ECONOMIC DEVELOPMENT DIVISION UPDATE 2023

City Council City Operations
May 10, 2023

SAINT PAUL
MINNESOTA

STPAUL.GOV

Presentation Outline

- Introduction
- Team Members
- Functions, Programs and Services
- Team Highlights
- Full Stack (Mary Rick)
- Updates on Funding Programs
- Business Assistance Intake Form (Rachael Weiker)
- Bridge Fund Survey (Rachael Weiker)
- Strategic Priorities
- Question and answer

Team Members

The Economic Development Team is led by **Director Jimmy Loyd** and includes **18 staff positions**:

Director of Business Development
- Mary Rick

Debt Manager
- Jenny Wolfe

Program Coordinators
- Nora Riemenschneider
- Erin Lewis (started 5-1-2023)

Office Assistants
- Tina Sheldon
- Thea Gaither

Project Managers
- Ross Currier (Principal PM)
- Laura Haynssen (Principal PM)
- Claudia Klinkhammer (Principal PM)
- Daniela Lorenz (Principal PM)
- Angela Riffe (Senior PM)
- Jonathan Reisetter (Senior PM)
- Annie Byrne (Senior PM)
- Rachael Weiker (PM)
- Nicholas Wolff (PM)

Project Management Technicians
- Grace Bubel
- Nancy Vang

Functions, Programs and Services

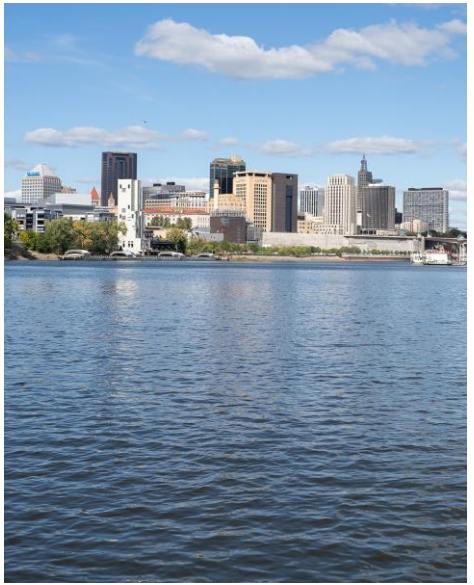
The **ED Team implements and oversees** the following **functions, programs and services**:

- Business retention, expansion, and attraction activities
- Respond to broad business resource requests and questions
- Entrepreneurship and small business development and lending
  - Targeted funding initiatives, including Full Stack
  - ARPA Tourism and Creative Economies
- Partner with local and regional organizations focused on economic development: e.g. Ramsey County, Downtown Alliance, Greater MSP, and others

Functions, Programs and Services (cont'd)

ED Team activities include the following:

- Manage Neighborhood STAR Program and N-STAR-funded projects
- Manage Cultural STAR Program and C-STAR-funded projects
- Oversee tax increment financing policies, process and tracking
- Oversee conduit revenue bond financing policies and bond-funded ED projects
- State/local grant funding coordination/project management



Economic Development Update

Team Highlights (Jan. 2022-April 2023)

- **Completed Projects:**
  - 17 projects were completed between January, 2022 and April, 2023 with total City/HRA funding of $2.65M and Total Project Cost of $5.4M

- **Active Projects:** Currently working on 46 projects that were approved for funding or commenced construction between January, 2022 and April, 2023
  - 13 projects are underway with total City/HRA funding of $8.7M and Total Project Cost of $18.8M (Construction started but not complete)
  - 33 projects were approved but construction has not yet started with total City/HRA funding of $2.96M and Total Project Cost of $23.7M

- **ARPA Activities:**
  - Managed $4.5 million in ARPA funds to support the tourism industry with 7 individual grants. Five of the 7 organizations have fully drawn grant awards.
  - Coordinating allocation of $1 million in ARPA funds to stand up a Creative Economies project as approved by the City Council

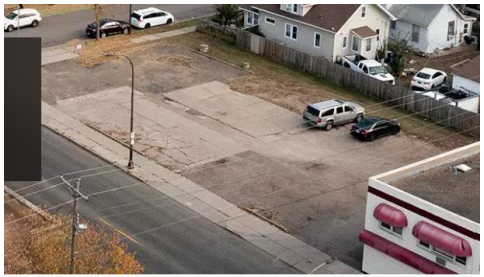
Economic Development Update

Team Highlights (Jan. 2022-April 2023) (Cont'd)

- **RFP's for Major HRA Owned Redevelopment Sites:**
  - **Hamms' Site in Ward 7:** ED staff co-lead the RFP process leading to tentative developer status for J.B. Vang approved in January, 2023; Housing team is now leading the process
  - **1570 White Bear Avenue (old Hafner's Site) in Ward 6:** ED staff supported Housing team during the RFP process; HRA Board considering tentative developer status on May 10
  - **1170 Arcade Street in Ward 6:** ED staff is leading RFP process which is still underway

Hamms' Site

White Bear Ave



Arcade Street

Economic Development Update

Team Highlights (Jan. 2022-April 2023)

- **Major Redevelopment Sites:**
  - Snelling Midway Site: ED staff is coordinating an inter-department team toward advancing the redevelopmen of the shopping center site adjacent to Allianz Field
- **HRA-Owned Sites:**
  - ED staff working on strategy for "cluster RFP" disposition in an effort to spur more development
- **Notable Projects** (as summarized on an earlier slide)**:**
  - Completed Projects:
    - West Indies Soul Food – build out of new restaurant at 839 University funded with $200,000 of NH STAR funds
    - Papa Legba – rehabilitation of vacant building into new restaurant/bar with live music funded with $130,000 of STAR and HRA resources
  - Active Projects:
    - Keystone Community Services – renovation of two vacant buildings into a neighborhood food center with over $2.6 million in CDBG funding
    - Farwell Yards redevelopment and cleanup grants from DEED and Met Council of nearly $2.7 million to prep the site for mixed use/housing development

Economic Development Update

2022 Cultural STAR Highlights and Outcomes

- Held two application rounds
- Awarded a total of $1.95 million to 90 projects, serving nearly 1.3 million audience members and leveraging over $8 million
    - 78 special projects (events), 5 organizational development, and 7 capital projects
- Received over $2.85 million of funding requests from 121 applications
- Many festivals and events returned after COVID, but still not all at full audience levels compared to pre-COVID
    - Eg: Lowertown Sounds, Twin Cities Jazz Fest, Little Africa Fest, India Fest, dance and theatre productions

VTAC 2022 Frogtown Arts Festival (Sept. 24, 2022)

Schubert Club Sound Sculpture (Sept 23-26, 2022)

Economic Development Update

2022 Neighborhood STAR Program & 2022-23 Year-Round STAR Highlights

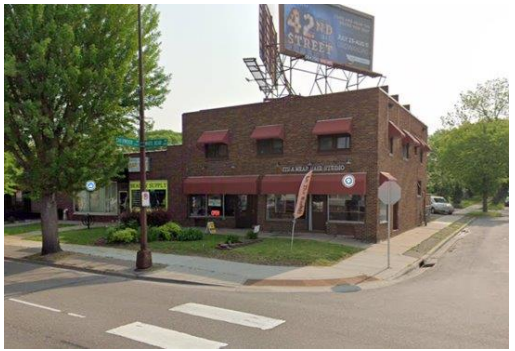
2022 Neighborhood STAR Program Highlights

- Requests: 69 applicants requested over $5.6 million in grant and loan funds
- Approved: 20 proposals awarded $1,871,145 in STAR loan and grant dollars
- Match: More than $13 million in private/non-City dollars

2022/2023 Year-Round STAR Program Highlights

- 27 Projects approved for a total of $930,913

Bang Brewing

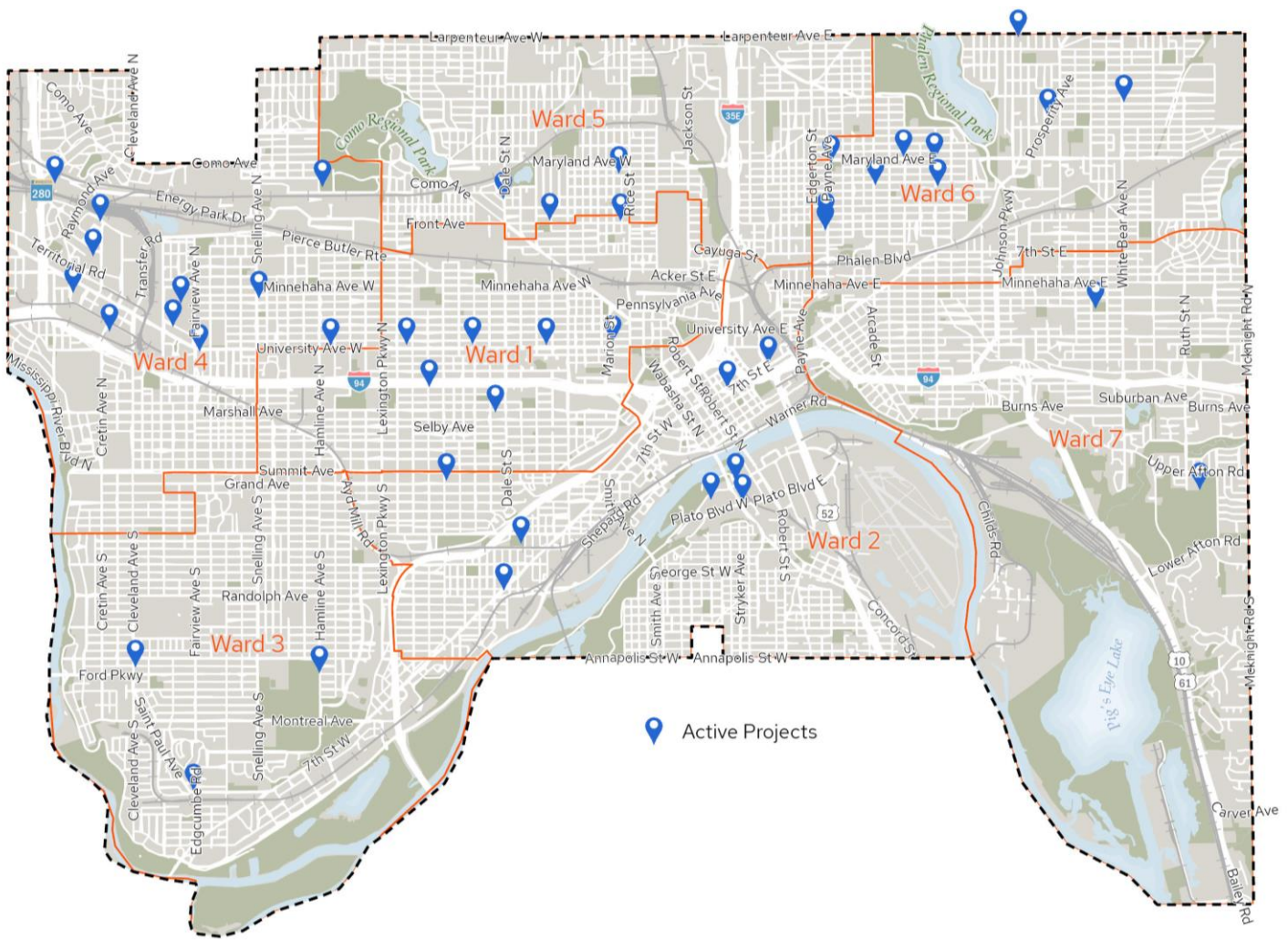


It's a Wrap Hair Studio

Active Projects

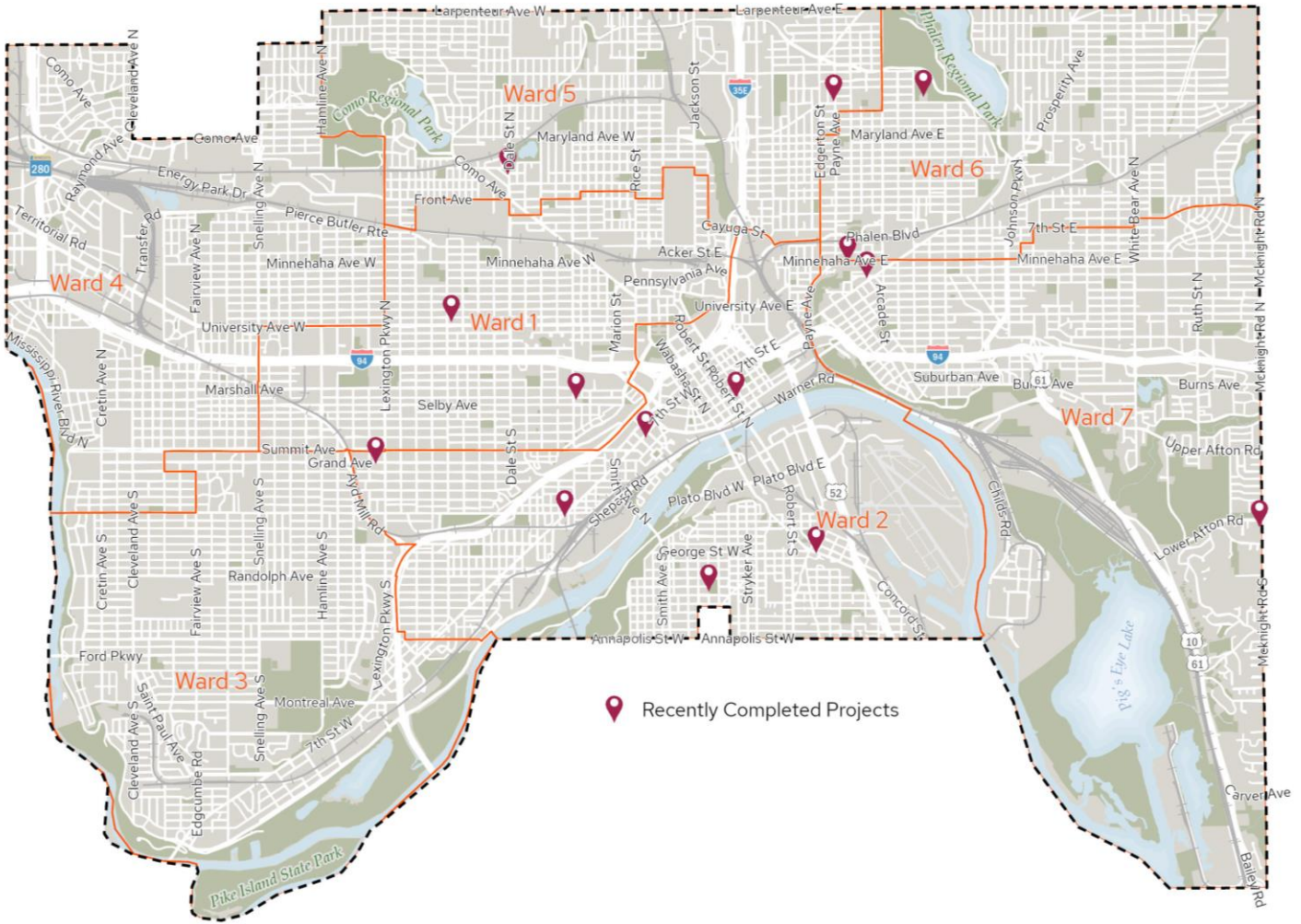
2022 - Present

Projects that were approved or commenced construction between January, 2022 and April, 2023



Recently Completed Projects

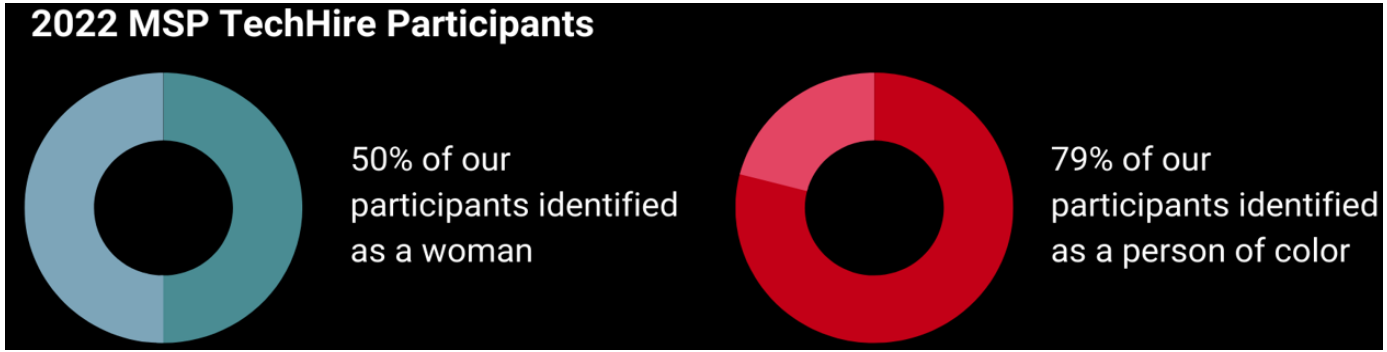
January 2022 – April 2023



Economic Development Update

Full Stack 2022 Report: MSP TechHire Scholarships

- Provided tech training scholarships to accelerated training providers in partnership with Ramsey County for **24 Saint Paul job seekers**
  - **5** UX Academy Right Track Youth @ $49K
  - **19** Adult TechHire Scholarships @ $190K
  - Reporting Saint Paul Scholars had a **75% wage gain** with the **average hiring wage** of **$32.92** and **average wage increase** of **$13.41**



Economic Development Update

Full Stack 2022 Report: Events and Outreach

- Full Stack sponsored 10 unique events in 2022
- 4,500 in-person attendees at events in Saint Paul
- Total of 8M impressions across events
- Twin Cities Startup Week alone included:
  - 10 unique sites in Saint Paul
  - 31.7% BIPOC attendance
  - 45.7% Women attendance
  - New youth outreach with Youth in Tech Day
- Monthly email list with resources and highlights has grown significantly to 1,172pp
- Intentional outreach to underrepresented communities with partners

TC SW 22

GROWTH conference

GRID CATALYST

St
Pi
FORGE
NORTH

GROW
DRIVE
PROGRESS

Economic Development Update

May is Tech Month

Events throughout the month in coordination with Ramsey County and we are leading a community Tech for All event TOMORROW at Johnson High School. You have all been invited and Mayor Carter will be giving opening remarks. This event will highlight career opportunities in technology, inspire youth and community members by exposing them to technology (virtual reality, drones, robotics, the list goes on!) and share info on training resources and programs.

Economic Development Update

Full Stack 2023 Update: Restaurant Resiliency Project

Accomplishments

The Digital Capabilities Index has been published https://www.ncxt.co/rrpindex
AMA Service is launched
RRP Tech Guide launched
RRP Website updated.
245 Digital Audits completed.
130 Digital Audits sent to restaurants - 115 are in queue to be sent by March 31, 2023.
3 Tech Support Requests have been responded to within AMA.
2 Tech Support Requests have been responded to outside via direct engagement.
3 Ask Me Anything webinars have been conducted
Identified 60+ restaurants with NO Website and are convening workforce partners to add capacity.
Gained commitment of 4 Right Track interns in June.

Needs

Stronger adoption of the AMA Service and Webinar

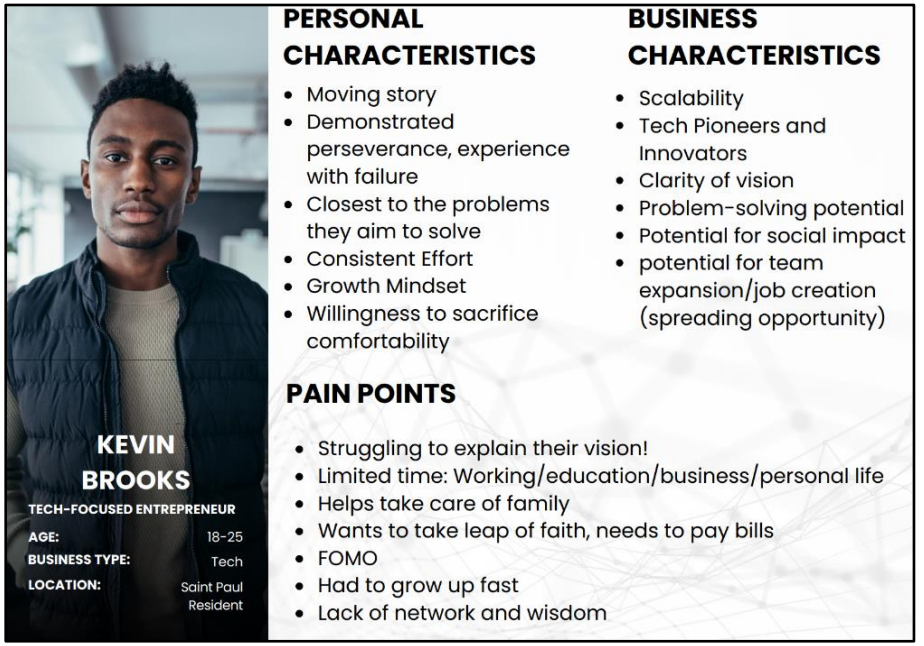
-SHARON NOEL, OWNER WEST INDIES SOUL FOOD

"I am very grateful for all the help being offered. My business took a turn for an uphill direction with being one of the trucks at the MN Food Parade. It has increased my curbside sales!".

Economic Development Update

Full Stack 2023 Update: Youth Tech Fellowship

- Led by young adults, Bridgemakers' SOW and grant approved
- Young adult fellows will receive business and living stipends
- Curriculum in business, tech, entrepreneurship
- Fellows will be based in downtown Saint Paul for 6 months



Economic Development Update

Business Assistance Intake

Business support and data collection

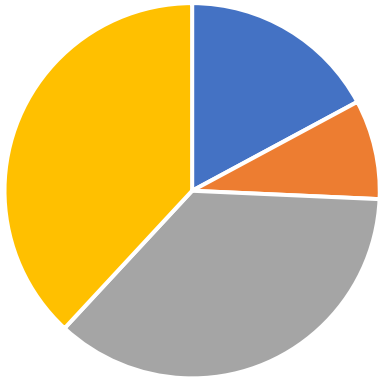
- In October 2022 our team updated the Business Assistance Fund intake form on our website
- This form was originally designed to be an additional access point for our business community to reach Economic Development Department as an application for funding
- The updated form better captures insight on
  - business types
  - owner demographics
  - business needs
- Businesses are contacted by PED staff within 3 business days of submitting the form and directed to the appropriate resources and/or referrals

Economic Development Update

Business Assistance Intake: Business Data

Ward representation	#	%
Outside Saint Paul*	18	17%
Ward 1	17	16%
Ward 2	16	15%
Ward 3	7	7%
Ward 4	6	6%
Ward 5	2	2%
Ward 6	7	7%
Ward 7	3	3%
No Answer	31	29%
Total	107	100%

* Outside Saint Paul refers to existing or start-up business that doesn't yet have a Saint Paul site



Business type	#	%
Food service/Restaurant/Grocer	30	28%
Clothing/Retail	19	18%
Other/Unstated	19	18%
Healthcare/Home Health	10	9%
Professional Services	8	7%
Personal Services (barber, salon)	7	7%
Real Estate/Housing	6	6%
Tech	4	4%
Residential/Commercial Cleaning	2	2%
Childcare	2	2%
Total	107	100%

Economic Development Update

Business Assistance Intake: Snapshot of Business Needs

- We had inquiries from 107 businesses
  - 57% (61) of all businesses requested financing
  - 66% (71) businesses selected from a list of TA services to indicate additional support needs, such as site selection, general business management, and website development

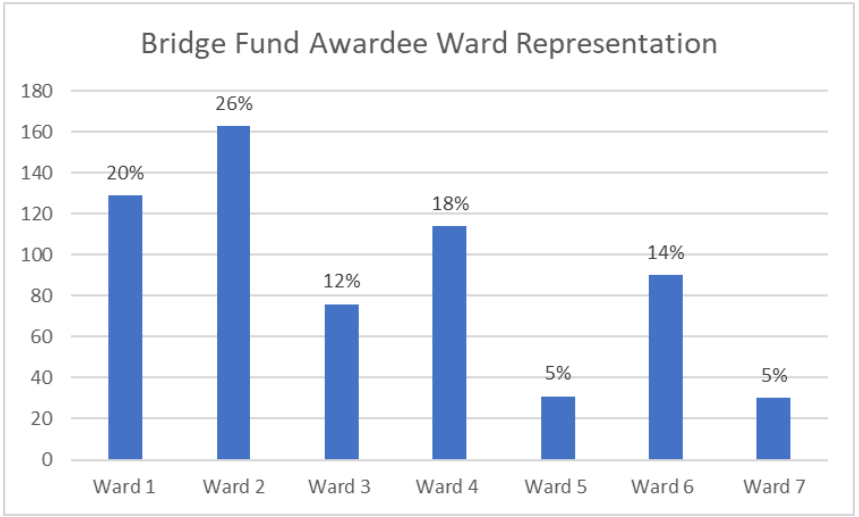
Business support type	#	%
Site selection	24	34%
Marketing and brand development	23	32%
Business licensing and permits	22	31%
Website development	18	25%
Business plan development	17	24%
General business management	17	24%
Staffing support	14	20%
Accounting and bookkeeping	13	18%
Financial analysis and planning	12	17%
Total	*71	100%

*Starting in October 2022, the intake form asked business to select from a list of support services that they would be interested in accessing. Respondents could select multiple options.

Economic Development Update

Bridge Fund Recap: Impact and Business Engagement

- In response to the Pandemic, the Bridge Fund program ran three funding rounds from May 2020- February 2021
- 633 awards of $7,500, distributing more than $4.75M in financing
- All awards screened, selected, and distributed within 10 months



Bridge Fund Program Guidelines

Eligible businesses had to:

- Be a for-profit business located in the City of Saint Paul that serves the general public
- Have had twenty full-time-equivalent (FTE) employees or fewer
- Have less than $2 million in annual gross revenue
- Have a physical establishment that has operated and conducted business within the City of Saint Paul for at least six months
- Have experienced a significant loss of revenue due to COVID-19

Economic Development Update

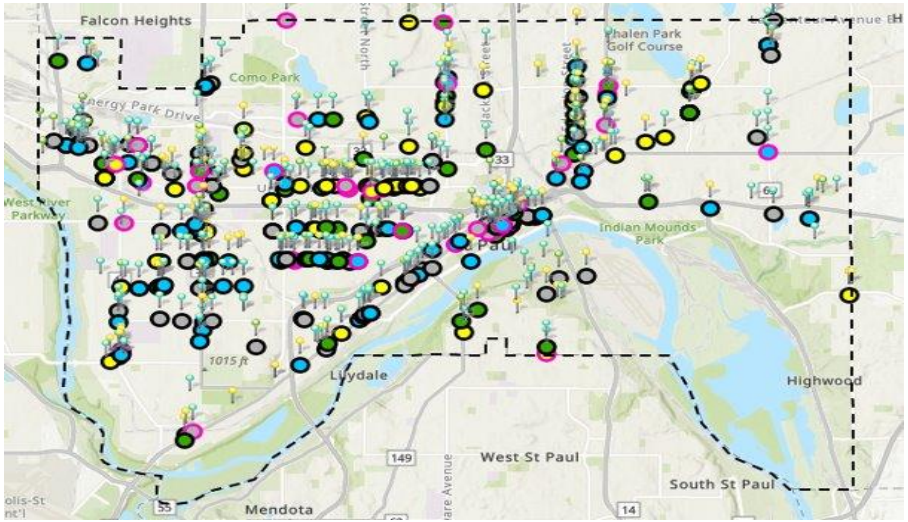
Bridge Fund Awardee Engagement

- Phone survey May-July 2022
  - 158 Businesses randomly selected
  - 70 responded

- E-survey Dec 2022 - Jan 2023
  - Sent to 571 businesses with active email addresses
  - 316 unique responses

- Questions included:
    - Business operating status
    - Current business challenges
    - What support has been most helpful
    - What support would be helpful from the City of Saint Paul going forward

Bridge Fund Response Profile (e-survey data)

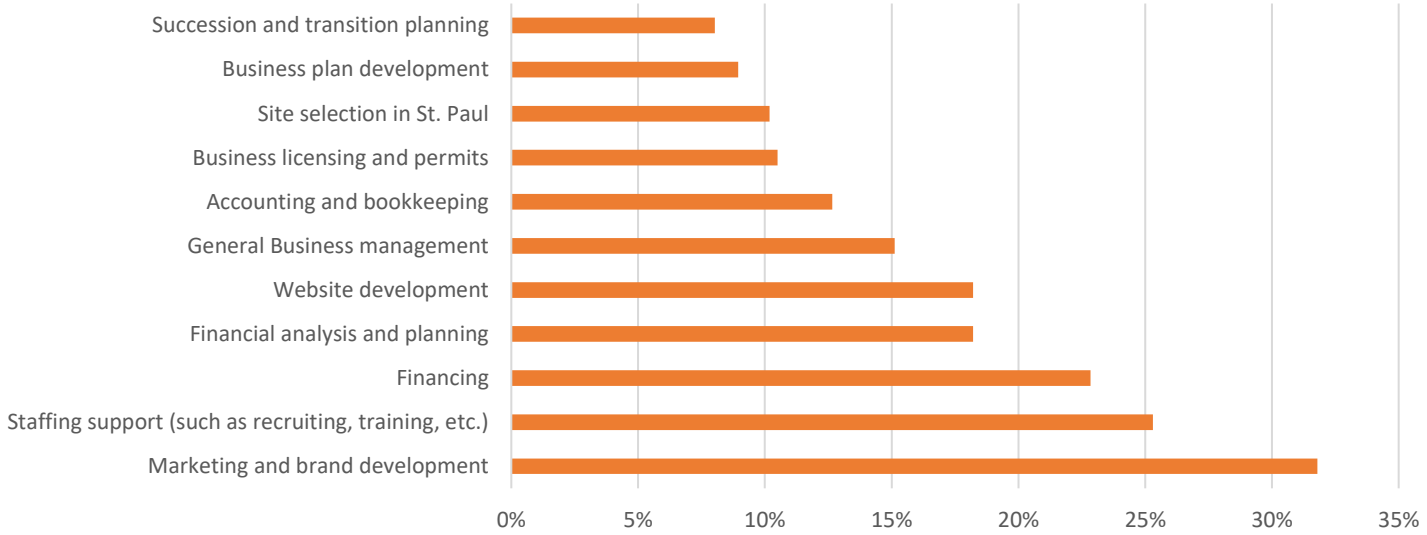


*Dots with pink circles indicate that the business shared a concern about crime or safety in an open-ended response

- 38% Minority-owned (MBE)
- 48% Woman-owned (WBE)
- 21% Minority-Woman-owned (MBE/WBE)
- 90% still operating in 2023

- Non MBE/WBE
- MBE
- WBE
- MBE/WBE

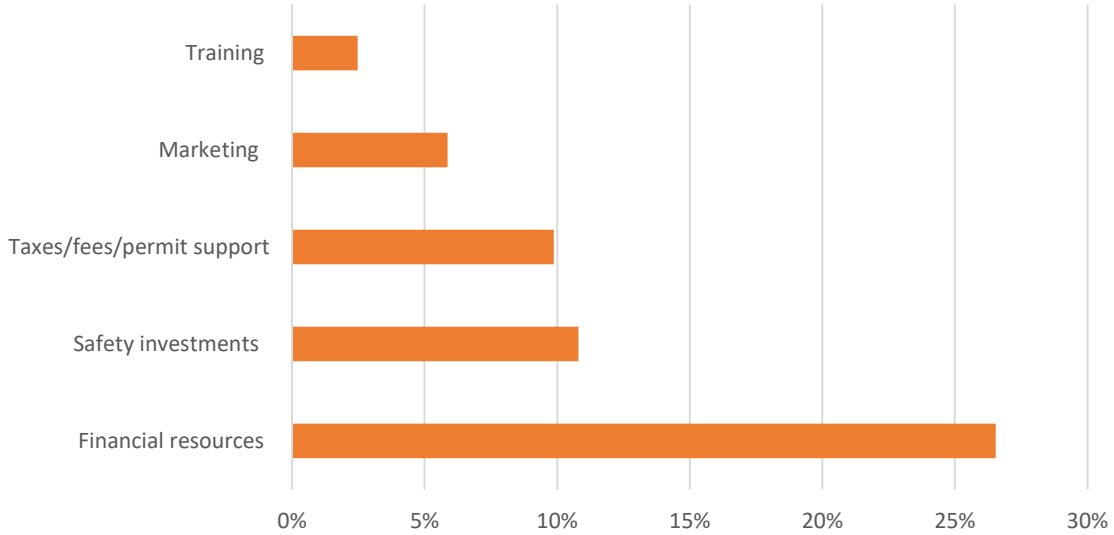
Bridge Fund Awardees: Snapshot of Business Needs



The Bride Fund e-survey included the same list of support services as the intake form. Respondents could select multiple options.

How can the City support businesses?

Key themes from open-ended response



Economic Development Update

2023 Strategic Priorities

- Build a better relationship with our business community through strategic partnerships and outreach
- Data gathering: Continue to refine intake process, resource tracking and sharing to better understand the needs of the business community
- Engage partners in campaigns for marketing cultural and commercial corridors.
- Explore City capacity to specialize in tech job creation opportunities
- Launch newly created Technical Assistance Program for Saint Paul small businesses

Economic Development Update

2024 and beyond Strategic Priorities

- Improve communication with other City departments to add more value for businesses
- Continuously evaluate our current program offerings for equity and efficiency
- Take what we learned from 2023 through data gathering and outreach to improve programmatic offerings and recommend policy updates
- Focus on community presence, creating opportunities to support our business community in person
- Further develop workforce programs and solutions for community
- Foster a culture of innovation to be less reactive and more proactive

Questions and Discussion