

RETTMAN'S RAMSEY REPORT

Fall 2006

Dear District 3 Resident:

I hope this letter provides you with information on some of the issues being discussed by the Ramsey County Board of Commissioners. The views expressed in this newsletter are mine and/or my staff's and are provided to citizens as a part of my responsibility to keep you informed on what I am doing as your County Commissioner. If I, or my staff, can be of assistance to you please call us at 266-8360 or send an e-mail to janice.rettman@co.ramsey.mn.us.

PROPERTY TAX INCREASE PROPOSED

Ramsey County Manager David Twa has proposed a 2% spending increase for 2007 which results in a 5% increase for the county's portion, about 25%, of the property tax. Cities, school districts, the Regional Railroad Authority and other taxing jurisdictions, such as a local housing and redevelopment authority, make up the remainder of the tax levy. However, on a split (4-3) vote the County Board voted to raise the levy an additional 1.2% to fund operations rather than use funds from the sale of public work's property for one-time spending. If approved in December, the total levy increase will be 6.2%, not including the Regional Rail Authority levy.

Year 2007 will be the second year of the first-ever two-year budget cycle recommended two years ago by Mr. Twa. In the first year the County Board reviews and adopts a budget for each of two years. In the second year the Board reviews goals and objectives and makes necessary budget adjustments based on reduced revenues and new mandates. In voting against the proposed levy increase District 3 Commissioner Janice Rettman argued that some programs needed to be reduced or cut to match state priorities and that county departments

needed to determine which programs were most cost-effective. "We cannot property-tax our way to everything surviving." she advised.

Meanwhile, the Board, acting as the **Regional Rail Authority**, also proposed a 2007 tax levy of \$19,407,798. This is nearly double the 2006 levy of \$10,787,079 with funds proposed for the preliminary engineering stage for LRT in the Central Corridor (University Avenue), to purchase the Union Depot and adjacent properties and for studying the proposed Robert Street, Red Rock and Rush Line commuter rail lines. The Metropolitan Council is also expecting the County to pick up part of the cost of operating the Central Corridor LRT if it is built. (More on that in the next issue.)

With an aggregate levy increase of 9.9% Commissioner Rettman proposed a series of specific cuts to reduce the increase to 5% and yet add funds to under-funded retiree obligations. Part of those funds would have come from an unexpected \$2.5 million bonus from the sale of the old Public Works site at I-694 and Rice Street. Another portion would have come from new tax dollars as a result of the closing of 2 tax increment districts in St. Paul. Both plans were rejected by a majority of the Board.

MINNESOTA PROPERTY TAXES

Property taxes are often one of the more difficult concepts to understand because of Minnesota's many laws impacting it. Briefly, each unit of government determines how much it needs to operate for the year, subtracts the amount of income such as grants, federal and state program aid, local government aid from the state and various fees it collects. The remaining amount is then "billed" to all property owners. An individual owner's "share" of the bill is based on the type and value of the property. Your actual property tax due for a given year is the total amount for all taxing jurisdictions in the area you live.

Although actual numbers are not in yet, Saint Paul property owners pay about 25% to the county, 25% to the city and 50% of the total goes to the school district. Special levy's, usually school districts, are in addition to those percentages. Local housing and redevelopment authorities, the Mosquito Control Board, library boards and other local taxing jurisdictions make up a small portion of the total.

Finally, fees and assessments for improvements such as new streets or sewers or for services like tree trimming and street lighting are added on top of the bill. For additional property tax information look for the printable brochure on Commissioner Janice Rettman's webpage at www.co.ramsey.mn.us/cb/district3/index.asp.

LRT DISCUSSIONS CONTINUE

On August 29th the Ramsey County Board, acting as the Regional Rail Authority, gave final approval to a three-way agreement with the Metropolitan Council and the Hennepin County Regional Rail Authority to fund the construction and operating costs for light rail transit in the Central Corridor. Under the terms of the *Memorandum of Understanding* (MOU), Ramsey and Hennepin Counties will pay for 1/3 of the cost for construction with Hennepin County paying 30% of the amount and Ramsey County paying 70%, a figure primarily based on the miles of track in each county. About half of the construction cost will come from the federal government and the remainder is expected to come from the state of Minnesota, although that commitment has not been set in stone.

In addition to the construction cost, the two counties will pay ½ of the net subsidy required to operate and maintain the system, again with Hennepin County paying 30% and Ramsey County paying 70%. The details of how the subsidy will be calculated are yet to be determined, but it is clear that a subsidy will be required. It is assumed that fares purchased at LRT stations will first be deducted from the operation expenses thus reducing the subsidy. What is not clear is what other revenues might help reduce the subsidy. For instance, one would expect that advertising on and in the light rail vehicles would be used but the Met Council may argue that it is part of their total advertising package and should remain with them. Additionally, some or all of the bus fares from people who ride the bus to the LRT line and then transfer must be considered into the equation.

The Board action followed several hours of discussion on the agreement and some intense three-party negotiations. Ramsey and Hennepin Counties supported a more restrictive agreement that would have given the counties input into the operation of the system and bus service related to it. Dropping bus routes or reducing bus schedules would have a significant impact on both LRT ridership and the O & M subsidy yet the agreement does not give the county boards input. **Commissioner Janice Rettman** voted against the MOU arguing that the details of the subsidy and what revenue will be allocated should be resolved first in order to protect the interests of the property tax payers. The Commissioner has consistently expressed concerns about the level of bus service and the quality of the service that will be provided by the Metropolitan Council once the LRT system is built. "With the limited number of stations that has been proposed, this system demands a bus network that will bring both commuters and the residents of the immediate neighborhoods to the stations if it is going to be successful. I am very concerned that the Draft Environmental Impact Statement (DEIS) does not include a feeder system and reduces the 16A (University Avenue) service to one-half hour. This is not acceptable and yet the MOU gives us no input into service in the corridor. I am also concerned that this becomes a hidden tax basically issued by the Met Council but without opportunity for citizens to have their say."

TRANSIT COMMITTEES CONTINUE TO MEET

St. Paul's Downtown and University Avenue Task Forces continue to meet and discuss land use issues as they relate to the development of light rail transit in what is called the Central Corridor. Appointed by the Mayor and serving as advisors to the Planning Commission, the Downtown task Force represents the area from Marion Street east to the Capitol and then downtown. The University Avenue Task Force represents the corridor one-half mile on each side of University Avenue from Marion Street and then west to the city limits.

Currently, the committees are looking at options laid out by consultants that compare a variety of building heights, lot coverage, and block coverage. The committees have recognized that parking and loss of on-street parking is an issue but have not, as yet, discussed various land and building uses. Those uses will determine the actual parking requirements for a specific building and the need for any given block. For instance, residential properties require one and one-half spaces per unit while a restaurant requires a higher number based on seating capacity. Generally, an entertainment license would require additional spaces for the restaurant.

Citizens can review the proposals being discussed at the old Lexington Library located at 1080 University Avenue (staff is not always there so check ahead for availability). Task force meetings are open to the public. A schedule and contact information can be found at the city's website at www.ci.stpaul.mn.us/initiatives/centralcorridor/

Meanwhile, the Metropolitan Council has taken over responsibility for preliminary engineering and transit planning for the Central Corridor. They will be working with the Federal Transit Authority (FTA) in its review of the Draft Environmental Impact Statement (DEIS) and on design and construction issues. An advisory committee made up of elected officials and citizens has been appointed by Council Chair Peter Bell. For information contact the Council at 651-602-1140 or (www.metrocouncil.org/transportation/ccorridor/centralcorridor.htm). You may also contact the Ramsey County

Regional Rail Authority at 651-266-8500 (www.co.ramsey.mn.us/rail/index.htm).

MINNESOTA AND RAMSEY COUNTY GET A BONUS

Ramsey County's Department of Human Services announced that the State of Minnesota will receive a financial bonus of \$2.5 million from the federal government for their excellent performance in the Food support Program. For its Part, Ramsey County will receive an additional \$244,526 which must be used to maintain or improve administration in the program or in the Minnesota Family Investment program (MFIP). The award was based on the state's low "negative error" rate. In regular jargon this means that county staffs were very good at determining who should not receive benefits.

While there was good news, the state was cautioned that they also could face a penalty for another measure used to analyze compliance. Apparently counties were not as successful in determining how much support applicants could receive. Minnesota's payment error, that is, too much or too little support for eligible applicants, has been rising over the last three years. For its part, Ramsey County reports that its error rate (4.19% in 2005) has improved and is more than 3 percentage points lower than the state's average (7.60% in 2005) in another. In short, the county has been right on the mark in over 95% of applications despite a continuously growing caseload.

COMMISSIONERS RE-ELECTED

While there was a big turnover in state and federal legislative races, the Ramsey County Board will remain the same for the next two years. St. Paul area Commissioner Toni Carter (District 4) ran without opposition while Commissioners Jim McDonough (District 6) and Rafael Ortega (District 5) handily defeated their opponents. **District 3 representative Janice Rettman** (St. Paul and Falcon Heights) also ran unopposed. "It is both an honor and humbling to have the citizens show such strong support. I will continue to advocate wise fiscal policies and represent all of the people in my area equally."

ERF DOLLARS HELP PROVIDE NEW JOBS

Through special authorization from the Minnesota state legislature, Ramsey County has generated nearly \$4 million in deed taxes to help clean up contaminated sites. The special, limited tax is applied when new deeds from the sale of real estate in the county are registered and equals one tenth of one percent of the mortgage value. These dollars are then placed in a separate fund called the Environmental Response Fund (ERF) and may only be used to help clean up properties that have significant environmental pollution. About half of the funds are used in Saint Paul and half in the suburbs.

To date, Ramsey County has made loans or grants totaling over \$3,000,000 which are expected to create 3,500 new jobs, 1,235 new housing units of which 223 will be affordable and clean up about 228 acres of polluted land. The ERF Fund only provides last “resort funds” and has helped toward a total cleanup cost of over \$20.5 million. It is expected that, when fully developed, these properties will bring in \$8,666,197 in property taxes, nearly \$3 in new tax dollars for each ERF dollar invested.

The first site cleaned and developed is the old Maxson Steel and Dale Street Shops sites north of Minnehaha and east of Dale Street. According to Commissioner Janice Rettman, “The legislature determined that this site was to be first of hopefully many sites to be cleaned up. As the development grew it was important to me that the property remain on the tax roles, that new jobs be living wage jobs and that they be available to nearby residents first. It is exciting for me to know that not only is this the case, but other local businesses such as Aesop’s Table on Dale street have also benefited.”

VOLUNTEERS NEEDED

Ramsey County is always looking for citizens to serve on advisory boards and committees. For further information and committee activities check the website at www.co.ramsey.mn.us/cb/ma/volunteer.htm or call 651-266-8014.

District 5 (651-774-5234)

Neighborhood Action Committee
3rd Tuesday, 6:30 p.m.
@Arlington Library

Board of Directors
Every 4th Tuesday, 7:00 p.m.
@ Arlington Library

District 6 (651-488-4485) district6@qwestoffice.net

Board of Directors
1st Monday, 6:30 p.m.
North Dale Recreation Center

Land Use Task Force
4th Tuesday, 6:30 p.m.

District 7 (651-298-5068)

Board of Directors Meeting
2nd Tuesday, 6:30 p.m.
689 N. Dale Street

District 8 (651-228-1855)

Board of Directors
4th Tuesday, 7:00 p.m.
Hallie Q. Brown Center

District 10 (651-644-3889)

Board of Directors
3rd Tuesday, 7:00 p.m.
Como Park Historic Street Car Station

District 11 (651-646-1986)

Board Meeting
3rd Tuesday, 6:30 p.m.
1564 Lafond Avenue

Lexington-Hamline (651-644-3207)

Last Monday of each month, 7:00 p.m.
@ Dunning Recreation Center

Snelling-Hamline (651-644-1085)

Board of Directors Meeting
First Thursday of each month, 7:00 p.m.

City of Falcon Heights (651-792-7600)

City Council
2nd and 4th Wednesdays, 7:00 p.m.