

# Summary Of Research Papers Used For IN\$IGHT ST. PAUL'S 10-29-24 Report

In\$ight St. Paul is a grass roots citizen organization whose mission is to advocate for a sustainable, stable financial future for our city. We released a technical report dated Oct. 29, 2024 in which we respectfully attempted to ENLIGHTEN & ENGAGE fellow citizens and officials. We want the St. Paul City Council to ENACT needed, common sense budget changes, because the St. Paul Taxpayer has the HIGHEST TAX BURDEN IN ALL OF MINNESOTA.

We prepared a Fact Based Report. Our organization obtained current data from statistical reports prepared by the Minnesota Revenue Department, the Minnesota House of Representatives' Tax Analysis Staff, the Minnesota State Demographer, the Metropolitan Council, and the Ramsey County Assessor and Taxation Departments. This RESEARCH SUMMARY highlights some of the findings.

You may request a pdf file of any of the below reports by sending an email to [INSIGHT.ST.PAUL@GMAIL.COM](mailto:INSIGHT.ST.PAUL@GMAIL.COM). Please know we are volunteer organization, with no staff, so it may take a couple of days to get your request.

## 1- Median Valued Homesteads In Minnesota: 2022 Property Tax Burden

Source: Mn. Dept of Revenue's July 2024 Voss Report: Residential Homestead Property Tax Burden Payable 2022

St. Paul Effective Tax Rate of 1.39% (Tax % of EMV) Is The Highest for All Jurisdictions In Report.

St. Paul After Property Tax Refund: 3.0% Tax Burden Was 2nd Highest Tax as % of Homeowner's Income.

St. Paul Median Value Homestead 2022 Estimated Market Value of \$236,000, Was Below State Average Of \$257,400.

St. Paul Median Value Homestead Owner Had \$88,876 In 2022 Income. It was 9.6% Below State Average Of \$98,272.

Mn.'s Homestead Property Tax Refund Program Significantly Reduced St. Paul's Property Tax Burden from 4% of Income to 3%

## 2- Mn. Homesteads: 2022 Property Tax Burden After Homestead Tax Refund

### # Of Owners Who Had Net Property Tax Burden Greater Than 5% Of Their Income

Source: Mn. Dept of Revenue's July 2024 Voss Report: Residential Homestead Property Tax Burden Payable 2022

*17.1% Of St. Paul Homesteads Had Property Tax Amounts (After State Paid Homestead) That Equaled 5% or More of Their Taxable Income.*

By Comparison, The State Average Was 9.2% For Homesteads With Net Burden Of 5% Or More Of Income

44.5% of St. Paul Homesteads With Owner Income Under \$45,000 Had Net Property Tax Burden of 5% or more.

By Comparison, 20.7% of Greater Mn. Homesteads With Owner Income Under \$45,000 Had Net Property Tax Burden of 5% or more.

### **3- 2024 Property Tax Calculations For St.Paul Homesteads - Various EMVs**

**Source: In\$ight St. Paul's Calculation**

A Homestead with an E.M.V of \$50,000 pays at a tax equal to 0.9% of E.M.V., while a \$500,000 E.M.V. has a tax at 1.5% of E.M.V.

A Homestead with a \$500,000 EMV pays a tax of \$7,550; which is 17 times the \$453 tax of a house valued at \$50,000 EMV.

### **4- 2024 Property Tax Calculations For St. Paul Taxbase For \$1,000,000 Properties**

**Source: In\$ight St. Paul's Calculation**

Displays How Mn.'s Property Tax Classification Rates Produce Different Tax Burdens for a \$1m Est. Mkt. Val. Property

### **5- Property Tax Levies Certified By The St. Paul City Council**

**( City's General Fund, City Debt Service Funds, St. Paul Library Agency and St. Paul Port Authority )**

**Source: Proposed 2025 City Budget**

City Council Adopted Property Tax Levies Increased 113% Between 2016 & Proposed 2025: from \$105,606,000 to \$ \$224,969,000

The Average Annual Increase In Property Tax Levy Was 8.8%, While CPI-W Annual Inflation Was About 3.3%

On Average The City's Annual Increase In Property Tax Levy Was More Than 2.6 Times The Average Annual Inflation Increase

Court Ordered Elimination Of Assessments For Street Maintenance Resulted In Significant Increase In General Fund Tax Levy for 2018

### **6- 2015 & 2024 All Tax Levies For St. Paul And Minneapolis Taxbase**

**Source: Minnesota Revenue Department Property Tax Database**

The Total Of All Levies For St.Paul Went Up 62.8% Between 2015 & 2024, While The Total For Minneapolis Went Up 44.6%

St.Paul City Levy Went Up 101.2% Between 2015 & 2024, While The City Levy For Minneapolis Went Up 64.1%

St.Paul School Levy Went Up 50.0% Between 2015 & 2024, While The Minneapolis School Levy Went Up 39.0%

St.Paul's Share of Ramsey Co Levy Went Up 39.8% Between 2015 & 2024, While The Mpls Hennepin Co Levy Went Up 47.3%

St.Paul's Special Tax Dist. Levy Went Up 113.9%Between 2015 & 2024 , While Mpls' Special Tax Dist. Levy Went Up 40.3%

St.Paul's Tax Increment Financing Levy Went Up 40.1% Between 2015 & 2024, While Mpls' T.I.F. Levy Went Down 52.1%

## **BE ENLIGHTENED: Read Factual Research About St.Paul's Taxbase & City Budgets - Page 3**

### **7- Metro Cities: COMMERICAL & INDUSTRIAL TAXABLE VALUES; and FISCAL DISPARITIES TAXBASE SHARING**

**Source: : Metropolitan Council's Fiscal Disparities Program - Taxes Payable 2024 Property Taxes**

On Average 27% Of The Metro Taxbase Is Commercial & Industrial Property. St. Paul's C&I Taxbase Is 28% & Minneapolis's C&I Taxbase Is 32%  
The Average Commercial & Industrial Taxbase Per Household For The Metro Area Is \$1,373. St. Paul's C & I Taxbase Household Average Is \$962  
The Metropolitan Fiscal Disparities Program Shares Commercial & Industrial Taxable Values With Metro Cities Who Have Low C & I Valuations  
St. Paul's Taxbase GAINED \$40,924,000 In Taxable Valuation From Fiscal Disparities, While Minneapolis LOST \$10,920,000 In Taxable Valuation  
St. Paul's Per Household Average Taxbase Gain From Fiscal Disparities Was \$335 , While Minneapolis' Household Average Was A Loss of \$56

### **8- TAX INCREMENT FINANCING CAPTURED VALUATIONS FOR TWIN CITIES METRO AREA**

**Source:: Metropolitan Council's Fiscal Disparities Program - Taxes Payable 2024 Property Taxes - Below Cities Were Selected From Their Summary Data Report**

St. Paul's Captured T.I.F. Value of \$34,602,000 Equaled 17.8% of Metro Total. St. Paul Had The LARGEST T.I.F. Captured Values In Metro Area.  
By Comparison, Minneapolis' Captured T.I.F. Value of \$21,472,000 Equaled 11.1% Of The Total Metro Area's Captured T.I.F. Valuation.  
St. Paul's Captured T.I.F. Value Per Household Was \$283, While Minneapolis' Was \$111, And The Metro Average Was \$153 Per Household.  
St. Paul's Total Taxbase Value Of \$420,500,000 Was The 2nd HIGHEST In Metro Area, & Equaled 6.4% Of Total Taxable Valuation For Metro Area.  
St. Paul's Total Taxbase Valuation Per Houshold Was \$3,444, Which Was Below The Metro County Average Of \$5,169 Per Household.

### **9- St. Paul's Estimated Market Values By Property Class**

#### **Estimated Market Values In Millions Of Dollars, Rounded To Nearest \$100,000**

**Source: Minnesota Revenue Department Property Tax Database**

The Total Estimated Market Valuation For St. Paul Grew 80.7% from \$19.7 Billion in 2015 to \$35.6 Billion in 2024  
Residential Homesteaded Property Valuation was 54.6 % of the Taxbase in 2015, and is Now 51.4 % in 2024 at \$18.298 Billion  
Residential Non-Homesteaded Property Valuation was 12.1 % of the Taxbase in 2015, and is Now 11.6 % in 2024 at \$4.120 Billion  
Apartment Property Valuation was 13.1 % of the Taxbase in 2015, and is Now 20.3 % in 2024 with an E.M.V. of \$7.211 Billion  
Commercial Property Valuation was 14.4 % of the Taxbase in 2015, and is Now 10.2 % in 2024 with an E.M.V. of \$3.635 Billion  
Industrial Property Valuation was 3.1 % of the Taxbase in 2015, and is Now 5.0 % in 2024 with an E.M.V. of \$1.783 Billion

### 10- Ramsey County Assessor's Estimated Market Values For Only Taxable Property

Excludes E.M.V. for Tax Exempt Property: Leased Public Lands, Manufactured Homes, Utilities & Railroads.

Source: Ramsey County Taxation and Ramsey County Assessor

8 out of last 10 years, St. Paul's Est. Market Values grew more than Suburban Ramsey County's Est. Market Values.

Estimated Market Valuation is impacted by New Construction, Real Estate Market Demand & County Assessor's Value Update Schedule.

St. Paul's land area is 56 square miles, thus a Taxable Market Value of \$630,157,262 per square mile.

Suburban Ramsey County land area is 96.2 square miles, thus a Taxable Market Value of \$404,613,280 per square mile.

### 11- Estimated Market Values For St. Paul And Minneapolis

Source: Minnesota Revenue Department Property Tax Database

The TOTAL Estimated Market Valuation For St. Paul Grew 80.7% from 2015 to 2024, While Minneapolis Grew 85.6%

RESIDENTIAL HOMESTEAD Property Valuation is 51.4 % of the St. Paul's Taxbase and is 45.3% of Minneapolis's Tax Base

RESIDENTIAL NON-HOMESTEAD Property Valuation is 11.6 % of the St. Paul's Taxbase and is 13.6% of Minneapolis's Tax Base

APARTMENT Property Valuation is 20.3 % of the St. Paul's Taxbase and is 21.1 of Minneapolis's Tax Base

COMMERCIAL Property Valuation is 10.2 % of the St. Paul's Taxbase and is 16.1 of Minneapolis's Tax Base

In Past 10 Years, COMMERCIAL Property In St. Paul Increased 28% While It Increased 67% In Minneapolis

INDUSTRIAL Property Valuation is 5.0% of the St. Paul's Taxbase and is 2.8% of Minneapolis's Tax Base

In Past 10 Years, INDUSTRIAL Property In St. Paul Increased 197% While It Increased 78% In Minneapolis

### 12- Tax-Exempt Estimated Market Values: St. Paul vs. Suburban Ramsey Co.

Ramsey Co. Updates Tax-Exempt Estimated Market Values Every Six Years, Thus Values Below Are Not Current, But In-The-Ball-Park

For 2023 Values, Ramsey County Had \$87.3 Billion Of Est. Mkt. Valuation. \$13.1B Was Tax-Exempt Property and \$74.2B Was Taxable Property

St. Paul Had \$43.4B Of Est. Mkt. Valuation. \$8.1B Was Tax-Exempt & \$35.3B Was Taxable. Thus 18.7% Was Tax-Exempt

Suburban Ramsey Had \$43.9B Of Est. Mkt. Valuation. \$5.0B Was Tax-Exempt & \$38.9B Was Taxable. Thus 11.3% Was Tax-Exempt

Suburban Ramsey Had \$3.6B More Taxable E.M.V. Than St. Paul. And St. Paul Had \$3.1B More Tax-Exempt E.M.V. Than Ramsey Suburbs

## 13- List of Major Tax-Exempt Properties Located Within The City Of St. Paul

The 2023 Estimated Market Value of All Tax-Exempt Properties In St. Paul Exceeds \$8.1 Billion.

Source: Ramsey County Taxation and Ramsey County Assessor

St. Paul's TOTAL Est. Mkt. Val. In 2023 (Taxable & Tax-Exempt) Exceeded \$43.330 Billion. 18.7% Was Exempt From Paying Property Tax.

Tax-Exempt Properties Require City Services. But By Mn. Law They Do Not Pay Property Taxes To Help Pay For Services Received.

All Cities Have Tax-Exempt Property for local schools, churches, non-profits and public spaces. But St.Paul has an enormous amount of exempt facilities for State, Metro & Ramsey County operations that other cities do not have; and said facilities significantly draw non-residents.

## 14- Population Trends For Select Minnesota Cities

Source: Minnesota. State Demographer's Most Current Data Base Through 2023

Minnesota's Population INCREASED 1.6 % From the Years 2020 to 2023

St. Paul's Population DECREASED 0.2 % From the Years 2020 to 2023, While Minneapolis INCREASED 0.9%

Minnesota's Households INCREASED 3.3 % From the Years 2020 to 2023

St. Paul's Households INCREASED 2.4 % From Years 2020 to 2023, While Minneapolis INCREASED 4.1%

## 15- Population & Household Trends For Select Metropolitan Cities

Source: Metropolitan Council Annual Reports, July 2024 Report for Years thru 2023

St. Paul's Population INCREASED 9.1% From 2010 to 2023, While Minneapolis Went Up 13.4%

St. Paul's Households INCREASED 11.3% From 2010 to 2023, While Minneapolis Went Up 19.4%

St. Paul's Persons Per Households Is 2.5 People, While Minneapolis' Is 2.2 People

St. Paul's Population Growth For Last 13 Years @ 9.1%, Was The Smallest Of The Four Major Cities

## 16- Capital Projects Financed With 1% Sales Tax Revenues & Bonds

Source: Proposed 2025 City Budget

Can't Maintain Current Parks & Rec Facilities, Why Propose To Build 6 More ? ? ?

Why No Debt Service Identified For Proposed 2025 Bond Issue Of \$36,900,000 ?

## 17- St. Paul 1/2 % And 1% Sales Tax Revenue Estimates for 2024 & 2025

Source: Minnesota Department Of Revenue, and In\$ight St. Paul's Calculation

Between 2019 & 2022 Minneapolis 1/2% Sales Tax Revenue DECREASED \$15.6m (31%). Why no recovery, maybe high crime?

Between 2021 & 2022 St. Paul's 1/2% Sales Tax Revenue INCREASED \$4.2m (21%). 2023 Collection was \$26.7m, another \$2.5m increase of 11%

The 1/2 % Sales Tax Revenue Estimates in St. Paul's budget for 2024 is \$22m; & for 2025 is \$23m. These estimates could conservatively be \$26m.

The 1 % Sales Tax Revenue Estimates in St. Paul's budget for 2024 is \$29.2m & for 2025 is \$46m. Conservatively they could be \$34.6m and \$52.0m

## 18- 1% Sales Tax Revenue Cashflow - Hypothetical Examples: Conservative & Likely

Source: In\$ight St. Paul's Calculation

Mn. State Statute Limits the Amounts for Projects to be \$738m for Public Works and \$246m for Parks & Recreation

Mn. State Statute Limits the Collection Period to 20 Years, With All Excess Revenues of \$161m To City's General Fund

Displays Use of Sales Tax Revenues For Projects and Debt Service for 1% Sales Tax Bonds

The More CONSERVATIVE Example Has Sales Tax Revenues Inflating Yearly at 1.5% and is based off the low estimates proposed for 2025 budget

The More LIKELY Example Has Sales Tax Revenues Inflating Yearly at 1.5% and is based off Actual Collections for the City's 1/2% Sales Tax

The Proposed 2025 Budget Does Not Identify Debt Service & Terms for the Proposed 1% Sales Tax Bond Issue

This Cashflow Uses 20 & 19 Year Bonds at 5% Interest Rate, and Includes \$150,000 In Expenses For Each Bond Issue

The Amount of Bond Funded Projects For 2025 & 2026 Was Proposed Only For Parks & Recreation Projects

## 19- Full-Time-Equivalent Staffing Approved By The St. Paul City Council

City's General Fund, City Debt Service Funds, City Special Funds: and Library Funds and H.R.A. Funds

Does Not Include Staffing for the St. Paul Port Authority and the St. Paul Regional Water Services

Source: Proposed 2025 City Budget

Total City Staffing Is Proposed To Increase 9.8% Since 2016: A Total Increase of 286 FTEs (From 2,924 To 3,209)

347 Positions Were ADDED In The Funds That Rely On Property Financing: Bringing Total FTEs For Those Funds Up To 2,402

61 Positions Were CUT From Special Fund Budgets That Rely On Service Fees & Grants: Bringing Total FTEs For Those Funds Down To 807

The Office of Neighborhood Safety Was Established And Is Now Included In The City Attorney's Office

Some of The Increased Staffing Is Deemed Temporary; Because Of Major, One Time Federal Grant Monies

Fleet Management 33 Positions Were Moved From Department Budgets To Financial Services. But Why Not Fire & Police Fleet Mntnc?

## 20- How A Levy For Early Childhood & Learning Could Impact The Total Levy Certified By The City Council

Also Includes a crude estimate for operating expenses for proposed 5 new Parks & Recreation facilities

Source: In\$ight St. Paul's Calculation

## 21- Debt Service Estimate for a 2025 One-Percent Sales Tax Bond Issue of \$36.9 Million

Source: In\$ight St. Paul's Calculation

Interest Costs for Issuing a \$37 Million Sales Tax Bond Issue In 2025 Could Be About \$21 Millon

**22- FULL DISCLOSURE: 2025 Property Taxes for General Obligation Debt Service**

**FULL DISCLOSURE: 2025 Property Taxes for Tax Increment Financing Districts**

**Source: City Budget Documents and Ramsey County Taxation Final Reports**

Tax Levies for Debt Service have Increased from \$47,970,000 in 2016 to Approximately \$72,612,000 in 2025: Up 51%

Debt Levies as Share of Total Levy have Decreased from 34.4% in 2016 to Approximately 26.9% in 2025

Tax Increment Financing Levies have Increased from \$33,765,000 in 2016 to Approximately \$45,000,000 in 2025: Up 33%

Tax Increment Financing Levies as a Share Of Total Levy have Decreased from 24.2% in 2016 to Approximately 16.7% in 2025

Captured Tax Capacity in TIF Districts have Increased from \$22,094,000 in 2016 to \$32,978,000 in 2024: Up 49%

Captured Tax Capacity in TIF Districts as a Share of Total Tax Capacity have Decreased from 9.2% in 2016 to 7.9% in 2024:

In\$ight St. Paul, Nov. 12, 2024