



The Most
Livable City
in America



Business and Economic Development Policy Session

Prepared for City Council by Planning and Economic Development, March 2018

VIBRANT
PLACES
— AND —
SPACES

Business and Economic Development Policy Session

PED Leadership Team:

- Dr. Bruce Corrie, Director
- Kristin Guild, Deputy Director
- Donna Drummond, Planning Director
- Patty Lilledahl, Housing Director
- Martin Schieckel, ED Director

PED Presentation Team for Today's Session includes:

- Danette Parr
- Marcq Sung
- Laura Haynssen
- Ross Currier
- Andrew Hestness
- Hilary Holmes
- Nora Riemenschneider

With special help from:

- Hannah Burchill
- Bob Spaulding
- Joe Spencer
- And the rest of the ED team!

Topics:

1. 2016 – 2018 Economic Development Strategy
2. Full Stack
3. Open For Business

2016 – 2018 Economic Development Strategy has three main goals

- **Jobs:** Increase the number of jobs in Saint Paul and improve access to jobs for Saint Paul residents, especially low income residents and people of color.
- **Tax Base:** Increase commercial/industrial, residential and sales tax revenue. A strong tax base is the foundation for City services, amenities and infrastructure.
- **Unemployment:** Reduce unemployment for low-income residents and people of color. Driving prosperity for all is a value the City embraces. Closing the racial unemployment gap is critical to future economic health.

2016 – 2018 Economic Development Strategy

Goal:

Increase number of jobs in Saint Paul by 3,000 over three years.

	Q3 Jobs	Annual Jobs
2015	179,793	179,460
2016	181,270	180,206
2017	182,532	Data to be released May 2018
2018 GOAL	N/A	182,460

source: DEED Quarterly Census of Employment and Wages

2016 – 2018 Economic Development Strategy

Goal:

Increase total tax capacity for Saint Paul by 15% over three years.

	Tax Capacity	Cumulative Growth
Payable 2016	\$239,055,061	0%
Payable 2017	\$258,127,364	8%
Payable 2018	\$284,641,990	19%
P. 2019 GOAL		15%

source: Ramsey County Property Records and Revenue

2016 – 2018 Economic Development Strategy

Goal:

Increase sales and use tax collections for Saint Paul by 15% over three years.

	Annual Sales & Use Tax Collection	Cumulative Growth
2015	\$18,558,003	0%
2016	\$19,056,604	3%
2017	\$19,333,872	4%
2018 GOAL		15%

source: Minnesota Department of Revenue (2017 numbers received by email before posted online)

2016 – 2018 Economic Development Strategy

Goal:

Maintain city-wide unemployment rate relative to statewide rate.

	Annualized Unemployment Rate		
	MN	StP	Difference
2015	3.7%	3.7%	0.0%
2016	3.8%	3.7%	-0.1%
2017	3.6%	3.4%	-0.2%
2018 GOAL			0.0%

2016 – 2018 Economic Development Strategy

Goal:

Reduce unemployment disparity between people of color in Saint Paul and the city as a whole by 10% over three years.

	Unemployment Gap white to people of color			Cumulative Change in Gap
	White	POC	Gap	
2015	4.5%	10.4%	5.9%	0.0%
2016	3.4%	8.5%	5.1%	-13.6%
2017	Available Sept. 2018	Available Sept. 2018	Available Sept. 2018	Available Sept. 2018
2018 GOAL	N/A	N/A	N/A	-10.0%

source: Census Bureau American Community Survey Table S2301, 1-year data, with calculations

2016 – 2018 Economic Development Strategy

2016 – 2018 Economic Development Strategy has six main priorities:

1. Expand business attraction, retention, and expansion activities.
2. Support entrepreneurship and small business development.
3. Build and market the Saint Paul brand.
4. Direct new development to high-priority geographies and sites in the city.
5. Invest in downtown.
6. Align resources around Spotlight neighborhoods.

2016 – 2018 Economic Development Strategy

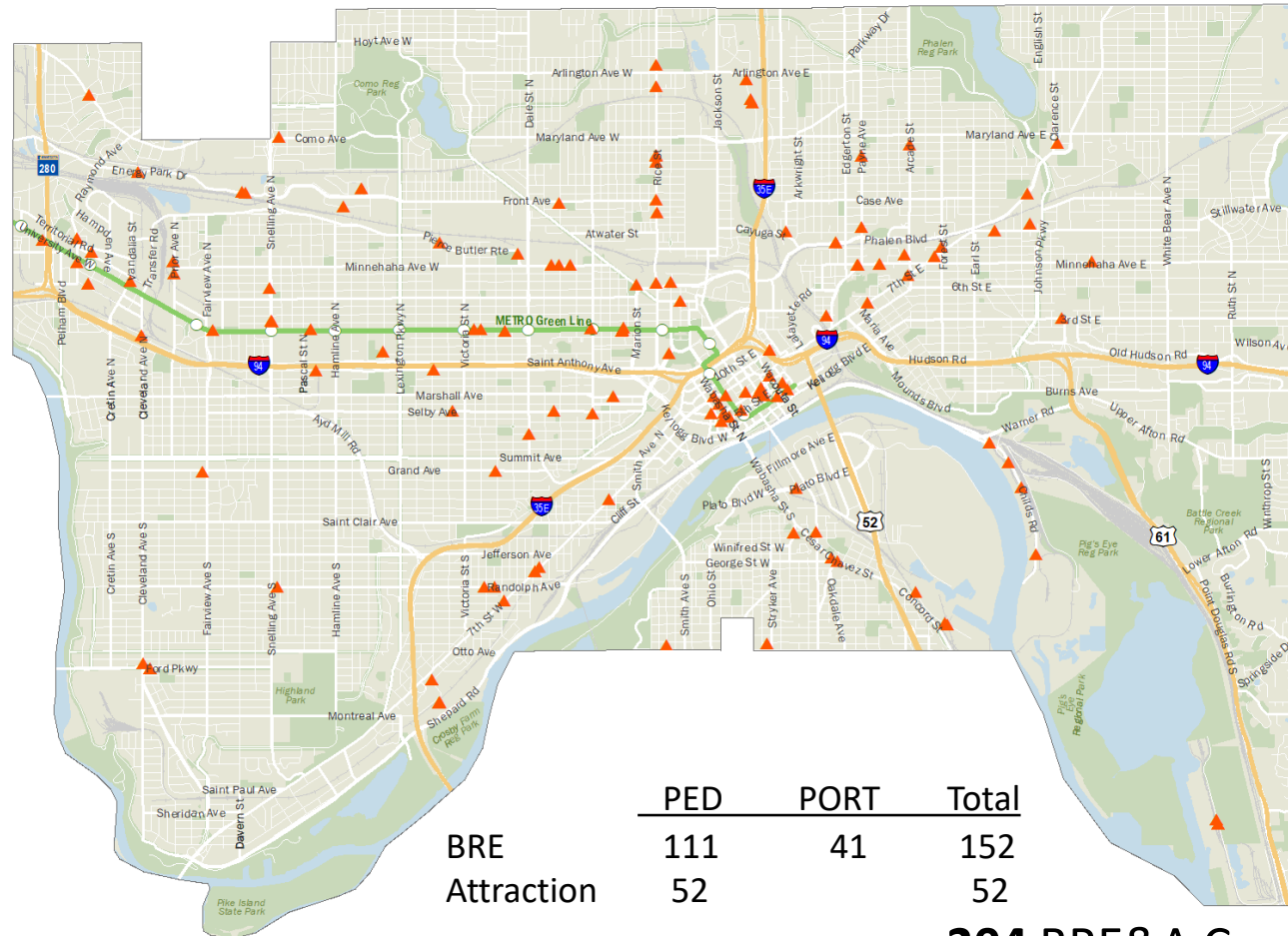
Priority:

Expand business attraction, retention, and expansion activities.

Tactics:

- Team approach with specialized sector outreach
- Increase retention and expansion visits
- Continue work with partner organizations to expand business outreach
- Utilize elected officials as a part of retention, expansion and outreach efforts for high profile businesses
- Project managers making more outreach efforts with culturally-specific CDCs and business support groups

2016 – 2018 Economic Development Strategy



204 BRE&A Contacts

2016 – 2018 Economic Development Strategy

Priority:

Expand business attraction, retention, and expansion activities.

Moving Forward:

- Provide outreach booths at no less than 12 targeted events per year
- Increase ongoing coordination with partners through quarterly tracking and mapping of visits
- Outreach annually to CDFI's and economic development organizations to assure knowledge of current programs and distribute up to date marketing toolkit material
- Coordinate with DSI to work toward a joint tracking tool/CRM to allow shared access to information
- Create refined RFP response templates and toolkit material to allow for a customized response to site searches by prospective businesses
- Continue to utilize our existing business leaders, elected officials and local assets to reinforce our outreach efforts to potential attraction leads

2016 – 2018 Economic Development Strategy

Priority:

Support innovative entrepreneurship and small business development

Tactics:

- Full Stack – Start Up, Scale Up
- Twin Cities Start Up Week
- Economic Gardening Program
- Improve access to business services for SWMBEs
- Hmong, Black, and Native American Chambers of Commerce



2016 – 2018 Economic Development Strategy

Priority:

Support innovative entrepreneurship and small business development

Results:

- 30+ Committee Members for Full Stack
- Saint Paul Start Up Crawl, Hackathon
- In 2017, 5 Small Businesses Enrolled in Economic Gardening – 2 Woman-owned
 - 17 Businesses Since 2014
- Revised STAR Guidelines and Increased Outreach
- Open for Business Pocket Guide



2016 – 2018 Economic Development Strategy

Priority:

Build and market the Saint Paul brand

Tactics:

- Print materials
- Enhanced website
- Broker and site selector events
- Director of Business Development Danette Parr

2016 – 2018 Economic Development Strategy

MARKET PROFILE: THE MIDWAY



The Midway is a place where people live, work, and play. It's a place where neighbors want to gather, eat at local restaurants, and shop, and where creative and innovative business owners choose to locate.

Affordable storefronts available along the Green Line, and industrial space accommodating production and creative office users, support a vibrant mix of business. Light rail moves people and heavy rail moves goods through this heart of the metro. The Midway is a place where everything from ethnic restaurants to law firms to manufacturing can thrive.

THE LOCATION

- Halfway between two downtowns
- Access to I-94 and Hwy 280
- 5 METRO Green Line stops
- 6 local bus routes & 1 rapid bus route
- Several freight rail connections
- Land use: 20% commercial
- Land use: 20% industrial

THE MARKET

- Average income: \$56,324
- 76% labor force participation rate
- 7% unemployment
- Top industries in the Midway:
 - Health care & social assistance
 - Waste management & remediation
 - Wholesale trade
- Investment in 2016
 - Major development: \$22 million
 - 196 building permits worth \$8.3 million
 - 26% permits for commercial construction

THE PEOPLE

- Well-educated - 49% with four-year degrees vs. 39% for all Saint Paul
- Jobs held by Midway residents:
 - 64% white collar
 - 15% blue collar
 - 21% service industry
- Young - median age: 33.1
- 59% homeowners (Saint Paul: 49%)
- 30% walk, bike, or take transit to work (Saint Paul: 20%)

THE AMENITIES

- 9.9 miles of bike lanes (+15.3 planned)
- Future home of Allianz Field
- Griggs-Midway office building
- Midway Office Warehouse
- Hamline University
- Griggs & Hancock rec centers
- 8 public parks
- 4 breweries & 2 local coffee shops



Updated August 2017

2016 – 2018 Economic Development Strategy

Priority:

Build and market the Saint Paul brand

Next:

- Marketing toolkit
- Update and grow website
- Continue and grow partnerships with culturally-specific business organizations and cultural corridors

2016 – 2018 Economic Development Strategy

Priority:

Direct new development to high-priority geographies and sites in the City

Tactics:

- Enhance property marketing/site selection
- Provide new financing tools for challenged areas of the City
- Identify potential funding sources for larger-scale projects

2016 – 2018 Economic Development Strategy

Priority:

Direct New Development to High-Priority Geographies and Sites in the City

Results:

- Developed and implemented a new process for marketing HRA properties, a Request for Offers, to simplify process for developers and expand the pool of bidders



754 RANDOLPH AVENUE DEVELOPMENT OPPORTUNITY

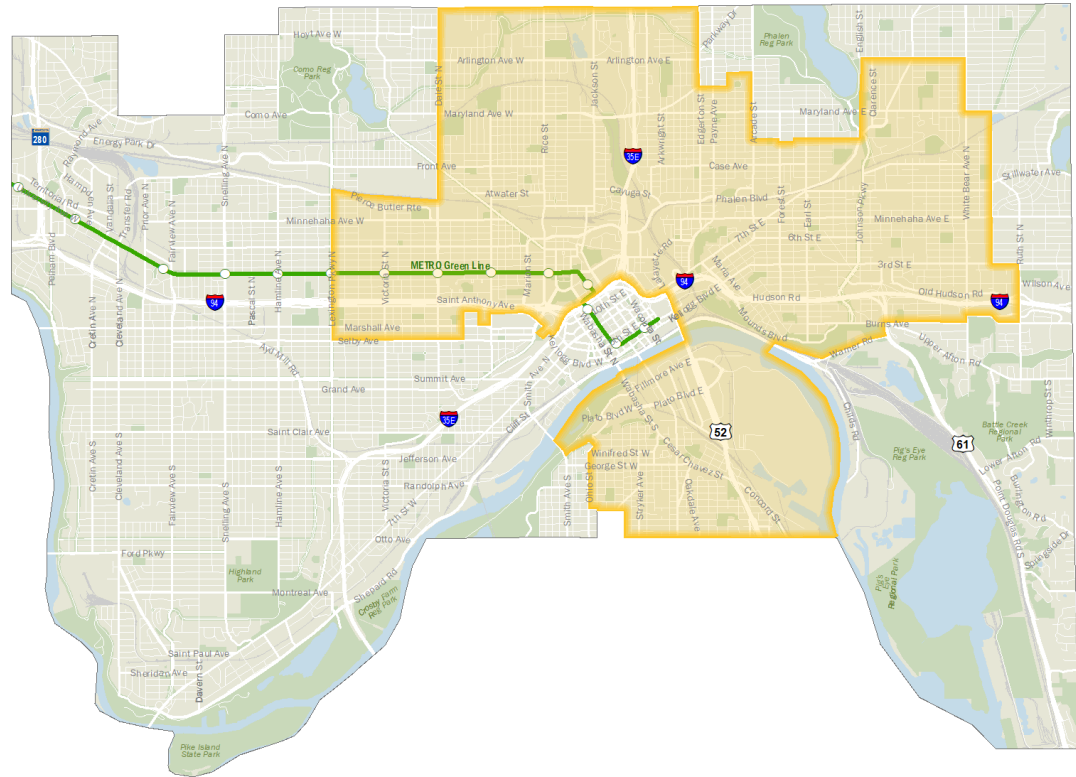
2016 – 2018 Economic Development Strategy

Priority:

Direct new development to high-priority geographies and sites in the city

Results:

- Developed the Job Opportunity Fund to increase funding opportunities for businesses in ACP-50 areas of Saint Paul, with the goal of increasing job opportunities for neighborhood residents

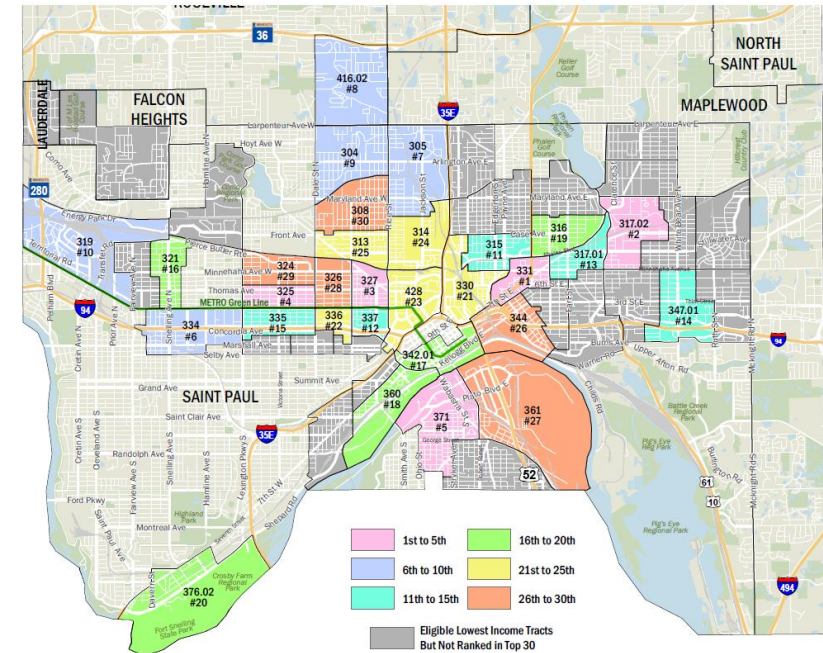


2016 – 2018 Economic Development Strategy

Priority:
Direct new development to high-priority geographies and sites in the City.

Results:

- PED staff worked quickly with partners at the County and Port Authority in 2018 to prioritize and make recommendations on Opportunity Zones for submission to Governor Dayton to take advantage of this new investment tool in low-income communities



Opportunity Zone Program: TOP 30 RANKED TRACTS
(Excludes tracts ranked outside Top 30 in suburban Ramsey County)
March 7th, 2018 | Interactive map version at bit.ly/2sUDujj

2016 – 2018 Economic Development Strategy

Priority: **Invest in Downtown**

Tactics:

- Guide continued revitalization of downtown
- Work with partners on filling commercial/office vacancies
- Improve parking operations and opportunities in downtown

2016 – 2018 Economic Development Strategy

Priority: **Invest in Downtown**

Results:

- Partner in the new Saint Paul Downtown Alliance
- Celebrating completion and first year of Palace Theatre
- Celebrating rehab and leasing at Port Authority's Treasure Island Center, Osborn370, The 428
- New mobile-friendly parking website and map implemented in 2017

2016 – 2018 Economic Development Strategy

Priority: Invest in Downtown



2016 – 2018 Economic Development Strategy

Priority:

Align resources around spotlight neighborhoods

Tactics:

- Focus on Dayton's Bluff, Frogtown, North End/Rice Street, Summit-University, District del Sol
- Build off successful strategies of the North End **Neighborhood Vitality Fellow**:
 - Increased awareness of where investment opportunities and gaps are
 - New and strengthened relationships and connections to boost capacity
 - Finding more opportunities to inform residents and business people about resources available

2016 – 2018 Economic Development Strategy



Targeted city investments in North End assets, 2012-present
Summer 2017

Projects Needed but Not Yet Started

Projects Underway or Completed



2016 – 2018 Economic Development Strategy

Priority:
Align resources around spotlight neighborhoods

Results:

- Commercial Vitality Zone Program
 - 9 zones over first 3 years
 - \$2.25 million of investment
- Identifying community assets
- Building relationships
- Analysis of investments made and opportunities to fill gaps



Thinking ahead.....

- Evaluating and updating the ED Strategy for future years
- Broadening efforts at PED to increase community wealth building
- Greater participation in economic development activities throughout the City
- Continue to invest in and support the efforts of the ED team at PED

Questions / Discussion