Service Issuance Costs	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Intergovernmental Expenses	(357,244)	(312,089)	(467,116)	(402,201)
Miscellaneous Other Revenue	-	-	-	-
Miscellaneous Other Expense	-	-	-	-
Loss on Retirement of Assets	-	-	(405,036)	(117,091)
Litigation Mediation - Noncash Advance	-	(412,753)	-	-
Amortization of Debt Issuance Costs (1)	(116,768)	(145,386)	(2,090,223)	(995,811)
Total Non-operating Revenues (Expenses)	<u>(1,752,619)</u>	<u>(2,151,092)</u>	<u>(3,652,117)</u>	<u>(2,032,648)</u>
Capital Contributions	-	947,344	1,592,480	10,368,359
Transfers In	2,528,208	2,078,822	195,190	2,377,524
Transfers Out	(396,869)	(16,312)	(7,103)	(2,687,896)
Special Item	-	-	-	-
Change in Net Position	<u>\$ 656,255</u>	<u>\$ 3,304,215</u>	<u>\$ 1,035,191</u>	<u>\$ 11,652,142</u>
2013 Restatements (3)				
Change in Net Position, Restated				

(1) In 2012, with adoption of GASB 65, total debt issuance cost for the year is expensed, not amortized.

(2) Restated

(3) The implementation of a new fund structure related to the City's implementation of the new finance system on January 1, 2014 resulted in a significant change in the Authority's net position classifications.

Unaudited

2013	2014	2015	2016	2017	2018
\$ 1,081,783	\$ 524,197	\$ 3,482,030	\$ 142,618	\$ 103,185	\$ 978,132
-	3,758,574	5,888,720	3,820,703	-	-
13,485,208	13,669,640	14,856,306	15,828,064	16,654,305	17,913,460
(72,685)	82,384	338,681	31,939	181,788	117,879
<u>14,494,306</u>	<u>18,034,795</u>	<u>24,565,737</u>	<u>19,823,324</u>	<u>16,939,278</u>	<u>19,009,471</u>
949,697	1,040,210	3,589,939	3,626,474	852,407	1,856,260
6,370,512	7,661,228	8,650,210	8,508,630	7,065,359	8,470,842
3,246,852	4,586,554	4,652,169	4,080,855	3,244,400	3,239,037
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,567,061</u>	<u>13,287,992</u>	<u>16,892,318</u>	<u>16,215,959</u>	<u>11,162,166</u>	<u>13,566,139</u>
3,927,245	4,746,803	7,673,419	3,607,365	5,777,112	5,443,332
1,738,167	1,753,095	1,780,580	1,099,375	1,103,567	1,173,264
1,172,384	869,931	567,266	385,998	215,202	472,119
31,681	-	-	-	-	465,580
501,397	-	-	-	-	-
(221,893)	553,952	219,249	1,587	160,409	83,337
-	-	-	191,184	149,184	540,329
(3,079,041)	(4,151,237)	(4,110,741)	(3,072,558)	(1,783,361)	(1,473,720)
-	-	-	-	(433,684)	(109,099)
1,000,000	1,353,753	9,293	409,293	330,496	140,773
(822,616)	(770,432)	(2,204,113)	(6,819,949)	(6,427,486)	(2,111,452)
-	-	-	-	761,141	192,035
-	(254,256)	(269,133)	(165,574)	(21,160)	(18,992)
(137,388)	(176,348)	(128,402)	(278,686)	(242,027)	(149,842)
-	-	-	-	-	-
-	-	-	-	-	-
<u>182,691</u>	<u>(821,542)</u>	<u>(4,136,001)</u>	<u>(8,249,330)</u>	<u>(6,187,719)</u>	<u>(795,668)</u>
17,971	-	-	-	-	-
2,709,828	1,903,282	2,858,575	14,640,594	2,289,428	500,000
(1,715,215)	(3,593,169)	(6,453,098)	(29,629,022)	(2,230,970)	(500,000)
-	-	3,564,115	9,345,498	-	(3,300,000)
5,122,520	<u>\$ 2,235,374</u>	<u>\$ 3,507,010</u>	<u>\$ (10,284,895)</u>	<u>\$ (352,149)</u>	<u>\$ 1,347,664</u>
250,274					
<u>\$ 5,372,794</u>					

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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year	HRA Property Tax Levy	Property Tax Increments	Total Tax Revenue
2009	\$2,129,936	\$21,015,774	\$23,145,710
2010	2,797,136	20,771,228	23,568,364
2011	3,185,612	20,055,361	23,240,973
2012	2,866,172	21,536,559	24,402,731
2013	2,463,327	19,311,744	21,775,071
2014	2,548,212	19,835,341	22,383,553
2015	2,544,885	20,179,623	22,724,508
2016	3,246,045	21,951,466	25,197,511
2017	3,506,341	18,542,409	22,048,750
2018	3,827,951	24,633,243	28,461,194
Change 2009-2018	79.7%	17.2%	23.0%

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

**HRA PROPERTY TAX LEVIES, PROPERTY VALUES, AND RATES
Last Ten Fiscal Years**

LEVY - PAYABLE	2009	2010	2011	2012
Tax Capacity*				
Real Property*	\$247,182,526	\$234,400,482	\$217,930,655	\$197,620,962
Personal Property*	6,885,304	5,850,737	7,032,252	6,062,185
Fiscal Disparities*	25,238,471	26,101,435	26,457,028	25,556,968
Total Net Tax Capacity*	279,306,301	266,352,654	251,419,935	229,240,115
Taxable Market Value*	22,776,772,200	21,551,886,800	20,065,253,800	18,163,450,800
Tax Capacity Rate	0.8980%	1.2720%	1.2620%	1.4180%
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0185%	0.0185%	0.0185%	0.0185%
Maximum Tax Levy per State Law	\$ 4,213,703	\$ 3,987,099	\$ 3,712,072	\$ 3,360,238
Actual Tax Levy Certified	\$ 2,278,148	\$ 3,178,148	\$ 3,178,148	\$ 3,178,148
Actual Levy under Maximum	\$ 1,935,555	\$ 808,951	\$ 533,924	\$ 182,090
% of Actual Levy to Maximum	54.07%	79.71%	85.62%	94.58%

Data for this table is obtained from the City of Saint Paul Comprehensive Annual Financial Report, the Housing and Redevelopment Authority of the City of Saint Paul Comprehensive Annual Financial Report, and the City of Saint Paul Office of Financial Services.

* Amounts are in Dollars. Real and Personal Property, Fiscal Disparity, and Taxable Market Value.

Beginning in 2013, Taxable Market Value is replaced by Estimated Market Value.

The levy is based on the prior year's estimated market value but applies to the current year's net tax capacity.

2013	2014	2015	2016	2017	2018
\$186,461,109	\$187,239,027	\$201,250,561	\$232,125,615	\$251,086,775	\$277,106,531
6,816,827	6,953,340	7,153,758	7,462,143	7,574,675	8,069,306
23,150,886	24,580,157	25,956,548	29,541,926	30,129,216	31,363,745
216,428,822	218,772,524	234,360,867	269,129,684	288,790,666	316,539,582
18,187,359,400	18,388,992,700	18,425,451,200	19,709,227,700	20,563,822,400	22,091,435,000
1.4824%	1.4445%	1.3860%	1.3110%	1.3270%	1.3040%
0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%
\$ 3,364,661	\$ 3,401,964	\$ 3,408,708	\$ 3,646,207	\$ 3,804,307	\$ 4,086,915
\$ 3,178,148	\$ 3,178,148	\$ 3,278,148	\$ 3,278,148	\$ 3,546,597	\$ 3,822,159
\$ 186,513	\$ 223,816	\$ 130,560	\$ 368,059	\$ 257,710	\$ 264,756
94.46%	93.42%	96.17%	89.91%	93.23%	93.52%

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

HRA PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Taxes Levied for Current Fiscal Year	\$2,278,148	\$ 3,178,148	\$ 3,178,148	\$ 3,178,148
Collection of Current Year Tax Levy				
From Taxpayers	\$ 1,874,829	\$ 2,259,765	\$ 2,470,269	\$ 2,476,585
Fiscal Disparity Aid	223,759	493,367	693,746	633,373
State Credits and Aids	87,974	115,779	108,652	-
Closed TIF District Adj.	-	194,065	-	-
Total Current Year Tax Levy Collection	<u>\$2,186,562</u>	<u>\$ 3,062,976</u> (1)	<u>\$ 3,272,667</u>	<u>\$ 3,109,958</u>
Actual Percent of Current Year Levy	95.98%	96.38%	102.97%	97.85%
Collection of Delinquent Taxes for Subsequent Years				
1st Year Delinquent	\$ 41,495	\$ 14,489	\$ 21,851	\$ (40,292)
2nd Year Delinquent	9,941	(8,660)	(4,284)	(5,424)
3rd Year Delinquent	(654)	(1,867)	(3,642)	(4,229)
4th Year Delinquent	276	1,259	(2,854)	1,604
5th Year Delinquent	1,095	(1,904)	932	1,100
6th Year & Prior Delinquent	<u>(8,768)</u>	<u>1,693</u>	<u>1,902</u>	<u>1,202</u>
Total Delinquent Taxes Collection	<u>\$ 43,385</u>	<u>\$ 5,010</u>	<u>\$ 13,905</u>	<u>\$ (46,039)</u>
Total Tax Collections	<u>\$2,229,947</u>	<u>\$ 3,067,986</u>	<u>\$ 3,286,572</u>	<u>\$ 3,063,919</u>
Total Percent of Levy Collected	97.88%	96.53%	103.41%	96.41%

(1) Revaluation downward of property in a closed Tax Increment Finance District reduced net levy collected by HRA by 6.11%

Note: Collections do not include Tax Increment Districts.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 3,178,148	\$ 3,178,148	\$ 3,278,148	\$ 3,278,148	\$ 3,546,597	\$ 3,822,159
\$ 2,464,092	\$ 2,432,640	\$ 2,481,531	\$ 2,505,951	\$ 2,776,822	\$ 3,035,185
662,508	696,821	725,135	723,429	719,336	778,441
70	-	-	166	-	-
-	-	-	-	-	-
<u>\$ 3,126,670</u>	<u>\$ 3,129,461</u>	<u>\$ 3,206,666</u>	<u>\$ 3,229,546</u>	<u>\$ 3,496,158</u>	<u>\$ 3,813,626</u>
98.38%	98.47%	97.82%	98.52%	98.58%	99.78%
\$ 75,700	\$ 18,489	\$ 17,114	\$ 11,543	\$ 11,608	\$ -
(6,309)	(3,895)	(4,511)	(1,117)	-	-
(949)	(1,394)	1,565	-	-	-
1,543	484	-	-	-	-
583	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 70,568</u>	<u>\$ 13,684</u>	<u>\$ 14,168</u>	<u>\$ 10,426</u>	<u>\$ 11,608</u>	<u>\$ -</u>
<u>\$ 3,197,238</u>	<u>\$ 3,143,145</u>	<u>\$ 3,220,834</u>	<u>\$ 3,239,972</u>	<u>\$ 3,507,766</u>	<u>\$ 3,813,626</u>
100.60%	98.90%	98.25%	98.84%	98.91%	99.78%

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

PROPERTY TAX INCREMENT LEVIES AND COLLECTIONS
Last Ten Fiscal Years

	2009	2010	2011
TOTAL - ALL TAX INCREMENT DISTRICTS			
Original Tax Capacity Before Development - All Tax Increment Districts	\$4,332,382	\$4,491,122	\$4,838,654
Current Tax Capacity - All Tax Increment Districts	\$30,308,177	\$29,809,160	\$27,664,571
Captured Tax Capacity Retained by HRA / Port Authority	\$25,975,795	\$25,318,038	\$22,825,917
Tax capacity rate (Watershed district)	106.465%	120.820%	133.883%
Tax Increment Spread	\$27,268,157	\$28,705,815	\$27,278,203
Tax Increment Collected:			
Current	\$26,337,565	\$27,171,525	\$26,021,565
Delinquent	\$128,882	(\$592,694)	(\$1,359,307)
Developer Shortfall Payments	\$252,345	-	-
Homestead Credit	\$217,861	\$238,616	\$239,200
Total Tax Increment Collected	\$26,936,653	\$26,817,447	\$24,901,458
Percentage of Tax Increment Collected to Tax Increment Spread	98.78%	93.42%	91.29%
Delinquent Tax Increment Receivable at December 31	\$746,588	\$696,706	\$1,188,906
Percentage of Delinquent Tax Increment Receivable to Tax Increment Spread	2.74%	2.43%	4.36%
Percentage of Captured Tax Capacity to Saint Paul Total Tax Capacity	8.52%	8.67%	9.23%

Note: This table includes data from both Saint Paul Housing and Redevelopment Authority and Saint Paul Port Authority administered tax increment financing districts.

The percentage of Total Captured Tax Capacity to Saint Paul Total Tax Capacity was adjusted for 2011.

2012	2013	2014	2015	2016	2017	2018
\$4,977,370	\$4,900,569	\$4,918,344	\$4,671,951	\$4,532,616	\$3,502,068	\$4,382,677
\$26,928,860	\$25,718,660	\$25,654,138	\$25,562,017	\$26,768,060	\$24,495,735	\$29,001,697
\$21,961,592 153.079%	\$20,826,379 162.369%	\$20,796,390 163.482%	\$20,745,503 152.350%	\$22,093,792 150.696%	\$20,845,463 145.553%	\$24,444,434 149.826%
\$27,580,222	\$25,932,396	\$25,973,141	\$25,364,445	\$27,075,751	\$25,820,957	\$30,981,109
\$26,690,452 \$495,150 -	\$25,144,638 (\$162,936) -	\$25,817,771 (\$387,772) \$88,360	\$25,092,583 (\$450,152) \$23,097	\$26,721,385 (\$245,152) -	\$24,975,673 (\$2,121,942) -	\$30,454,196 \$455,771 -
\$27,185,602	\$24,981,702	\$25,518,359	\$24,665,528	\$26,476,233	\$22,853,731	\$30,909,967
98.57%	96.33%	98.25%	97.24%	97.79%	88.51%	99.77%
\$459,660	\$322,048	\$254,843	\$207,659	\$174,789	\$162,688	\$94,359
1.67%	1.24%	0.98%	0.82%	0.65%	0.63%	0.30%
8.85%	9.75%	9.74%	9.71%	9.24%	9.83%	10.49%

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City of Saint Paul, Minnesota
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Xcel Energy	\$ 7,324,100	1	2.51%	\$ 5,076,576	1	1.82%
BNSF Railway Co.	1,663,279	2	0.57%	933,895	9	0.33%
St. Paul Tower LP (World Trade Center)	1,607,676	3	0.55%	1,899,250	3	0.68%
Minnesota Mutual Life Insurance	1,358,529	4	0.46%	2,754,790	2	0.99%
U.S. Bank Corp. Property & U.S. Bancorp	1,027,522	5	0.35%	1,368,102	5	0.49%
1944 Rice Street LLC	968,146	6	0.33%			
Ecolab	920,850	7	0.32%			
Chicago Milwaukee St. Paul Pacific	709,900	8	0.24%			
Court International LLC	703,480	9	0.24%			
Ford Motor Company ¹⁾	692,090	10	0.24%	1,104,510	7	0.40%
Traveler's Insurance (St. Paul Companies)				1,620,560	4	0.58%
Behringer Harvard LC LLC (Lawson Software)				1,299,250	6	0.47%
CSM Corporation & Investors				1,047,456	8	0.37%
Griffin Capital LLC				885,250	10	0.31%
	<u>\$ 16,975,572</u>		<u>5.81%</u>	<u>\$ 17,989,639</u>		<u>6.44%</u>

1) Ford Motor Company closed its Highland Park plant in December 2011 and is in the process of completing the environmental cleanup of the site for future redevelopment.

Source: Ramsey County Auditor

HRA PARKING FACILITY REVENUES
Last Ten Fiscal Years

	2009	2010	2011	2012
Block 7A Ramp				
Operating Revenues	\$ 993,836	\$ 1,008,924	\$ 1,033,804	\$ 1,059,400
Operating Expenses	508,861	491,015	521,086	516,900
Operating Income (Loss)	<u>\$ 484,975</u>	<u>\$ 517,909</u>	<u>\$ 512,718</u>	<u>\$ 542,500</u>
Seventh Street Ramp				
Operating Revenues	\$ 1,225,262	\$ 1,225,291	\$ 1,248,375	\$ 1,226,439
Operating Expenses	379,331	384,743	430,719	456,382
Operating Income (Loss)	<u>\$ 845,931</u>	<u>\$ 840,548</u>	<u>\$ 817,656</u>	<u>\$ 770,057</u>
Robert Street Ramp				
Operating Revenues	\$ 1,141,031	\$ 1,163,213	\$ 1,164,102	\$ 1,319,575
Operating Expenses	590,226	622,956	596,312	598,830
Operating Income (Loss)	<u>\$ 550,805</u>	<u>\$ 540,257</u>	<u>\$ 567,790</u>	<u>\$ 720,745</u>
Kellogg Street Ramp				
Operating Revenues	\$ 996,824	\$ 970,621	\$ 1,043,662	\$ 961,304
Operating Expenses	763,337	815,042	856,609	893,418
Operating Income (Loss)	<u>\$ 233,487</u>	<u>\$ 155,579</u>	<u>\$ 187,053</u>	<u>\$ 67,886</u>
Lowertown Ramp				
Operating Revenues	\$ 1,316,502	\$ 1,287,034	\$ 1,432,031	\$ 1,345,168
Operating Expenses	863,920	944,781	982,832	915,991
Operating Income (Loss)	<u>\$ 452,582</u>	<u>\$ 342,253</u>	<u>\$ 449,199</u>	<u>\$ 429,177</u>
Block 19 Ramp				
Operating Revenues	\$ 865,927	\$ 932,988	\$ 1,096,533	\$ 1,306,133
Operating Expenses	814,198	813,000	820,691	811,633
Operating Income (Loss)	<u>\$ 51,729</u>	<u>\$ 119,988</u>	<u>\$ 275,842</u>	<u>\$ 494,500</u>
Block 39 - Lawson Ramp				
Operating Revenues	\$ 2,753,776	\$ 2,813,317	\$ 2,889,249	\$ 3,029,724
Operating Expenses	1,675,320	1,450,502	1,519,414	1,512,407
Operating Income (Loss)	<u>\$ 1,078,456</u>	<u>\$ 1,362,815</u>	<u>\$ 1,369,835</u>	<u>\$ 1,517,317</u>
Spruce Tree Ramp				
Operating Revenues	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,025
Operating Expenses	69,191	81,139	86,405	94,876
Operating Income (Loss)	<u>\$ (39,191)</u>	<u>\$ (51,139)</u>	<u>\$ (56,405)</u>	<u>\$ (64,851)</u>
Smith Avenue Transit Hub				
Operating Revenues	\$ 774,855	\$ 844,516	\$ 831,464	\$ 660,969
Operating Expenses	1,029,106	1,013,551	971,022	977,159
Operating Income (Loss)	<u>\$ (254,251)</u>	<u>\$ (169,035)</u>	<u>\$ (139,558)</u>	<u>\$ (316,190)</u>
HRA Parking Lots / Miscellaneous				
Operating Revenues	\$ 1,106,731	\$ 1,118,591	\$ 1,370,866	\$ 1,162,743
Operating Expenses	1,116,330	1,655,659	1,381,405	1,483,691
Operating Income (Loss)	<u>\$ (9,599)</u>	<u>\$ (537,068)</u>	<u>\$ (10,539)</u>	<u>\$ (320,948)</u>
TOTAL PARKING FACILITIES				
Operating Revenues	\$ 11,204,744	\$ 11,394,495	\$ 12,140,086	\$ 12,101,480
Operating Expenses	7,809,820	8,272,388	8,166,495	8,261,287
Operating Income (Loss)	<u>\$ 3,394,924</u>	<u>\$ 3,122,107</u>	<u>\$ 3,973,591</u>	<u>\$ 3,840,193</u>

2013	2014	2015	2016	2017	2018
\$ 1,049,940 546,847 <u>\$ 503,093</u>	\$ 1,044,868 762,043 <u>\$ 282,825</u>	\$ 1,110,516 573,329 <u>\$ 537,187</u>	\$ 1,145,264 590,271 <u>\$ 554,993</u>	\$ 1,174,849 620,742 <u>\$ 554,107</u>	\$ 1,183,335 603,873 <u>\$ 579,462</u>
\$ 1,227,220 467,827 <u>\$ 759,393</u>	\$ 1,219,279 471,983 <u>\$ 747,296</u>	\$ 1,195,643 470,663 <u>\$ 724,980</u>	\$ 1,225,142 473,375 <u>\$ 751,767</u>	\$ 1,136,824 442,330 <u>\$ 694,494</u>	\$ 1,701,386 1,072,517 <u>\$ 628,869</u>
\$ 1,475,567 696,759 <u>\$ 778,808</u>	\$ 1,520,183 676,882 <u>\$ 843,301</u>	\$ 1,553,435 639,971 <u>\$ 913,464</u>	\$ 1,619,622 649,713 <u>\$ 969,909</u>	\$ 1,708,509 678,815 <u>\$ 1,029,694</u>	\$ 1,805,357 765,113 <u>\$ 1,040,244</u>
\$ 1,163,536 1,038,693 <u>\$ 124,843</u>	\$ 1,194,375 996,053 <u>\$ 198,322</u>	\$ 1,205,243 1,073,383 <u>\$ 131,860</u>	\$ 1,226,502 1,004,038 <u>\$ 222,464</u>	\$ 1,382,260 1,092,206 <u>\$ 290,054</u>	\$ 1,407,173 1,262,314 <u>\$ 144,859</u>
\$ 1,401,241 937,227 <u>\$ 464,014</u>	\$ 1,469,667 1,039,248 <u>\$ 430,419</u>	\$ 1,735,826 949,400 <u>\$ 786,426</u>	\$ 1,757,488 1,051,626 <u>\$ 705,862</u>	\$ 1,547,721 967,095 <u>\$ 580,626</u>	\$ 1,479,014 1,038,687 <u>\$ 440,327</u>
\$ 1,437,421 816,552 <u>\$ 620,869</u>	\$ 1,530,096 849,658 <u>\$ 680,438</u>	\$ 1,663,251 873,283 <u>\$ 789,968</u>	\$ 1,873,562 877,505 <u>\$ 996,057</u>	\$ 1,879,963 1,034,919 <u>\$ 845,044</u>	\$ 2,056,595 968,241 <u>\$ 1,088,354</u>
\$ 3,165,835 1,587,752 <u>\$ 1,578,083</u>	\$3,290,496 1,681,046 <u>\$ 1,609,450</u>	\$ 3,507,248 2,168,142 <u>\$ 1,339,106</u>	\$ 3,660,130 2,293,303 <u>\$ 1,366,827</u>	\$ 3,961,403 2,234,381 <u>\$ 1,727,022</u>	\$ 4,379,297 2,329,418 <u>\$ 2,049,879</u>
\$ 30,038 89,326 <u>\$ (59,288)</u>	\$ 30,000 87,822 <u>\$ (57,822)</u>	\$ 50,999 97,673 <u>\$ (46,674)</u>	\$ 50,000 100,760 <u>\$ (50,760)</u>	\$ 50,030 104,492 <u>\$ (54,462)</u>	\$ 50,000 126,115 <u>\$ (76,115)</u>
\$ 1,007,458 1,026,926 <u>\$ (19,468)</u>	\$ 943,745 1,031,141 <u>\$ (87,396)</u>	\$ 1,056,062 991,024 <u>\$ 65,038</u>	\$ 1,279,189 1,076,340 <u>\$ 202,849</u>	\$ 1,731,944 1,246,729 <u>\$ 485,215</u>	\$ 1,696,477 1,487,211 <u>\$ 209,266</u>
\$ 1,526,953 1,761,185 <u>\$ (234,232)</u>	\$ 1,426,929 1,702,331 <u>\$ (275,402)</u>	\$ 1,778,083 1,747,537 <u>\$ 30,546</u>	\$ 1,991,165 1,821,945 <u>\$ 169,220</u>	\$ 2,080,802 1,888,050 <u>\$ 192,752</u>	\$ 2,163,159 2,056,390 <u>\$ 106,769</u>
\$ 13,485,209 8,969,094 <u>\$ 4,516,115</u>	\$ 13,669,638 9,298,207 <u>\$ 4,371,431</u>	\$ 14,856,306 9,584,405 <u>\$ 5,271,901</u>	\$ 15,828,064 9,938,876 <u>\$ 5,889,188</u>	\$ 16,654,305 10,309,759 <u>\$ 6,344,546</u>	\$ 17,921,793 11,709,879 <u>\$ 6,211,914</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities	
	Tax Increment Bonds	Sales Tax Bonds	Lease Revenue Bonds	Development Notes	Advances from Other Governments	Parking Revenue Bonds	Tax Increment Parking Bonds
2009	\$55,112,460	\$39,080,000	\$14,210,000	\$23,818,370	\$ -	\$47,372,393	\$30,281,683
2010	57,038,439	37,360,000	13,846,060	20,113,997	-	42,918,567	28,911,245
2011	55,695,011	35,520,000	13,256,820	19,532,701	-	41,344,761	27,260,807
2012	50,892,817	33,545,000	12,652,579	18,931,187	-	39,664,327	25,580,369
2013	48,228,892	31,430,000	12,028,339	18,310,491	-	37,910,580	23,864,931
2014	45,288,952	-	11,384,098	13,930,515	-	36,076,152	22,079,493
2015	41,886,032	-	10,719,857	13,104,685	-	34,156,723	20,358,434
2016	38,589,707	-	4,150,616	12,358,016	9,360,000	32,142,294	18,584,271
2017	34,723,382	-	3,696,375	11,849,876	9,360,000	30,484,634	16,735,108
2018	32,540,431	-	3,227,135	10,954,596	9,326,023	29,072,072	14,322,224
Change 2009-2018	-40.96%	-100.00%	-77.29%	-54.01%	100.00%	-38.63%	-52.70%

Notes:

Details regarding the HRA's outstanding debt can be found in the notes to the financial statements.

(1) See the "Demographic and Economic Statistics" Table for population data. Beginning in 2016, the ratio is calculated using population for the current year. Prior to 2016, the ratio is calculated using population for the prior calendar year.

(2) See the "Demographic and Economic Statistics" Table for personal income data. Beginning in 2016, the ratio is calculated using personal income for the current year. Prior to 2016, the ratio is calculated using personal income for the prior calendar year.

Housing 5000 Land Assembly Bonds	Business-type Activities			Total Saint Paul HRA	Per Capita (1)	Percent of Household Personal Income (2)
	Limited Tax Bonds	Revenue Notes	Mortgages			
\$2,510,000	\$ -	\$2,585,190	\$ -	\$214,970,096	746.28	2.95%
-	7,855,000	1,775,190	-	209,818,498	729.70	3.02%
-	7,855,000	1,580,000	-	202,045,100	708.76	2.86%
-	7,855,000	1,580,000	25,000	190,726,279	666.02	2.68%
-	7,855,000	1,580,000	33,372,108	214,580,341	741.80	3.00%
-	7,755,000	1,580,000	40,464,920	178,559,130	605.55	2.34%
-	7,170,000	1,580,000	39,810,124	168,785,855	561.96	2.26%
-	-	3,880,000	-	119,064,904	391.09	1.50%
-	-	3,880,000	-	110,729,375	358.14	1.33%
-	-	3,786,144	-	103,228,625	329.79	1.16%
-100.00%	0.00%	46.46%	0.00%	-51.98%		

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
SPRUCE TREE CENTRE TAX INCREMENT BONDS, SERIES 1988A AND 2003				
Fund Servicing Debt - HRA Debt Service Fund				
Revenues Available for Debt Service				
Tax Increments	\$ 375,697	\$ 441,406	\$ 480,427	\$ 392,445
Developer Shortfall Payments	15,155	-	-	-
Net Investment Earnings	58,277	53,062	52,227	(52,150)
Total Revenues Available for Debt Service	<u>\$ 449,129</u>	<u>\$ 494,468</u>	<u>\$ 532,654</u>	<u>\$ 340,295</u>
Debt Service Requirements				
Principal	\$ 191,891	\$ 204,364	\$ 217,648	\$ 231,795
Interest	71,016	58,544	45,260	31,113
Total Debt Service Requirements	<u>\$ 262,907</u>	<u>\$ 262,908</u>	<u>\$ 262,908</u>	<u>\$ 262,908</u>
Coverage (Revenues / Debt Service)	1.71	1.88	2.03	1.29

MIDWAY MARKETPLACE TAX INCREMENT BONDS, SERIES 1995A / SNELLING-UNIVERSITY TAX INCREMENT BONDS, SERIES 2005C AND 2014D

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 1,563,981	\$ 1,197,542	\$ 1,175,554	\$ 1,888,544
Net Investment Earnings	127,478	133,263	121,825	(81,945)
Total Revenues Available for Debt Service	<u>\$ 1,691,459</u>	<u>\$ 1,330,805</u>	<u>\$ 1,297,379</u>	<u>\$ 1,806,599</u>
Debt Service Requirements				
Principal	\$ 380,000	\$ 395,000	\$ 400,000	\$ 420,000
Interest	187,463	169,923	151,638	132,568
Total Debt Service Requirements	<u>\$ 567,463</u>	<u>\$ 564,923</u>	<u>\$ 551,638</u>	<u>\$ 552,568</u>
Coverage (Revenues / Debt Service)	2.98	2.36	2.35	3.27

* Tax increment from prior year was used to make final debt service payment in 2017 (final maturity was 3/1/2017).

SALES TAX REVENUE BONDS, SERIES 1993 AND 1996

Fund Servicing Debt - HRA Debt Service Fund

Note: In 2014 the bonds were refunded and upon funding of the escrow and defeasance of the bonds in August 2014, sales tax revenue was no longer available for debt service.

Revenues Available for Debt Service				
City Sales Tax Revenues	\$ 17,153,570	\$ 18,652,765	\$ 20,125,431	\$ 18,811,159
Net Investment Earnings	(2,940)	(3,252)	(3,379)	(3,940)
Total Revenues Available for Debt Service	<u>\$ 17,150,630</u>	<u>\$ 18,649,513</u>	<u>\$ 20,122,052</u>	<u>\$ 18,807,219</u>
Debt Service Requirements				
Principal	\$ 1,605,000	\$ 1,720,000	\$ 1,840,000	\$ 1,975,000
Interest	2,888,635	2,774,680	2,652,560	2,521,920
Total Debt Service Requirements	<u>\$ 4,493,635</u>	<u>\$ 4,494,680</u>	<u>\$ 4,492,560</u>	<u>\$ 4,496,920</u>
Coverage (Revenues / Debt Service)	3.82	4.15	4.48	4.18

2013	2014	2015	2016	2017	2018	Totals
\$ 484,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,174,481
-	-	-	-	-	-	15,155
(11,161)	-	-	-	-	-	100,255
<u>\$ 473,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,289,891</u>
\$ 246,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,092,560
16,046	-	-	-	-	-	221,979
<u>\$ 262,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314,539</u>
1.80	N/A	N/A	N/A	N/A	N/A	1.74
\$ 1,363,792	\$ 1,400,686	\$ 1,318,512	\$ 1,393,693	\$ -	\$ -	\$ 11,302,304
(49,832)	18,586	9,413	-	-	-	278,788
<u>\$ 1,313,960</u>	<u>\$ 1,419,272</u>	<u>\$ 1,327,925</u>	<u>\$ 1,393,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,581,092</u>
\$ 450,000	\$ 470,000	\$ 660,000	\$ 665,000	\$ 670,000	\$ -	\$ 4,510,000
111,898	83,077	20,548	11,700	4,188	-	873,003
<u>\$ 561,898</u>	<u>\$ 553,077</u>	<u>\$ 680,548</u>	<u>\$ 676,700</u>	<u>\$ 674,188</u>	<u>\$ -</u>	<u>\$ 5,383,003</u>
2.34	2.57	1.95	2.06	0.00 *	N/A	2.15
\$ 18,633,271	\$ 11,663,648	\$ -	\$ -	\$ -	\$ -	\$ 105,039,844
(3,994)	(1)	-	-	-	-	(17,506)
<u>\$ 18,629,277</u>	<u>\$ 11,663,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,022,338</u>
\$ 2,115,000	\$ 2,265,000	\$ -	\$ -	\$ -	\$ -	\$ 11,520,000
2,381,695	2,231,530	-	-	-	-	15,451,020
<u>\$ 4,496,695</u>	<u>\$ 4,496,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,971,020</u>
4.14	2.59	N/A	N/A	N/A	N/A	3.89

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
RIVERCENTRE PARKING FACILITY LEASE REVENUE BONDS, SERIES 2000 AND SERIES 2009				
Fund Servicing Debt - HRA Debt Service Fund				
Revenues Available for Debt Service				
Lease Payments from the City	\$ 1,098,963	\$ 580,367	\$ 586,422	\$ 607,712
Net Investment Earnings	27,744	19,761	19,596	20,075
Total Revenues Available for Debt Service	<u>\$ 1,126,707</u>	<u>\$ 600,128</u>	<u>\$ 606,018</u>	<u>\$ 627,787</u>
Debt Service Requirements				
Principal	\$ 650,000	\$ 360,000	\$ 370,000	\$ 380,000
Interest	290,673	240,800	229,850	218,600
Total Debt Service Requirements	<u>\$ 940,673</u>	<u>\$ 600,800</u>	<u>\$ 599,850</u>	<u>\$ 598,600</u>
Coverage (Revenues / Debt Service)	1.20	1.00	1.01	1.05

RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 1,035,466	\$ 1,067,737	\$ (223,653)	\$ 986,088
Tax Increment Pooling from Other Districts	319,165	214,049	702,798	296,000
Net Investment Earnings	(4,216)	(368)	(14,128)	(19,360)
Total Revenues Available for Debt Service	<u>\$ 1,350,415</u>	<u>\$ 1,281,418</u>	<u>\$ 465,017</u>	<u>\$ 1,262,728</u>
Debt Service Requirements				
Principal	\$ 1,095,000	\$ 1,150,000	\$ 1,215,000	\$ 1,295,000
Interest	210,591	155,899	97,255	33,366
Total Debt Service Requirements	<u>\$ 1,305,591</u>	<u>\$ 1,305,899</u>	<u>\$ 1,312,255</u>	<u>\$ 1,328,366</u>
Coverage (Revenues / Debt Service)	1.03	0.98	0.35	0.95

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Totals</u>
\$ 604,005	\$ 586,204	\$ 583,745	\$ 582,903	\$ 583,885	\$ 561,382	\$ 6,375,588
20,820	22,536	22,069	24,385	21,028	32,986	231,000
<u>\$ 624,825</u>	<u>\$ 608,740</u>	<u>\$ 605,814</u>	<u>\$ 607,288</u>	<u>\$ 604,913</u>	<u>\$ 594,368</u>	<u>\$ 6,606,588</u>
\$ 390,000	\$ 405,000	\$ 415,000	\$ 425,000	\$ 440,000	\$ 455,000	\$ 4,290,000
207,050	195,125	182,825	169,694	155,638	139,388	2,029,643
<u>\$ 597,050</u>	<u>\$ 600,125</u>	<u>\$ 597,825</u>	<u>\$ 594,694</u>	<u>\$ 595,638</u>	<u>\$ 594,388</u>	<u>\$ 6,319,643</u>
1.05	1.01	1.01	1.02	1.02	1.00	1.05
\$ 1,041,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,907,585
-	-	-	-	-	-	1,532,012
32,466	-	-	-	-	-	(5,606)
<u>\$ 1,074,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,433,991</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,755,000
-	-	-	-	-	-	497,111
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,252,111</u>
N/A	N/A	N/A	N/A	N/A	N/A	1.03

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
US BANK TAX INCREMENT BONDS, SERIES 2001, 2011F, AND 2011G				
Fund Servicing Debt - HRA Debt Service Fund				
Revenues Available for Debt Service				
Tax Increments	\$ 1,223,585	\$ 1,388,596	\$ 1,497,416	\$ 1,511,315
Net Investment Earnings	10,052	16,670	19,255	(26,204)
Total Revenues Available for Debt Service	<u>\$ 1,233,637</u>	<u>\$ 1,405,266</u>	<u>\$ 1,516,671</u>	<u>\$ 1,485,111</u>
Debt Service Requirements				
Principal	\$ 335,000	\$ 410,000	\$ 400,000	\$ 745,000
Interest	696,789	677,692	677,870	335,182
Total Debt Service Requirements	<u>\$ 1,031,789</u>	<u>\$ 1,087,692</u>	<u>\$ 1,077,870</u>	<u>\$ 1,080,182</u>
Coverage (Revenues / Debt Service)	1.20	1.29	1.41	1.37

NORTH QUADRANT TAX INCREMENT BONDS, SERIES 2000 AND 2002, AND 9TH STREET LOFTS TAX INCREMENT BONDS, SERIES 2004

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 248,218	\$ 309,134	\$ 316,996	\$ 274,069
Net Investment Earnings	143	(956)	1,590	3,049
Total Revenues Available for Debt Service	<u>\$ 248,361</u>	<u>\$ 308,178</u>	<u>\$ 318,586</u>	<u>\$ 277,118</u>
Debt Service Requirements				
Principal	\$ 53,000	\$ 38,000	\$ 41,000	\$ 116,000
Interest	240,079	225,002	222,939	218,594
Total Debt Service Requirements	<u>\$ 293,079</u>	<u>\$ 263,002</u>	<u>\$ 263,939</u>	<u>\$ 334,594</u>
Coverage (Revenues / Debt Service)	0.85	1.17	1.21	0.83

UPPER LANDING TAX INCREMENT BONDS, SERIES 2002A, 2002B-1, 2002B-2, and 2012

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 1,609,155	\$ 1,769,019	\$ 1,952,421	\$ 1,906,253
Developer Shortfall Payments	517,590	261,324	130,176	156,464
Net Investment Earnings	38,818	21,728	32,681	4,950
Total Revenues Available for Debt Service	<u>\$ 2,165,563</u>	<u>\$ 2,052,071</u>	<u>\$ 2,115,278</u>	<u>\$ 2,067,667</u>
Debt Service Requirements				
Principal	\$ 389,000	\$ 415,000	\$ 444,000	\$ 474,000
Interest	1,289,644	1,262,249	1,232,981	1,563,948
Total Debt Service Requirements	<u>\$ 1,678,644</u>	<u>\$ 1,677,249</u>	<u>\$ 1,676,981</u>	<u>\$ 2,037,948</u>
Coverage (Revenues / Debt Service)	1.29	1.22	1.26	1.01

2013	2014	2015	2016	2017	2018	Totals
\$ 1,511,314	\$ 1,511,316	\$ 1,442,099	\$ 1,413,008	\$ 1,339,734	\$ 1,571,850	\$ 14,410,233
(3,845)	13,359	17,700	-	-	-	46,987
<u>\$ 1,507,469</u>	<u>\$ 1,524,675</u>	<u>\$ 1,459,799</u>	<u>\$ 1,413,008</u>	<u>\$ 1,339,734</u>	<u>\$ 1,571,850</u>	<u>\$ 14,457,220</u>
\$ 755,000	\$ 770,000	\$ 790,000	\$ 570,000	\$ 580,000	\$ 600,000	\$ 5,955,000
333,844	318,744	303,344	287,544	276,144	258,744	4,165,897
<u>\$ 1,088,844</u>	<u>\$ 1,088,744</u>	<u>\$ 1,093,344</u>	<u>\$ 857,544</u>	<u>\$ 856,144</u>	<u>\$ 858,744</u>	<u>\$ 10,120,897</u>
1.38	1.40	1.34	1.65	1.56	1.83	1.43
\$ 275,240	\$ 260,720	\$ 287,447	\$ 264,991	\$ 288,215	\$ 315,742	\$ 2,840,772
(2,931)	1,222	(550)	(748)	(1,052)	(1,282)	(1,515)
<u>\$ 272,309</u>	<u>\$ 261,942</u>	<u>\$ 286,897</u>	<u>\$ 264,243</u>	<u>\$ 287,163</u>	<u>\$ 314,460</u>	<u>\$ 2,839,257</u>
\$ 61,000	\$ 52,000	\$ 68,000	\$ 84,000	\$ 94,000	\$ 125,000	\$ 732,000
211,719	207,646	203,936	198,285	183,190	197,669	2,109,059
<u>\$ 272,719</u>	<u>\$ 259,646</u>	<u>\$ 271,936</u>	<u>\$ 282,285</u>	<u>\$ 277,190</u>	<u>\$ 322,669</u>	<u>\$ 2,841,059</u>
1.00	1.01	1.06	0.94	1.04	0.97	1.00
\$ 1,915,100	\$ 1,961,196	\$ 1,883,254	\$ 1,963,776	\$ 2,436,541	\$ 2,663,736	\$ 20,060,451
-	-	-	-	-	-	1,065,554
(234,242)	233,211	60,606	29,158	4,509	18,699	210,118
<u>\$ 1,680,858</u>	<u>\$ 2,194,407</u>	<u>\$ 1,943,860</u>	<u>\$ 1,992,934</u>	<u>\$ 2,441,050</u>	<u>\$ 2,682,435</u>	<u>\$ 21,336,123</u>
\$ -	\$ 825,000	\$ 590,000	\$ 620,000	\$ 650,000	\$ 680,000	\$ 5,087,000
550,457	776,000	741,000	711,125	679,750	646,875	9,454,029
<u>\$ 550,457</u>	<u>\$ 1,601,000</u>	<u>\$ 1,331,000</u>	<u>\$ 1,331,125</u>	<u>\$ 1,329,750</u>	<u>\$ 1,326,875</u>	<u>\$ 14,541,029</u>
3.05	1.37	1.46	1.50	1.84	2.02	1.47

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
DRAKE MARBLE TAX INCREMENT BONDS, SERIES 2002				
Fund Servicing Debt - HRA Debt Service Fund				
Note: trustee redeemed \$28,000 in 2014 for 2013 debt service.				
Revenues Available for Debt Service				
Tax Increments	\$ 236,731	\$ 177,334	\$ 219,640	\$ 213,154
Net Investment Earnings	1,373	183	(739)	(299)
Total Revenues Available for Debt Service	<u>\$ 238,104</u>	<u>\$ 177,517</u>	<u>\$ 218,901</u>	<u>\$ 212,855</u>
Debt Service Requirements				
Principal	\$ 74,000	\$ 57,000	\$ 61,000	\$ 96,000
Interest	109,890	104,186	101,723	96,019
Total Debt Service Requirements	<u>\$ 183,890</u>	<u>\$ 161,186</u>	<u>\$ 162,723</u>	<u>\$ 192,019</u>
Coverage (Revenues / Debt Service)	1.29	1.10	1.35	1.11

* Tax increments from prior years used to redeem additional principal.

KOCH MOBIL TAX INCREMENT BONDS, SERIES 2004C, 2007B, AND 2010A
Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 202,986	\$ 299,002	\$ 269,163	\$ 241,305
Developer Shortfall Payments	237,190	-	-	-
Net Investment Earnings	8,114	2,649	5,005	8,734
Total Revenues Available for Debt Service	<u>\$ 448,290</u>	<u>\$ 301,651</u>	<u>\$ 274,168</u>	<u>\$ 250,039</u>
Debt Service Requirements				
Principal	\$ -	\$ -	\$ 150,000	\$ 95,000
Interest	165,538	124,419	79,113	76,663
Total Debt Service Requirements	<u>\$ 165,538</u>	<u>\$ 124,419</u>	<u>\$ 229,113</u>	<u>\$ 171,663</u>
Coverage (Revenues / Debt Service)	2.71	2.42	1.20	1.46

JJ HILL TAX INCREMENT BONDS, SERIES 2004
Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Tax Increments	\$ 290,744	\$ 308,946	\$ 303,555	\$ 284,913
Trustee Reserve Funds	-	-	-	-
Net Investment Earnings	1,140	373	403	2,022
Total Revenues Available for Debt Service	<u>\$ 291,884</u>	<u>\$ 309,319</u>	<u>\$ 303,958</u>	<u>\$ 286,935</u>
Debt Service Requirements				
Principal	\$ 54,000	\$ 69,000	\$ 81,000	\$ 94,000
Interest	224,406	220,750	216,250	211,000
Total Debt Service Requirements	<u>\$ 278,406</u>	<u>\$ 289,750</u>	<u>\$ 297,250</u>	<u>\$ 305,000</u>
Coverage (Revenues / Debt Service)	1.05	1.07	1.02	0.94

2013	2014	2015	2016	2017	2018	Totals
\$ 181,391	\$ 191,471	\$ 201,974	\$ 200,074	\$ 204,663	\$ 225,784	\$ 2,052,216
(3,430)	2,254	913	(2,500)	(2,495)	(2,492)	(7,232)
<u>\$ 177,961</u>	<u>\$ 193,725</u>	<u>\$ 202,887</u>	<u>\$ 197,574</u>	<u>\$ 202,168</u>	<u>\$ 223,292</u>	<u>\$ 2,044,984</u>
\$ 48,000	\$ 119,000	\$ 92,000	\$ 107,000	\$ 173,000	\$ 142,000	\$ 969,000
89,505	85,320	78,300	71,888	62,674	52,515	852,020
<u>\$ 137,505</u>	<u>\$ 204,320</u>	<u>\$ 170,300</u>	<u>\$ 178,888</u>	<u>\$ 235,674</u>	<u>\$ 194,515</u>	<u>\$ 1,821,020</u>
1.29	0.95	1.19	1.10	0.86 *	1.15	1.12
\$ 241,732	\$ 242,286	\$ 331,295	\$ 645,355	\$ 776,297	\$ 849,973	\$ 4,099,394
-	-	-	-	-	-	237,190
(7,285)	4,000	2,886	1,639	(1,639)	-	24,103
<u>\$ 234,447</u>	<u>\$ 246,286</u>	<u>\$ 334,181</u>	<u>\$ 646,994</u>	<u>\$ 774,658</u>	<u>\$ 849,973</u>	<u>\$ 4,360,687</u>
\$ 100,000	\$ 100,000	\$ 100,000	\$ 105,000	\$ 105,000	\$ 110,000	\$ 865,000
74,713	72,713	70,713	68,663	66,431	63,820	862,786
<u>\$ 174,713</u>	<u>\$ 172,713</u>	<u>\$ 170,713</u>	<u>\$ 173,663</u>	<u>\$ 171,431</u>	<u>\$ 173,820</u>	<u>\$ 1,727,786</u>
1.34	1.43	1.96	3.73	4.52	4.89	2.52
\$ 277,029	\$ 284,200	\$ 310,208	\$ 323,453	\$ 343,914	\$ 405,519	\$ 3,132,481
-	3,205	33,156	2	9,317	7,017	52,697
(3,308)	3,100	15	(1,951)	(610)	(1,751)	(567)
<u>\$ 273,721</u>	<u>\$ 290,505</u>	<u>\$ 343,379</u>	<u>\$ 321,504</u>	<u>\$ 352,621</u>	<u>\$ 410,785</u>	<u>\$ 3,184,611</u>
\$ 108,000	\$ 124,000	\$ 136,000	\$ 144,000	\$ 153,000	\$ 163,000	\$ 1,126,000
204,906	197,906	189,906	181,281	172,156	162,438	1,980,999
<u>\$ 312,906</u>	<u>\$ 321,906</u>	<u>\$ 325,906</u>	<u>\$ 325,281</u>	<u>\$ 325,156</u>	<u>\$ 325,438</u>	<u>\$ 3,106,999</u>
0.87	0.90	1.05	0.99	1.08	1.26	1.02

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
NEIGHBORHOOD SCATTERED SITE TAX INCREMENT BONDS, SERIES 2005				
Fund Servicing Debt - HRA Debt Service Fund				
Revenues Available for Debt Service				
Tax Increments	\$ 2,352,017	\$ 2,252,256	\$ 2,044,411	\$ 1,974,102
Reserve Funds	-	-	-	-
Net Investment Earnings	166,523	189,872	191,976	(152,884)
Total Revenues Available for Debt Service	<u>\$ 2,518,540</u>	<u>\$ 2,442,128</u>	<u>\$ 2,236,387</u>	<u>\$ 1,821,218</u>
Debt Service Requirements				
Principal	\$ 485,000	\$ 510,000	\$ 535,000	\$ 565,000
Interest	292,700	269,762	244,612	217,854
Total Debt Service Requirements	<u>\$ 777,700</u>	<u>\$ 779,762</u>	<u>\$ 779,612</u>	<u>\$ 782,854</u>
Coverage (Revenues / Debt Service)	3.24	3.13	2.87	2.33

* Tax increment from prior year was used to make final debt service payment in 2017 (final maturity was 3/1/2017).

JIMMY LEE RECREATION FACILITY LEASE BONDS, SERIES 2008

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service				
Lease Payments from the City	\$ 538,560	\$ 521,579	\$ 529,575	\$ 507,199
Net Investment Earnings	(7,622)	69,224	24,500	23,865
Total Revenues Available for Debt Service	<u>\$ 530,938</u>	<u>\$ 590,803</u>	<u>\$ 554,075</u>	<u>\$ 531,064</u>
Debt Service Requirements				
Principal	\$ 190,000	\$ 195,000	\$ 205,000	\$ 210,000
Interest	348,600	342,900	336,075	328,388
Total Debt Service Requirements	<u>\$ 538,600</u>	<u>\$ 537,900</u>	<u>\$ 541,075</u>	<u>\$ 538,388</u>
Coverage (Revenues / Debt Service)	0.99	1.10	1.02	0.99

EMERALD GARDENS TAX INCREMENT BONDS, SERIES 2010

Fund Servicing Debt - HRA TI Capital Projects Fund

Note: A portion of the listed tax increments are not pledged (10% of the Emerald-Metro).

Revenues Available for Debt Service				
Tax Increments	\$ -	\$ -	\$ 610,362	\$ 713,258
Net Investment Earnings	-	-	40,194	5,571
Total Revenues Available for Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,556</u>	<u>\$ 718,829</u>
Debt Service Requirements				
Principal	\$ -	\$ -	\$ 40,000	\$ 290,000
Interest	-	-	448,342	388,431
Total Debt Service Requirements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,342</u>	<u>\$ 678,431</u>
Coverage (Revenues / Debt Service)	N/A	N/A	1.33	1.06

2013	2014	2015	2016	2017	2018	Totals
\$ 1,811,777	\$ 1,707,814	\$ 1,711,344	\$ 1,792,663	\$ -	\$ -	\$ 15,646,384
-	-	-	-	1,084,809	-	1,084,809
(66,738)	21,312	14,537	7	221	-	364,826
<u>\$ 1,745,039</u>	<u>\$ 1,729,126</u>	<u>\$ 1,725,881</u>	<u>\$ 1,792,670</u>	<u>\$ 1,085,030</u>	<u>\$ -</u>	<u>\$ 17,096,019</u>
\$ 585,000	\$ 620,000	\$ 660,000	\$ 690,000	\$ 1,110,000	\$ -	\$ 5,760,000
188,556	157,858	124,468	88,835	30,248	-	1,614,893
<u>\$ 773,556</u>	<u>\$ 777,858</u>	<u>\$ 784,468</u>	<u>\$ 778,835</u>	<u>\$ 1,140,248</u>	<u>\$ -</u>	<u>\$ 7,374,893</u>
2.26	2.22	2.20	2.30	0.95 *	N/A	2.32
\$ 513,972	\$ 534,538	\$ 535,538	\$ 537,788	\$ -	\$ -	\$ 4,218,749
(5,480)	10,572	5,492	32,203	-	-	152,754
<u>\$ 508,492</u>	<u>\$ 545,110</u>	<u>\$ 541,030</u>	<u>\$ 569,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,371,503</u>
\$ 220,000	\$ 225,000	\$ 235,000	\$ 245,000	\$ -	\$ -	\$ 1,725,000
319,988	311,188	302,188	292,788	-	-	2,582,115
<u>\$ 539,988</u>	<u>\$ 536,188</u>	<u>\$ 537,188</u>	<u>\$ 537,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,307,115</u>
0.94	1.02	1.01	1.06	N/A	N/A	1.01
\$ 666,507	\$ 650,750	\$ 585,460	\$ 677,148	\$ 686,816	\$ 755,883	\$ 5,346,184
31	3,684	(772)	(24)	1,123	1,652	51,459
<u>\$ 666,538</u>	<u>\$ 654,434</u>	<u>\$ 584,688</u>	<u>\$ 677,124</u>	<u>\$ 687,939</u>	<u>\$ 757,535</u>	<u>\$ 5,397,643</u>
\$ 225,000	\$ 240,000	\$ 225,000	\$ 240,000	\$ 260,000	\$ 295,000	\$ 1,815,000
374,581	362,469	350,581	338,206	324,144	308,469	2,895,223
<u>\$ 599,581</u>	<u>\$ 602,469</u>	<u>\$ 575,581</u>	<u>\$ 578,206</u>	<u>\$ 584,144</u>	<u>\$ 603,469</u>	<u>\$ 4,710,223</u>
1.11	1.09	1.02	1.17	1.18	1.26	1.15

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
HOUSING 5000 LAND ASSEMBLY BONDS, SERIES 2004				
Fund Servicing Debt - HRA Loan Enterprise Fund				
Revenues Available for Debt Service				
Land Sales	\$ 2,358,000	\$ -	\$ 1,404,760	\$ -
Net Investment Earnings	5,594	24,642	2,033	(4,057)
Total Revenues Available for Debt Service	<u>\$ 2,363,594</u>	<u>\$ 24,642</u>	<u>\$ 1,406,793</u>	<u>\$ (4,057)</u>
Debt Service Requirements				
Principal	\$ 3,930,000	\$ 2,510,000	\$ -	\$ -
Interest	50,782	1,681	-	-
Total Debt Service Requirements	<u>\$ 3,980,782</u>	<u>\$ 2,511,681</u>	<u>\$ -</u>	<u>\$ -</u>
Coverage (Revenues / Debt Service)	0.59	0.01	N/A	N/A
PARKING REVENUE BONDS, SERIES 1997A				
Fund Servicing Debt - HRA Parking Enterprise Fund				
Revenues Available for Debt Service				
Ramp Lease Revenues	\$ 1,075,562	\$ 1,075,591	\$ 1,077,475	\$ 1,076,739
Capital Repair Reserves	-	-	-	-
Net Investment Earnings	(3,993)	(4,018)	(4,023)	(3,884)
Total Revenues Available for Debt Service	<u>\$ 1,071,569</u>	<u>\$ 1,071,573</u>	<u>\$ 1,073,452</u>	<u>\$ 1,072,855</u>
Debt Service Requirements				
Principal	\$ 595,000	\$ 635,000	\$ 680,000	\$ 725,000
Interest	476,550	436,388	393,525	347,625
Total Debt Service Requirements	<u>\$ 1,071,550</u>	<u>\$ 1,071,388</u>	<u>\$ 1,073,525</u>	<u>\$ 1,072,625</u>
Coverage (Revenues / Debt Service)	1.00	1.00	1.00	1.00
BLOCK 39 TAX INCREMENT GENERAL OBLIGATION BONDS, SERIES 1998A, 1998B, 2009G, 2009H AND 2018C				
Fund Servicing Debt - HRA Parking Enterprise Fund				
Revenues Available for Debt Service				
Tax Increments	\$ 1,159,081	\$ 1,236,563	\$ 1,226,734	\$ 1,181,563
Net Parking Revenues	1,640,037	1,924,977	1,946,959	2,121,341
Net Investment Earnings	37,016	152,120	184,762	(8,022)
Total Revenues Available for Debt Service	<u>\$ 2,836,134</u>	<u>\$ 3,313,660</u>	<u>\$ 3,358,455</u>	<u>\$ 3,294,882</u>
Debt Service Requirements				
Principal	\$ 2,340,000	\$ 1,295,000	\$ 1,575,000	\$ 1,605,000
Interest	1,954,043	763,015	935,129	885,839
Total Debt Service Requirements	<u>\$ 4,294,043</u>	<u>\$ 2,058,015</u>	<u>\$ 2,510,129</u>	<u>\$ 2,490,839</u>
Coverage (Revenues / Debt Service)	0.66	1.61	1.34	1.32

2013	2014	2015	2016	2017	2018	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,762,760
-	-	-	-	-	-	28,212
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,790,972</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,440,000
-	-	-	-	-	-	52,463
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,492,463</u>
N/A	N/A	N/A	N/A	N/A	N/A	0.58
\$ 1,077,520	\$ 1,038,283	\$ 1,069,187	\$ 1,120,692	\$ 903,815	\$ -	\$ 9,514,864
-	-	-	-	193,959	-	193,959
(4,024)	6,457	17,949	(4,023)	674	-	1,115
<u>\$ 1,073,496</u>	<u>\$ 1,044,740</u>	<u>\$ 1,087,136</u>	<u>\$ 1,116,669</u>	<u>\$ 1,098,448</u>	<u>\$ -</u>	<u>\$ 9,709,938</u>
\$ 775,000	\$ 825,000	\$ 880,000	\$ 940,000	\$ 1,005,000	\$ -	\$ 7,060,000
298,687	246,375	190,688	131,288	67,838	-	2,588,964
<u>\$ 1,073,687</u>	<u>\$ 1,071,375</u>	<u>\$ 1,070,688</u>	<u>\$ 1,071,288</u>	<u>\$ 1,072,838</u>	<u>\$ -</u>	<u>\$ 9,648,964</u>
1.00	0.98	1.02	1.04	1.02	N/A	1.01
\$ 1,120,132	\$ 1,102,365	\$ 1,124,373	\$ 1,099,375	\$ 1,103,567	\$ 1,173,264	\$ 11,527,017
2,165,993	2,236,509	1,441,510	1,745,163	2,097,249	3,189,430	20,509,168
(33,083)	66,618	38,950	360	370	392	439,483
<u>\$ 3,253,042</u>	<u>\$ 3,405,492</u>	<u>\$ 2,604,833</u>	<u>\$ 2,844,898</u>	<u>\$ 3,201,186</u>	<u>\$ 4,363,086</u>	<u>\$ 32,475,668</u>
\$ 1,640,000	\$ 1,710,000	\$ 1,650,000	\$ 1,725,000	\$ 1,800,000	\$ 1,850,000	\$ 17,190,000
835,542	783,616	727,847	664,082	593,581	431,925	8,574,619
<u>\$ 2,475,542</u>	<u>\$ 2,493,616</u>	<u>\$ 2,377,847</u>	<u>\$ 2,389,082</u>	<u>\$ 2,393,581</u>	<u>\$ 2,281,925</u>	<u>\$ 25,764,619</u>
1.31	1.37	1.10	1.19	1.34	1.91	1.26

Continued

SCHEDULE OF BOND COVERAGE
Last Ten Fiscal Years

Note: For TIF or levy supported debt issues, revenues available for debt service reflect taxes received in July and December of the fiscal year and debt service requirements reflect obligations during the fiscal year. Since the second half taxes are not received until December, they are used for the first debt payments of the following fiscal year; and second half taxes received in December of the prior fiscal year are used for the first debt payments of the current fiscal year.

	2009	2010	2011	2012
PARKING REVENUE BONDS, SERIES 1992A, 1995A, 1995B, 2001A, 2002A, 2002B, 2005A, 2010A, AND 2017A				
Fund Servicing Debt - HRA Parking Enterprise Fund				
Note: Revenues are pledged in aggregate for Parking Revenue Bonds, Series 2017A and 2017B, and have been adjusted for the Smith Avenue Transit Center bonds.				
Revenues Available for Debt Service				
Parking Facility Net Revenues	\$ 3,084,230	\$ 3,043,611	\$ 3,492,539	\$ 3,794,576
Parking Meter and Parking Fine Revenues	2,000,000	2,000,000	3,000,000	3,000,000
Net Investment Earnings	-	-	-	-
Total Revenues Available for Debt Service	<u>\$ 5,084,230</u>	<u>\$ 5,043,611</u>	<u>\$ 6,492,539</u>	<u>\$ 6,794,576</u>
Debt Service Requirements				
Principal	\$ 1,655,000	\$ 1,790,000	\$ 565,000	\$ 615,000
Interest	1,324,097	1,307,828	1,087,242	1,038,056
Total Debt Service Requirements	<u>\$ 2,979,097</u>	<u>\$ 3,097,828</u>	<u>\$ 1,652,242</u>	<u>\$ 1,653,056</u>
Coverage (Revenues / Debt Service)	1.71	1.63	3.93	4.11

PARKING REVENUE BONDS (SMITH AVENUE TRANSIT CENTER), SERIES 2005, 2010B AND 2017B

Fund Servicing Debt - HRA Parking Enterprise Fund

Note: Revenues are pledged in aggregate and have been adjusted for the Smith Avenue Transit Center bonds.

Revenues Available for Debt Service				
Parking & Transit Center Net Revenues	\$ 226,406	\$ 290,945	\$ 320,922	\$ 145,161
Parking Meter and Parking Fine Revenues	-	-	-	-
Net Investment Earnings	19,463	9,924	49,559	33,800
Total Revenues Available for Debt Service	<u>\$ 245,869</u>	<u>\$ 300,869</u>	<u>\$ 370,481</u>	<u>\$ 178,961</u>
Debt Service Requirements				
Principal	\$ 125,000	\$ 130,000	\$ 305,000	\$ 330,000
Interest	614,525	406,450	563,798	537,931
Total Debt Service Requirements	<u>\$ 739,525</u>	<u>\$ 536,450</u>	<u>\$ 868,798</u>	<u>\$ 867,931</u>
Coverage (Revenues / Debt Service)	0.33	0.56	0.43	0.21

LOFTS AT FARMERS MARKET LIMITED TAX BONDS, SERIES 2010A AND 2010B

Fund Servicing Debt - HRA Lofts Enterprise Fund

Note: The bonds were defeased in 2015 using sales proceeds from the 12/14/2015 sale of the Lofts at Farmers Market Apartments.

Revenues Available for Debt Service				
HRA Tax Levy	\$ -	\$ -	\$ -	\$ 257,047
Bond Proceeds - Capitalized Interest	-	569,786	-	-
Net Investment Earnings	-	-	16,249	5,494
Total Revenues Available for Debt Service	<u>\$ -</u>	<u>\$ 569,786</u>	<u>\$ 16,249</u>	<u>\$ 262,541</u>
Debt Service Requirements				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	312,740	514,093
Total Debt Service Requirements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,740</u>	<u>\$ 514,093</u>
Coverage (Revenues / Debt Service)	N/A	N/A	0.05	0.51

2013	2014	2015	2016	2017	2018	Totals
\$ 3,895,149	\$ 3,326,529	\$ 4,001,857	\$ 4,182,523	\$ 4,026,595	\$ 4,386,180	\$ 37,233,789
3,000,000	2,491,647	2,596,814	2,661,622	2,969,537	2,249,938	25,969,558
-	58,694	13,945	12,644	3,874	16,728	105,885
<u>\$ 6,895,149</u>	<u>\$ 5,876,870</u>	<u>\$ 6,612,616</u>	<u>\$ 6,856,789</u>	<u>\$ 7,000,006</u>	<u>\$ 6,652,846</u>	<u>\$ 63,309,232</u>
\$ 635,000	\$ 655,000	\$ 675,000	\$ 695,000	\$ 715,000	\$ -	\$ 8,000,000
1,019,606	1,000,556	980,906	960,656	1,551,845	814,139	11,084,931
<u>\$ 1,654,606</u>	<u>\$ 1,655,556</u>	<u>\$ 1,655,906</u>	<u>\$ 1,655,656</u>	<u>\$ 2,266,845</u>	<u>\$ 814,139</u>	<u>\$ 19,084,931</u>
4.17	3.55	3.99	4.14	3.09	8.17	3.32
\$ 443,593	\$ 328,667	\$ 460,205	\$ 526,670	\$ 917,970	\$ 604,743	\$ 4,265,282
-	508,353	403,186	338,378	30,463	750,062	2,030,442
(14,339)	30,723	7,028	6,484	2,038	10,281	154,961
<u>\$ 429,254</u>	<u>\$ 867,743</u>	<u>\$ 870,419</u>	<u>\$ 871,532</u>	<u>\$ 950,471</u>	<u>\$ 1,365,086</u>	<u>\$ 6,450,685</u>
\$ 340,000	\$ 350,000	\$ 360,000	\$ 375,000	\$ 385,000	\$ 1,325,000	\$ 4,025,000
528,032	517,743	507,332	496,532	565,471	40,086	4,777,900
<u>\$ 868,032</u>	<u>\$ 867,743</u>	<u>\$ 867,332</u>	<u>\$ 871,532</u>	<u>\$ 950,471</u>	<u>\$ 1,365,086</u>	<u>\$ 8,802,900</u>
0.49	1.00	1.00	1.00	1.00	1.00	0.73
\$ 618,035	\$ 650,730	\$ 656,206	\$ -	\$ -	\$ -	\$ 2,182,018
-	-	-	-	-	-	569,786
(6,048)	11,864	7,196	-	-	-	34,755
<u>\$ 611,987</u>	<u>\$ 662,594</u>	<u>\$ 663,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,786,559</u>
\$ -	\$ 100,000	\$ 110,000	\$ -	\$ -	\$ -	\$ 210,000
514,093	511,918	507,350	-	-	-	2,360,194
<u>\$ 514,093</u>	<u>\$ 611,918</u>	<u>\$ 617,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,570,194</u>
1.19	1.08	1.07	N/A	N/A	N/A	1.08

City of Saint Paul, Minnesota
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income	Personal Income (2)	Labor Force (3)	Unemployment Rate (3)
2009	287,501	\$ 24,702	\$ 6,947,235,100	143,492	7.9%
2010	285,068	25,066	7,145,514,488	148,515	7.6%
2011	286,367	25,576	7,106,711,800	149,870	6.9%
2012	289,270	25,072	7,165,005,800	150,515	6.0%
2013	294,873	25,695	7,636,250,500	151,967	5.1%
2014	297,640	26,268	7,818,407,520	152,612	4.2%
2015	300,353	25,611	7,692,209,635	153,855	3.7%
2016	304,442	26,054	7,931,854,576	153,035	3.5%
2017	309,180	26,896	8,315,693,459	153,216	2.8%
2018	313,010	28,535	8,931,740,350	159,675	2.8%

Sources:

- (1) 2009, 2011-2012, and 2016-2018 data is based on Metropolitan Council estimates. 2010 and 2013-2015 data is based on U.S. Census Bureau information.
- (2) 2009-2015 and 2018 data provided by U.S. Census Bureau's Annual American Community Survey. 2016-2017 data is provided by Minnesota Department of Employment and Economic Development (DEED).
- (3) Annual average - not seasonally adjusted. Data provided by Minnesota DEED.

City of Saint Paul, Minnesota
 PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

<u>Employers</u>	2018			2009		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Minnesota ¹⁾	18,000	1	11.27%			
3M Company	16,500	2	10.33%			
State of Minnesota ¹⁾	14,122	3	8.84%	13,500	1	7.77%
Health East ^{1) 2)}	7,500	4	4.70%	3,132	7	1.80%
Saint Paul Public Schools	5,966	5	3.74%	5,403	2	3.11%
Regions Hospital ¹⁾	5,593	6	3.50%	4,534	4	2.61%
Ramsey County ¹⁾	4,427	7	2.77%	2,667	9	1.54%
United Hospital	3,600	8	2.25%	3,519	6	2.03%
City of Saint Paul ¹⁾	2,907	9	1.82%	2,982	8	1.72%
Securian Financial Group	2,750	10	1.72%			
U.S. Bancorp				4,700	3	2.71%
United States Federal Government				4,184	5	2.41%
St. Paul Traveler's Insurance				2,500	10	1.43%
Total	81,365		50.94%	47,121		27.13%

¹⁾ Includes full- and part-time employees

²⁾ Includes all home care clinics in its network

Sources: Minnesota DEED; City Capital Partnership for 2009 data; 2018 data compiled by Springsted Inc. based on April 2019 telephone survey of individual employers

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

OPERATING INDICATORS
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New and Substantially Rehabilitated Single- and Multi-Family Housing Units	100	96	100	106
Number of Pedestrian Skyway Bridges	37	37	37	37

Source: City of Saint Paul, Department of Planning and Economic Development.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
99	774	316	1,600	1,232	372
37	37	37	37	37	37

Unaudited

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

CAPITAL ASSET STATISTICS
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Number of Parking Ramps	9	9	9	9
Number of Parking Lots	8	8	8	8
Number of Parking Spaces	7,958	7,958	7,958	7,958
Depreciated Cost of Parking Ramps, Lots, and Buildings	\$ 99,337,412	\$ 97,997,999	\$ 93,596,580	\$ 92,237,595
Number of Apartment Houses	-	-	-	2
Depreciated Cost of Apartment Houses and Land	-	-	-	\$ 24,545,604

Source: City of Saint Paul, Department of Planning and Economic Development.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
9	9	9	9	9	9
8	9	9	9	8	7
7,958	8,008	8,008	8,008	7,884	7,810
\$ 89,282,341	\$ 88,309,005	\$ 86,005,911	\$ 83,792,973	\$ 81,527,423	\$ 79,404,302
2	2	1	-	-	-
\$ 66,353,501	\$ 65,579,259	\$ 54,910,462	-	-	-

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