

Proposed Payable 2020 Property Tax Levies

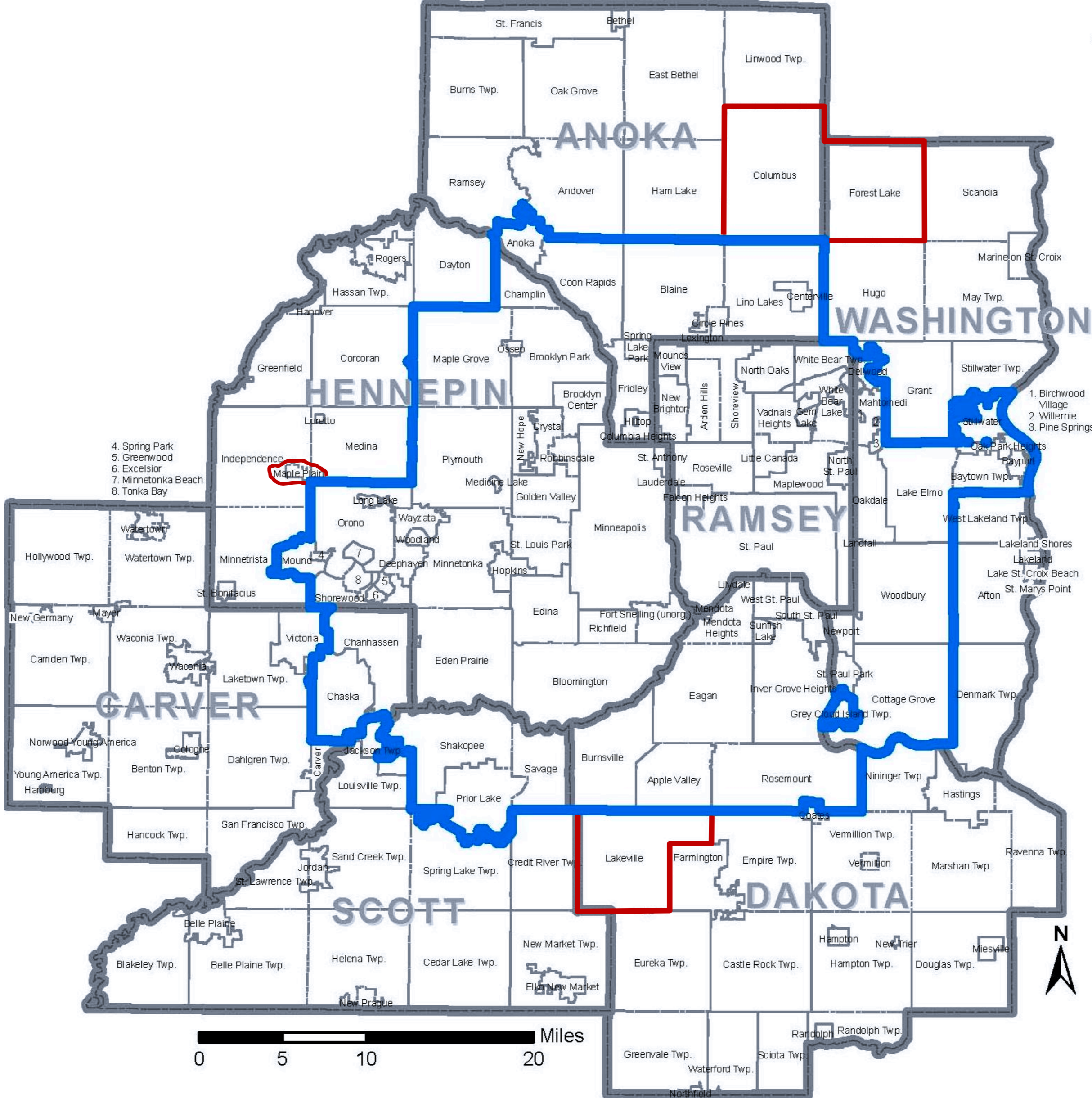
Management Committee – June 26, 2019



Council Levy Authority

- Non-Debt Service Levy
 - Limited by state statute
 - General Purposes
 - Livable Communities – Development and Redevelopment grants to communities
 - Loans for acquisition of highway right-of-way
- Debt Service Levy
 - Levy is not capped, but bonding authority is limited
 - Parks and Transit debt service only
- Seven County Metro Region and Transit Capital Levy Communities

Metro Area and Transit Debt Service Levy



Our Levy Strategy

- Levy Givens:
 - Meet Transit and Parks Debt Service Needs
 - Statutory Fiscal Disparities Levy \$5M to Tax Base Revitalization Account
- Strategy Based Decisions:
 - Hold Total Levy Increase to 2% Annually
 - Maximize the Livable Communities Demonstration Account Levy to Create \$5M Transit Oriented Development Component within the Grant Program
 - Maximize General Purpose Levy
 - No Levy for Highway Right of Way Program
(adequate reserves)

Pressures on Levy Strategy

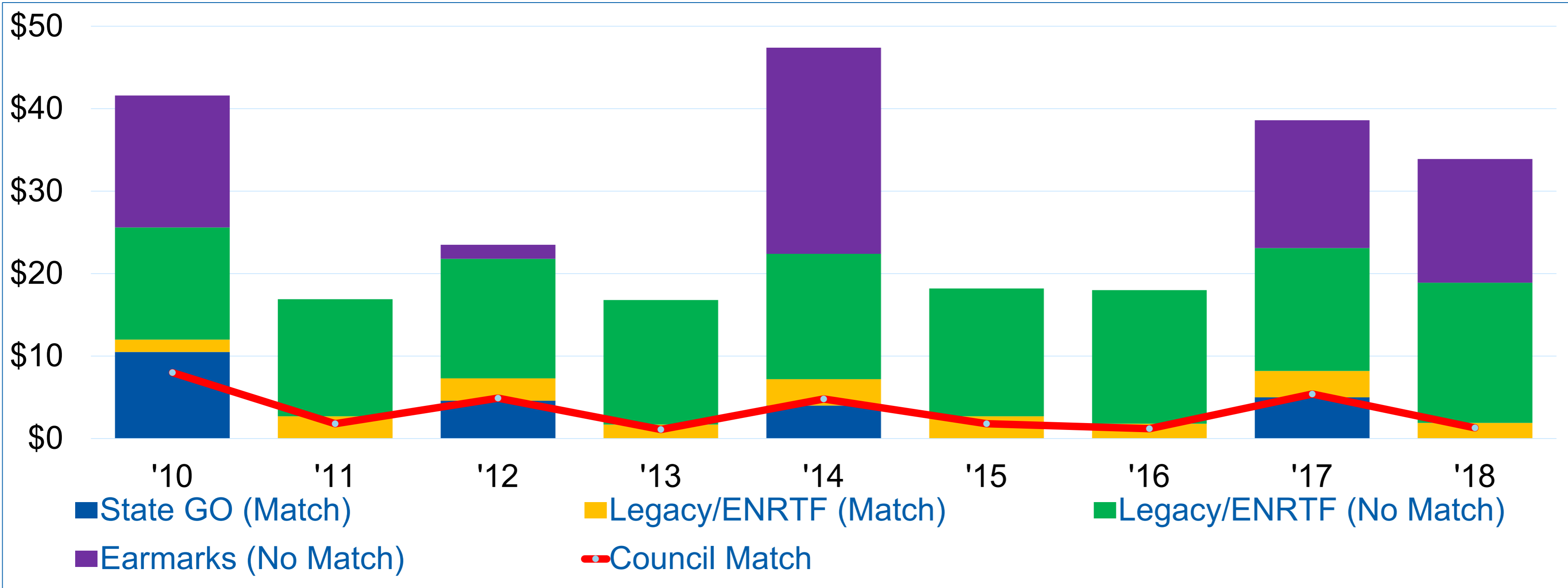
- General Inflation (avg. 2%)
 - General Purposes Levy
 - Livable Communities Demonstration Account
- Annual Transit Bonding Authority Growth (4.5%)
 - Transit Debt Service
- No Current Pressures
 - Tax Base Revitalization Account
 - Highway Right of Way
 - Parks Debt Service

3% Annual Growth

Parks Debt Service Levy

- Bonding Authority
 - \$40 M in Revolving Outstanding
 - Outstanding Debt 12/31/2018 - \$2.95 M
- Historic Plan - Match State Bonds 3:2 (\$10.5:\$7 M a year)

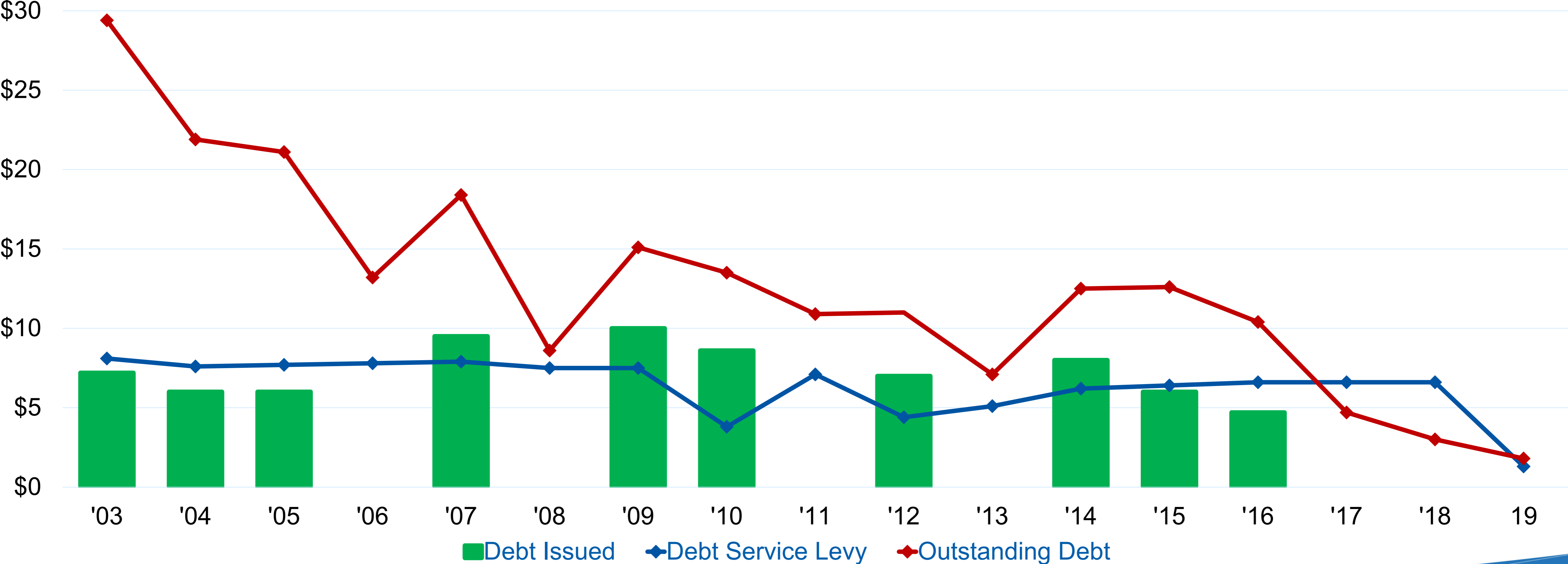
State Funding of Parks Capital Program



Average Council
Matching Bonds
 \$3.35 M

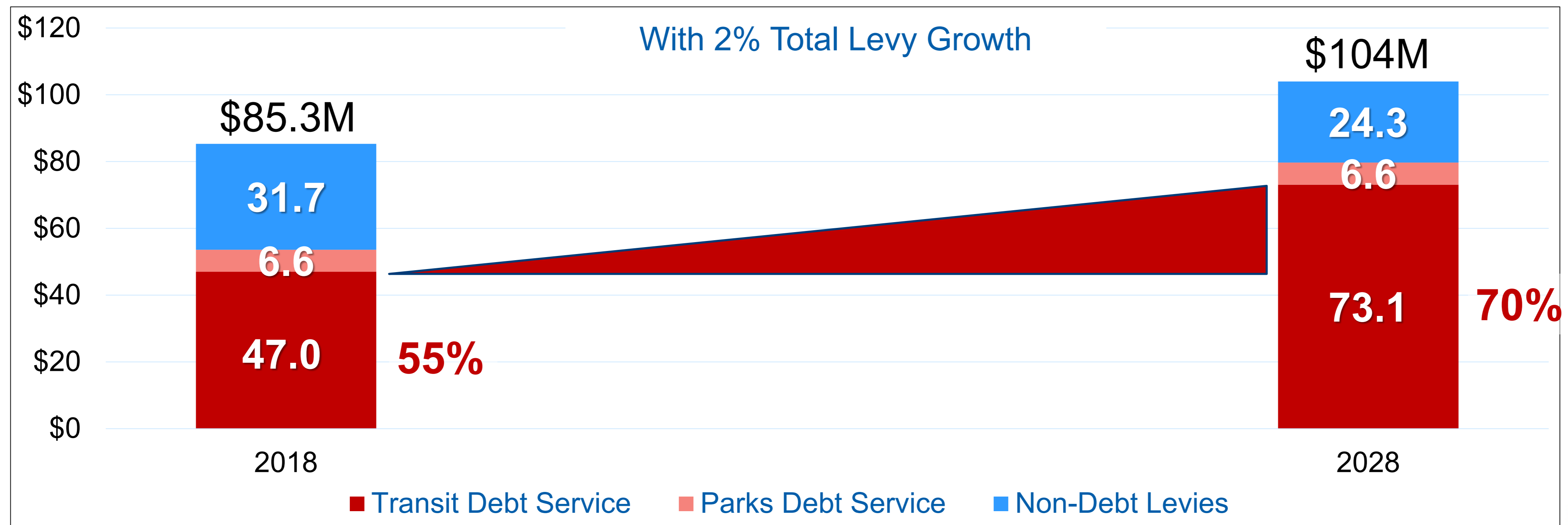


Parks Debt Service Levy



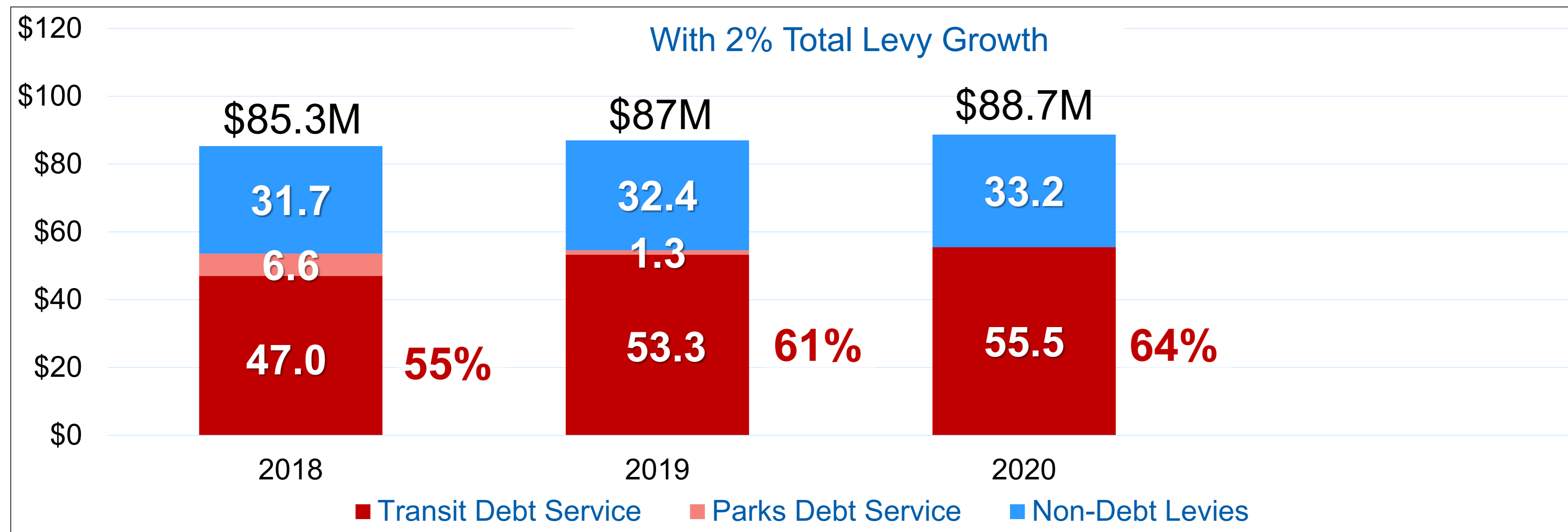
Transit Debt Service Levy

- Bonding Authority
 - Legislature grants annual authority
 - Recent success with inflation factor (4.5%)
 - Outstanding Debt 12/31/2018 - \$182 M
- Pressure on Overall Levy

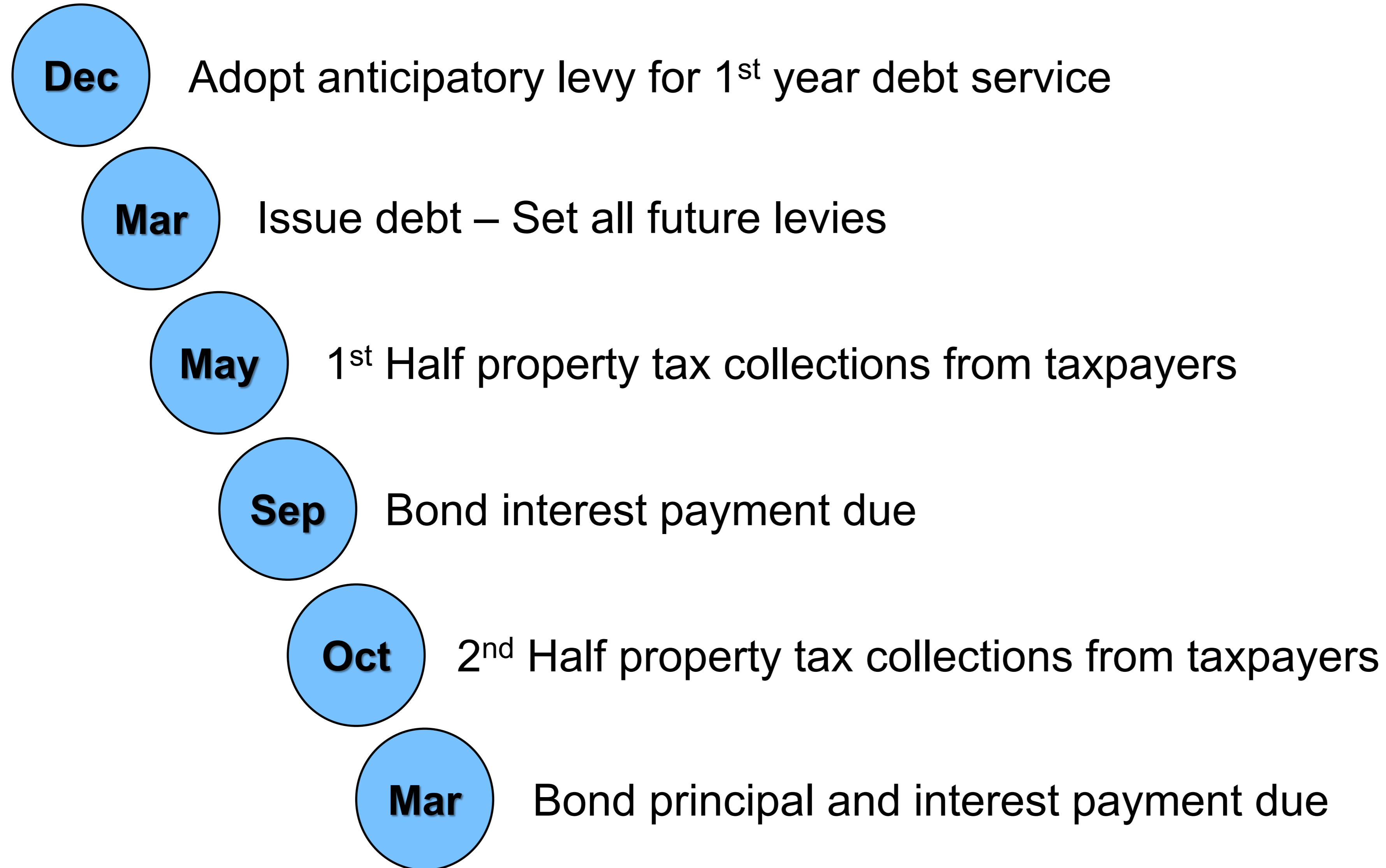


Transit Debt Service Levy

- Bonding Authority
 - Legislature grants annual authority
 - Recent success with inflation factor (4.5%)
 - Outstanding Debt 12/31/2018 - \$182 M
- Proposed Payable 2020 Levy Comparison



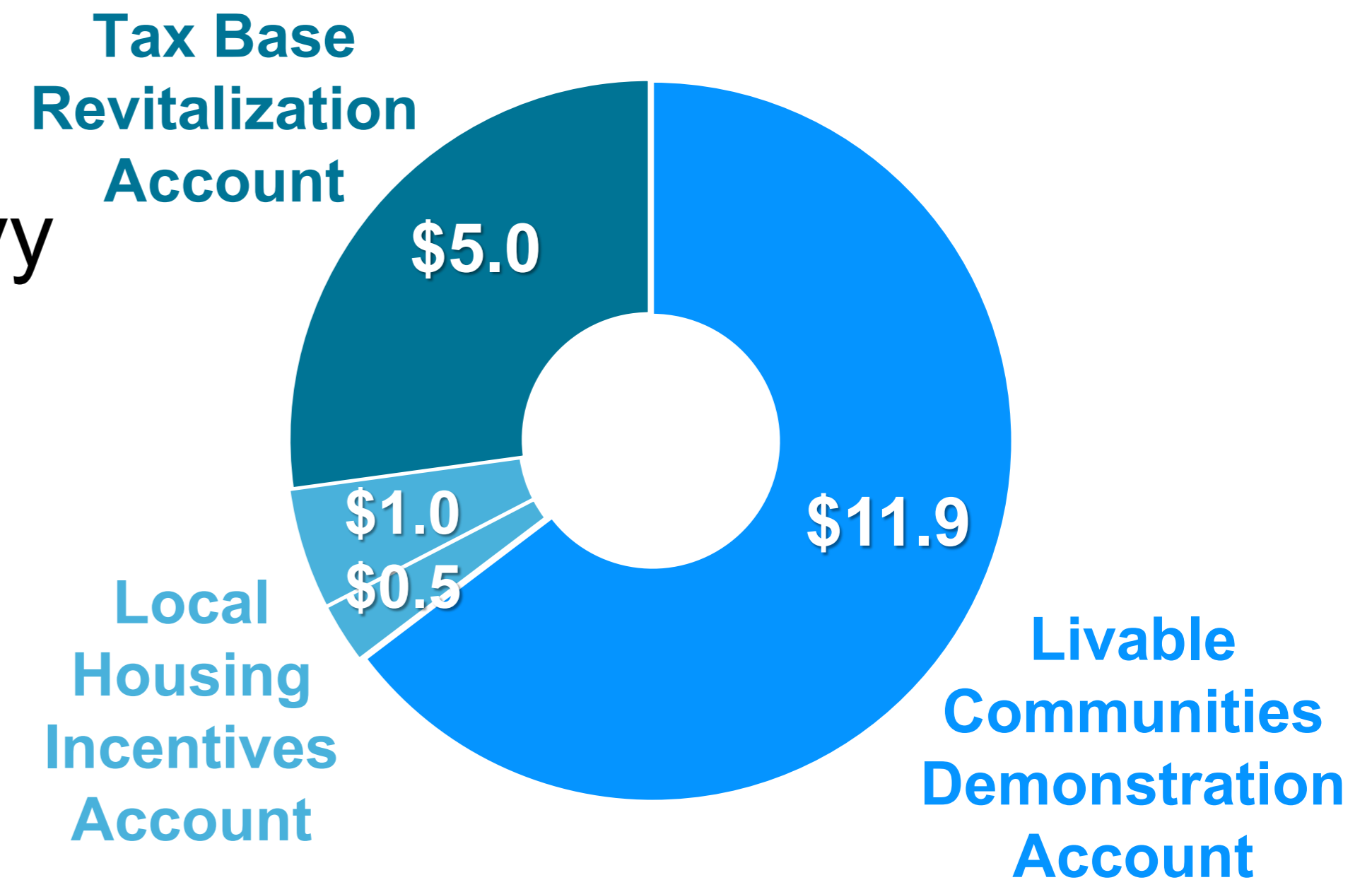
Typical 1st Year Bond and Levy Schedule



Bond amortization schedule takes over future levies

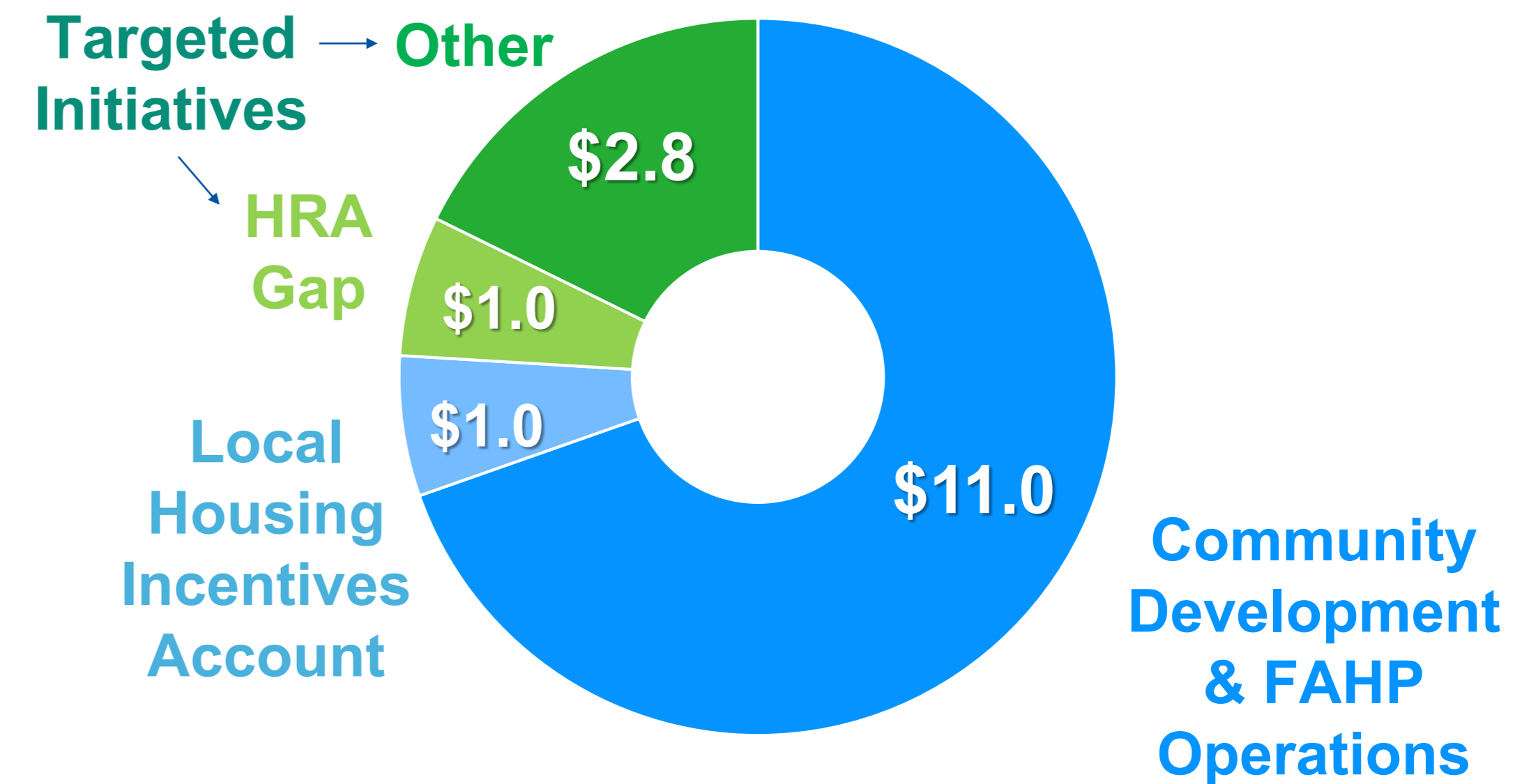
Livable Communities Levies (Grant Programs)

- Tax Base Revitalization Account Levy
 - \$5M annually from regional fiscal disparities pool
 - Clean up polluted land in the metropolitan area
- Livable Communities Demonstration Account Levy
 - \$12.4M proposed levy for 2020
 - Strategy: Grow to accommodate TOD Component
 - Limitation: Capped by implicit price deflator
- Local Housing Incentives Account
 - Statutory transfers from LCDA (\$0.5M) and General Purposes Levy (\$1.0M)



General Purposes Levy - \$15.8M

- Most Flexible Use Levy Funding
 - Carry out Council responsibilities as provided in law
- Primary Uses
 - Community Development Administration
 - Statutory Transfer to Local Housing Incentive Account (\$1M)
- Targeted Initiatives
 - One-Time
 - Pilot or Bridge to other funding sources

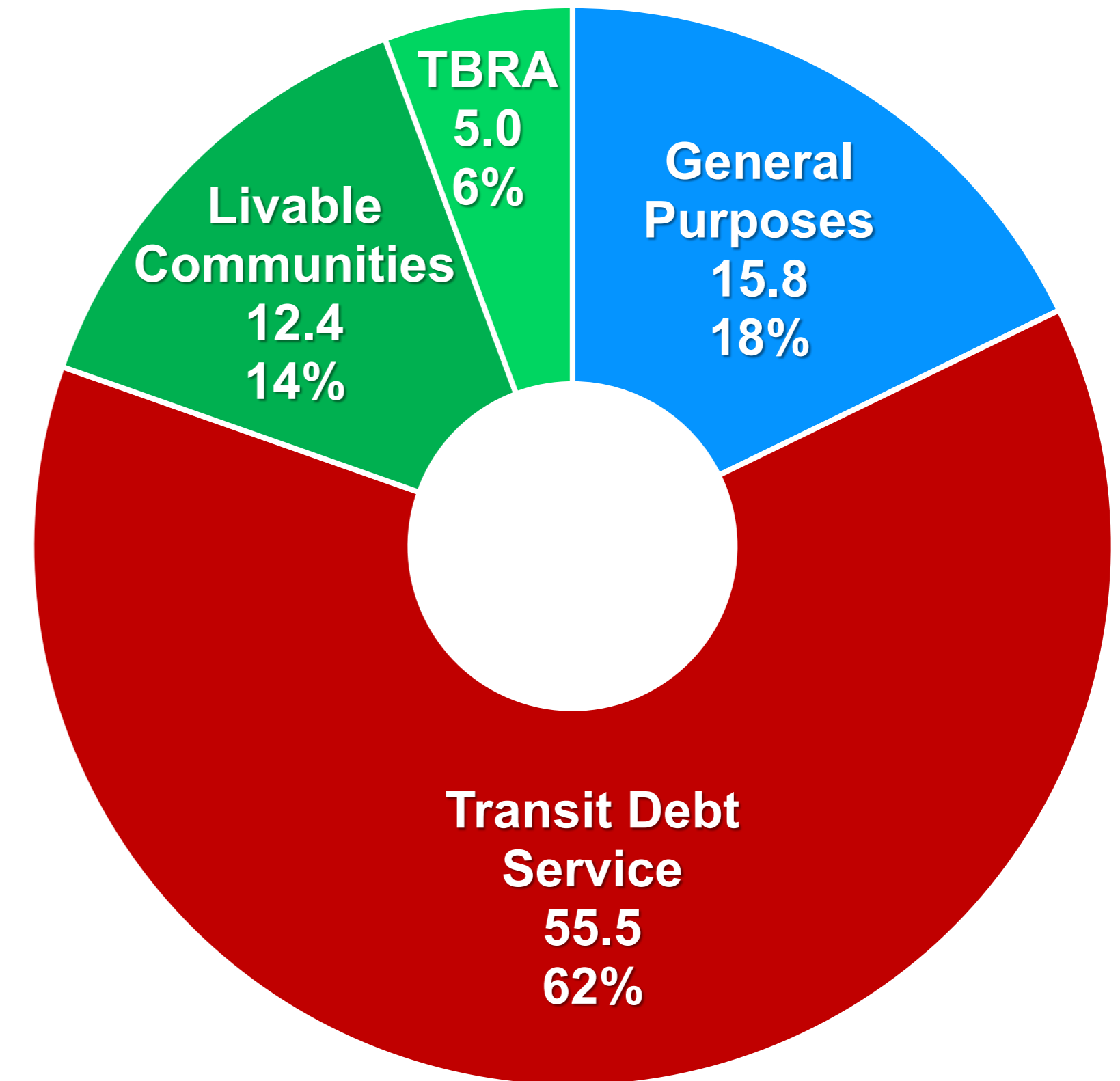


2020 General Purposes Targeted Initiatives

Proposed Targeted Initiatives		Recommended
CD	Preserve Housing Vouchers	\$1.0
MTS	Metro Mobility Premium Service Pilot (Uber/Lyft)	0.7
CW	Mgmt Workforce Diversity	0.2
CW	Homeless	1.0
CD	Housing that is Affordable	0.5
	Other ideas	0.4
		\$3.8

Proposed 2020 Property Tax Levies - \$88.7M

	Certified 2019	Proposed 2020	Levy Limit	Percent Change
<u>Non-Debt Service Levies</u>				
General Purposes	\$ 15.3	\$ 15.8	\$ 15.8	3.3%
Highway Right of Way	-	-	4.3	0.0%
Livable Communities:				
- Demonstration Acct	12.0	12.4	12.4	3.3%
- Tax Base Revitalization	5.0	5.0	5.0	0.0%
Total Non-Debt Levies	\$ 32.3	\$ 33.2	\$ 37.5	2.8%
Levy as Pct of Limit			88.6%	
<u>Debt Service Levies</u>				
Parks	\$ 1.3	\$ -		-100.0%
Transit	53.4	55.5		3.9%
Total Debt Levies	\$ 54.7	\$ 55.5		1.5%
Total All Levies	\$ 87.0	\$ 88.7		2.0%

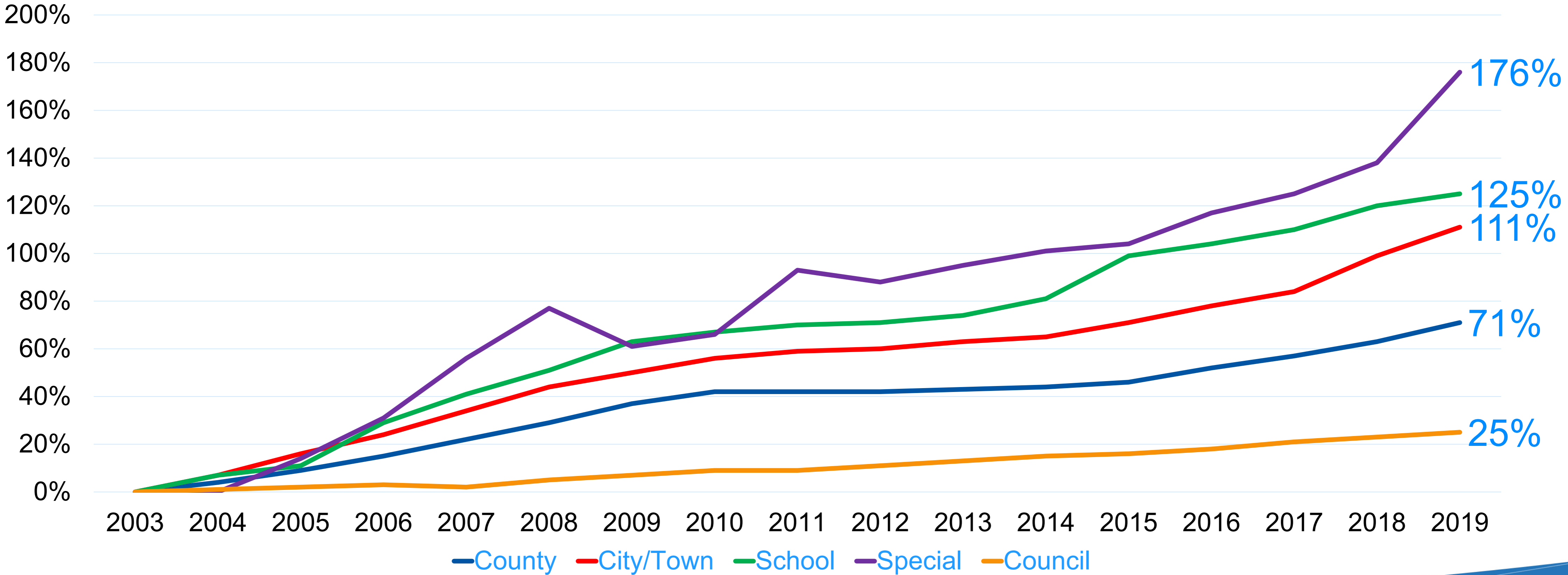


What Influences Metro Area Property Taxes?

- Year-to-Year Changes in Relative Market Value
- State Law Changes
 - e.g. Market Value Credits vs Market Value Exclusion
- Levies set by the Council and Other Taxing Authorities

Comparing Trends in Total Levy Increase

Levy Increases by Government Type



Impact on the Taxpayer

Counties 29%

Cities & Towns 31%

Schools 34%



Other Special Districts 4.6%

Metropolitan Council 1.4%