

**Saint Paul  
Special Service District  
Operating Plan**

**Summary**

**For  
A Property Based  
Special Service District  
In Saint Paul, Minnesota**

**June 2020**

**Prepared By  
Urban Place Consulting Group, Inc.  
SPDID Steering Committee**

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## INTRODUCTION

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This Introduction describes the basic provisions of a non-profit tax-exempt organization to be known as the Saint Paul Downtown Improvement District (the “SPDID”). This entity will be formed as a “special service district” pursuant to Minnesota Statutes, Chapter 428A (“State Law”) to serve a substantial part of Saint Paul’s downtown area (the “District”) beginning in 2021.

This Summary has been prepared by a volunteer steering committee of private parties that own commercial real estate within the District. The committee has been advised and assisted by Urban Place Consulting Group, Inc. with funding from the Knight Foundation and other sources.

Special service districts have proven to dramatically improve public safety and security, enhance the upkeep and maintenance of the public realm, attract new businesses and help retain existing ones, increase property values, and stimulate overall community vitality. Of the sixty-five largest cities in the nation, Saint Paul at the present time is the only city that does not have a special service district. Duluth, Minneapolis, and Rochester all have successful districts and the vitality of those communities is attributable at least in part to those organizations.

Current city services around cleanliness, safety and placemaking are not meeting the needs of downtown Saint Paul. The SPDID would deliver needed programs and services in these areas, operating above and beyond what the city provides. The safety and security aspects of the SPDID program are especially relevant given the historic connection of public safety issues and economic instability.

Funding to underwrite the SPDID programs and services will come from special fees for eligible commercial real estate located within the District that would be payable with annual real estate tax payments. Voluntary contributions would also be sought from private and public parties whose property is not eligible to be assessed (residential property and real estate owned by government and non-profit organizations). Notwithstanding their legal exemption, it should be noted that city and county government have both committed to contribute at least 25 percent of the SPDID annual operating budget during the organization’s initial five-year term.

SPDID’s first priority is improving public safety outcomes and perceptions. The traditional model for downtown districts achieves this by implementing a highly visible staff of public realm ambassadors. In response to the disruptions and the economic repercussions associated with COVID-19 SPDID will plan to phase in ambassador services in 2022. In 2021 the focus will be the creation of a joint public safety communications center (the “Fusion Center”) that would connect private and public audio and visual communications in downtown Saint Paul into a single system that is staffed. A fusion center was the top recommendation of a security study done by the Rozin Group in 2019 under contract with the Greater Saint Paul BOMA and Saint Paul Downtown Alliance and is consistent with best practices across the country. It is anticipated that the Fusion Center would begin functioning sometime in 2020 and would be funded on an interim basis by the Saint Paul Downtown Alliance with private foundation support until the SPDID has been approved and is up and operating. Additional information about the Fusion Center is available upon request.

The Fusion Center can extend beyond the boundaries of the District paid for by voluntary contributions or a fee for service contract.

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**SPDID Steering Committee**


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The initial SPDID steering committee includes of the following individuals representing the commercial properties indicated after their names.

Building	Owner / Representative
Securian 400 & 401 Towers	Julio Fesser
Ecolab	Kris Taylor
Travelers	Greg Sharpe
Wells Fargo Place	Pat Skinner
Mille Lacs Corporate Ventures - InterContinental & DoubleTree Hotels	Zach Atherton-Ely
The 428 & Golden Rule	Pat Wolf
Treasure Island Center	Lee Krueger
Infor Commons	Dean Freeman
Victory Ramp & Grace Building	Todd Geller
Hamm Building	Kristel Hanson
Osborn370	Clint Blaiser
Saint Paul Hotel	Brian Schmechel

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**Proposed District**

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The boundaries of the proposed District were selected by those property owners who expressed interest in the SPDID concept and a desire to be part of the steering committee/advisory board. While the proposed District is delineated on the following map, it can be expanded at any time before the formal submission of the SPDID organizational petition to the City of Saint Paul should other property owners contiguous to the District wish to be included. Even later, there are ways under State Law to expand the District to include interested property owners.

The proposed District includes a contiguous precinct that encompasses Saint Paul's most prominent artistic, cultural, and entertainment venues (the Children's Museum, the Science Museum of Minnesota, the Ordway Center, Landmark Center, and Xcel Energy Center, along with theatres, restaurants, and other attractions) that have unique public safety and other needs and concerns that distinguish them from other less-traveled areas of greater downtown Saint Paul. Collectively, these venues literally draw millions of people to downtown Saint Paul every year. It is critically important to these attractions and the future of the downtown that these visitors are safe and secure.

The proposed District is also home to corporate headquarters for several large businesses, including Agribank, Bremer Financial, Century Link, District Energy, Ecolab, Infor, Minnesota Wild, Securian Financial, Travelers, and others. Providing a safe environment for their thousands of employees is obviously essential.

Together, these two groupings of venues and other attractions made inclusion in the District both logical and necessary.

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**OPERATING PLAN SUMMARY**


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The name of the proposed Property-based Special Service District is the **Saint Paul Special Service District (the “District”)**. The District is being established pursuant to Minnesota Statutes CHAPTER 428A. SPECIAL SERVICE DISTRICTS, herein after referred to as State Law. Developed by the Saint Paul Steering Committee, the Saint Paul Special Service District Management Plan is proposed to improve and convey special benefits to assessed parcels located within the Saint Paul Special Service District area. The District will provide activities, including Clean, Safe, and Beautiful, Communication/Public Space Activation, and Administration/Advocacy/Office. Each of the programs is designed to meet the goals of the District; to improve the safety of each individual assessed parcel within the District, to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the District.

**Boundary:** See Page 8.

**Budget:** The budget for full program implementation is \$1,413,689 and is the planned budget for year two, 2022.

The total District budget for the 2021 year of operation, which has been reduced dramatically to address the COVID-19 pandemic financial issues, is approximately **\$610,716**.

<b>TOTAL BUDGET</b>	<b>Year 1 2021</b>	<b>Year 2 2022</b>
Non-exempt property assessments	\$ 455,036.00	\$ 1,053,321.00
City voluntary assessment contribution	\$ 83,460.56	\$ 193,193.00
County voluntary assessment contribution	\$ 72,219.54	\$ 167,175.00
<b>Total</b>	<b>\$ 610,716.10</b>	<b>\$ 1,413,689.00</b>

## Improvements, Activities, Services

<b>SAFE &amp; CLEAN</b>	<b>Year 1 2021</b>	<b>Year 2 2022</b>
Percent of Total Budget	54.87%	78.34%
Non-exempt property assessments	\$ 249,690.27	\$ 840,297.00
City + County voluntary assessment contribution	\$ 85,425.73	\$ 282,792.00
<b>Total</b>	<b>\$ 335,116.00</b>	<b>\$ 1,123,089.00</b>

### Enhanced Safe Programs

A Saint Paul Special Service District Safe Team of ambassadors to address crime prevention for parcels in the District will consist of some of the following:

- Joint public safety communications center (Fusion Center)
- Bicycle Patrol (*limited year 1*)
- Foot Patrol (*limited year 1*)

### Enhanced Clean and Upkeep Programs

A Saint Paul Special Service District Clean Team of ambassadors will consist of some of the following:

- Sidewalk Sweeping (*limited year 1*)
- Sidewalk Pressure Washing (*limited year 1*)
- Graffiti & Handbill Removal (*limited year 1*)
- Trash Removal (*limited year 1*)
- Landscape programs (*limited year 1*)

<b>COMMUNICATION + PUBLIC SPACE ACTIVATION</b>	<b>Year 1 2021</b>	<b>Year 2 2022</b>
Percent of Total Budget	18.83%	10.46%
Non-exempt property assessments	\$ 85,684.90	\$ 112,230.00
City + County voluntary assessment contribution	\$ 29,315.10	\$ 37,770.00
<b>Total</b>	<b>\$ 115,000.00</b>	<b>\$ 150,000.00</b>

Communication/Public Space Activation programs will consist of some of the following:

- Stakeholder Communications
- Website
- Branding and Marketing (*limited year 1*)
- Public Space Activation (*limited year 1*)
- Placemaking Projects (*limited year 1*)

<b>ADMINISTRATION + ADVOCACY/OFFICE</b>	<b>Year 1 2021</b>	<b>Year 2 2022</b>
Percent of Total Budget	26.30%	11.20%
Non-exempt property assessments	\$ 119,660.83	\$ 120,161.00
City + County voluntary assessment contribution	\$ 40,939.57	\$ 40,439.00
<b>Total</b>	<b>\$ 160,600.00</b>	<b>\$ 160,600.00</b>

Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered seven days a week. A well-managed District provides necessary Special Service District program oversight and guidance that produces higher quality and more efficient programs.

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## Methodology

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**Method of Financing:** A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See Section 4, for assessment methodology)

**Cost:** Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Two property assessment variables, building square footage (70%) and linear front footage (30%), will be used in the calculation. The **2021 year\*** assessments per assessment variable will not exceed amounts listed in the following chart:

<b>Building Square Footage Rate</b>	\$0.0299
<b>Front Footage Rate</b>	\$6.11

*\*The planned budget for 2022 outlined above will include substantial increases to assessment rates in order to reach full program implementation.*

**Annual Budget:** An annual special service district operating budget will be determined by the Special Service District Advisory Board of Directors and must be adopted and approved by the City Council each year.

**District Formation:** District formation requires submission of favorable petitions from property owners representing more than 25% of total assessments to be paid and representing more than 25% of the land area to be assessed. Upon submission of valid petitions, the City will hold a public hearing process mandated and defined by State Law.

**Duration:** The District will have a 5-year life beginning January 1, 2021 and ending December 31, 2025.

**City Service Baseline:** The City of Saint Paul has established and documented the base level of pre-existing City services. The Downtown Saint Paul Special Service District will not replace any pre-existing general City services.

**Governance:** The City of Saint Paul shall contract with a non-profit organization to provide the day-to-day operations of the Special Service District. The non-profit organization will act as the District Advisory Board and governing board for the SSD. The District Advisory Board determines budgets, assessment adjustments, and monitors service delivery. A new non-profit corporation will be established by the Saint Paul Steering Committee and its Board will serve as the District Advisory Board.

The District Advisory Board of Directors will represent a cross section of property owners found throughout the SSD. The goal and spirit of the board's composition is to have a majority of property owners that pay Special Service District assessments but may also include representatives from businesses and residents. A nominating committee develops an annual slate of board nominations, and nominations are voted on at an annual meeting of the Special Service District assessed property owners.



## Saint Paul Special Service District Boundaries

The Saint Paul Special Service District consists of approximately 40 whole or partial blocks and approximately 131 non-exempt parcels. In general, the Saint Paul Special Service District is bounded by Cedar Street and Jackson Street on the east, 11<sup>th</sup> Street and 7<sup>th</sup> Street on the north, Kellogg Boulevard and Eagle Street/Parkway on the west, and Kellogg Boulevard and Shepard Road on the south.

The Saint Paul Special Service District includes all non-exempt parcels within the boundaries of:

- Cedar Street (west side only) from 11<sup>th</sup> Street to 7<sup>th</sup> Street.
- 7<sup>th</sup> Street (south side only) from Cedar Street to Jackson Street.
- Jackson Street (west side only) from 7<sup>th</sup> Street to 6<sup>th</sup> Street.
- 6<sup>th</sup> Street (north side only) from Jackson Street to Cedar Street.
- Cedar Street (west side only) from 6<sup>th</sup> Street to Kellogg Boulevard.
- Kellogg Boulevard (north side only from Cedar Street to Wabasha Street.
- Wabasha Street (west side only) from Kellogg Boulevard to Shepard Street.
- Shepard Street (north side only) from Wabasha Street to Eagle Street/Parkway.
- Eagle Street/Parkway (east side only) from Shepard Street to Kellogg Boulevard.
- Kellogg Boulevard (east side only) from Eagle Street/Parkway to 11<sup>th</sup> Street.
- 11<sup>th</sup> Street (south side only) from Kellogg Boulevard to Cedar Street.

The Saint Paul Special Service District boundaries are illustrated by the map below.

