

# ECONOMIC DEVELOPMENT POLICY UPDATE

Organizational Committee  
May 26, 2021



SAINT PAUL  
MINNESOTA

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# Presentation Outline

- Introduction
- Economic Development Strategy and Goals
- Economic Development Workplan
- Team Overview and Services
- Financial Resources
- Program Highlights and Outcomes
- Project Highlights and Outcomes
- Questions and Discussion



# Economic Development Strategy and Goals

In 2016, the ED team adopted an Economic Development Strategy around the following broad 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.

- Measurable goal was 3,000 additional jobs over three years, based on DEED data

**Tax Base:** Increase commercial/industrial, residential and sales tax revenue. A strong tax base is the foundation for City services, amenities and infrastructure.

- Measurable goal was to increase tax base and sales/use tax revenue each by 15% over three years

**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.

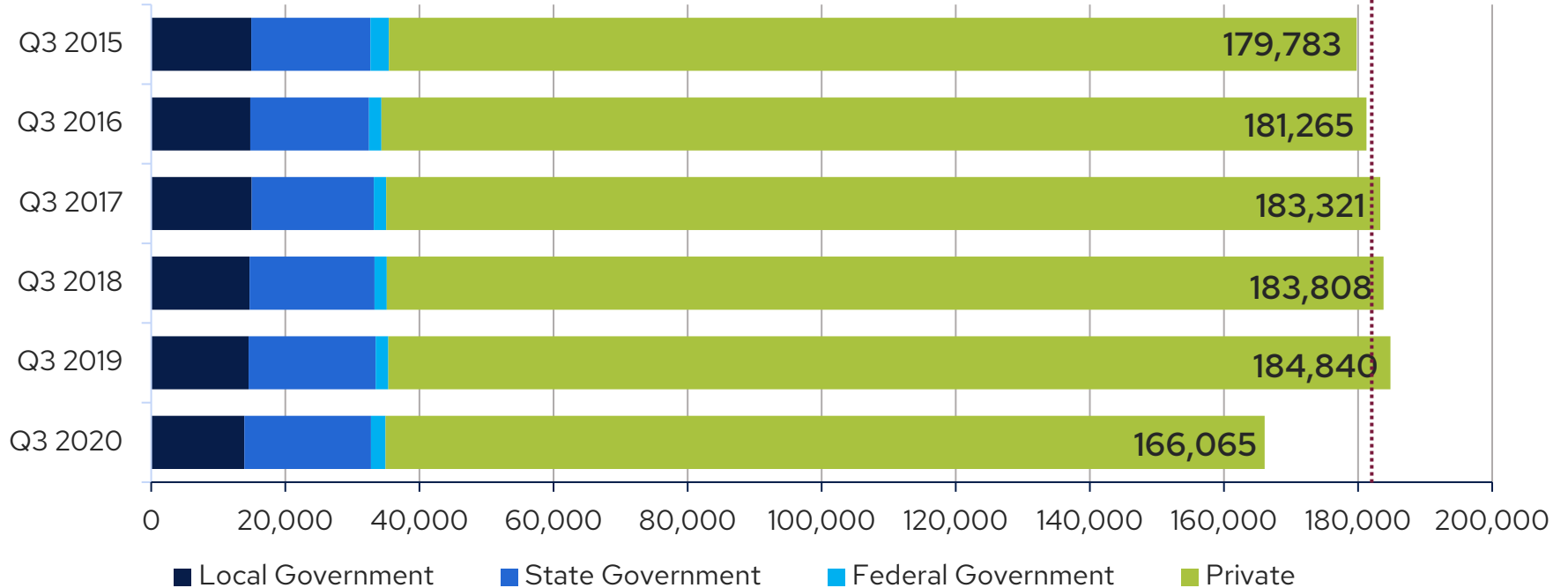
- Measurable goals were to maintain Saint Paul's overall unemployment rate relative to statewide average while reducing unemployment disparity between the white population and people of color in Saint Paul by 10% over three years



## Total employment

Source: Quarterly Census of Employment and Wages, Minnesota Department of Employment and Economic Development, accessed 5/24/2021

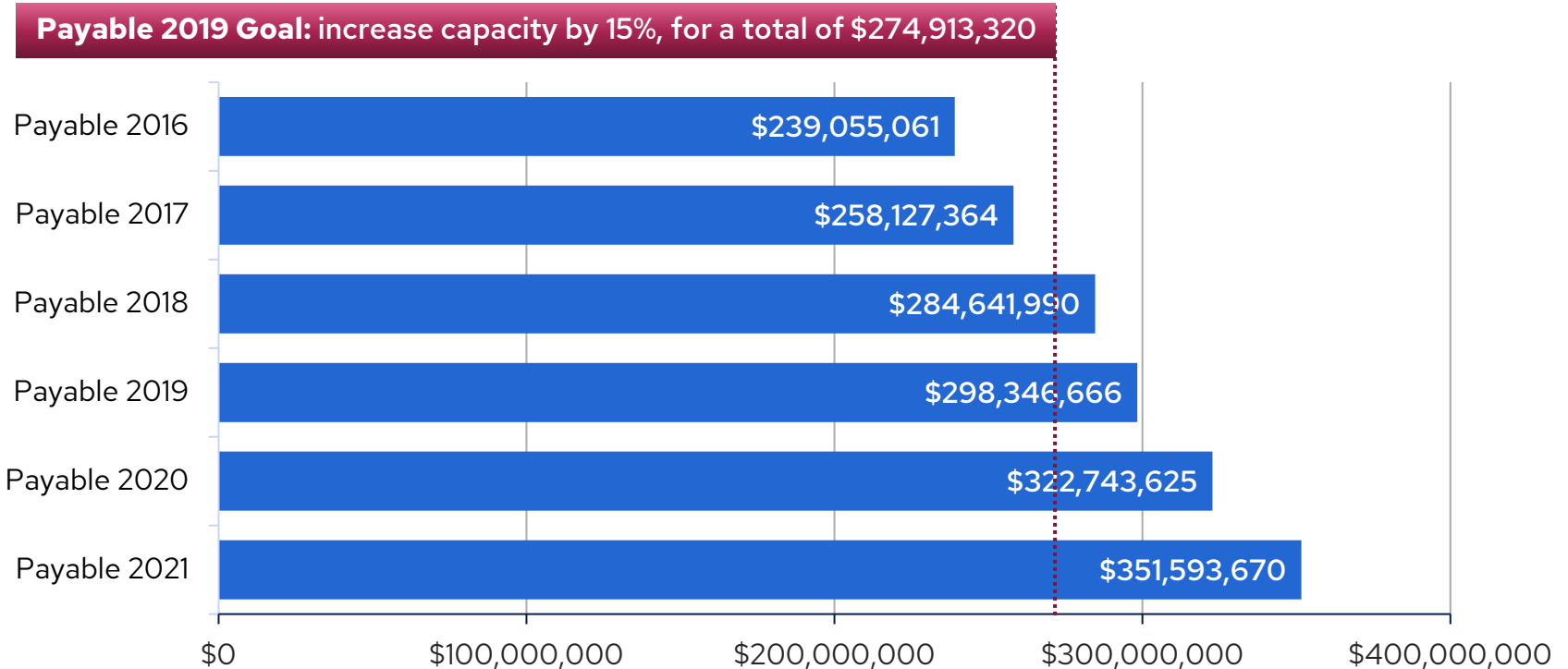
**2018 Goal: Add 3,000 jobs (for a total of 182,783)**





# Total tax capacity

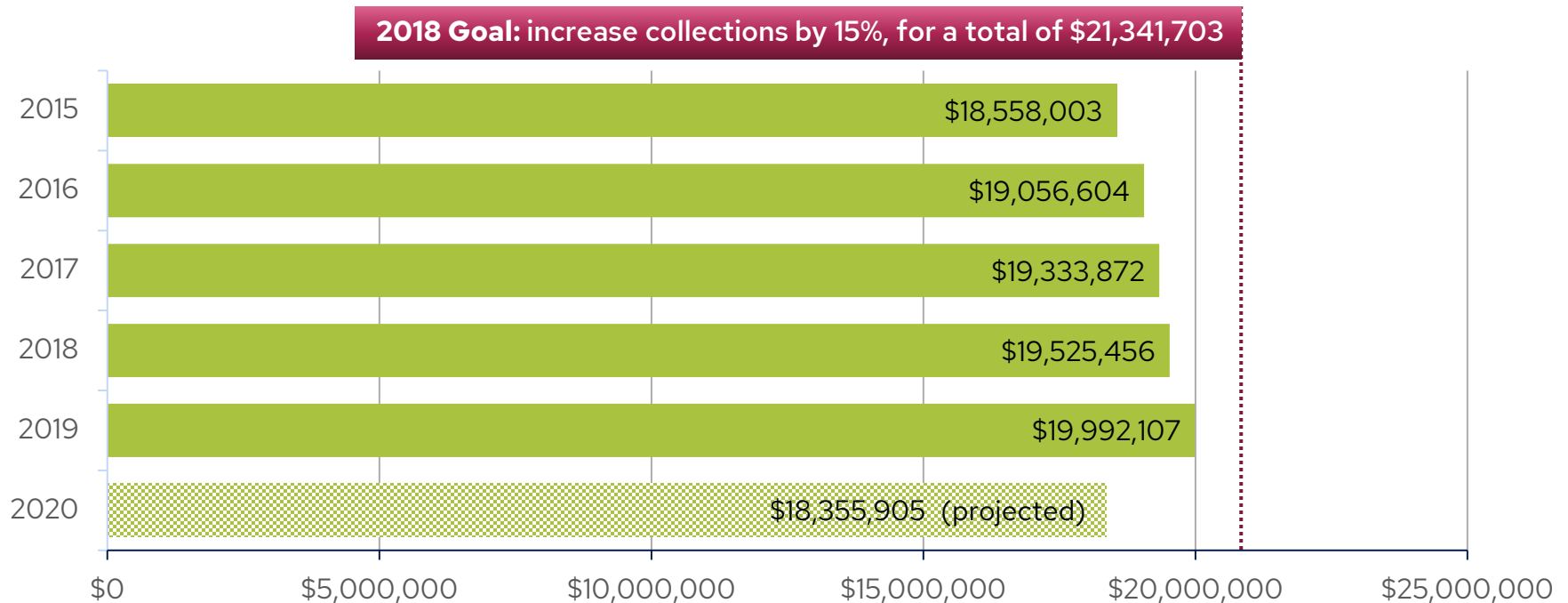
Source: Ramsey County "Final Market and Tax Capacity" document for each year listed





## Local sales and use tax collections

Source: Minnesota Department of Revenue ■ Note: the state deducts a tax administration fee from these amounts before disbursing to the City.  
2020 numbers based partly on projections.

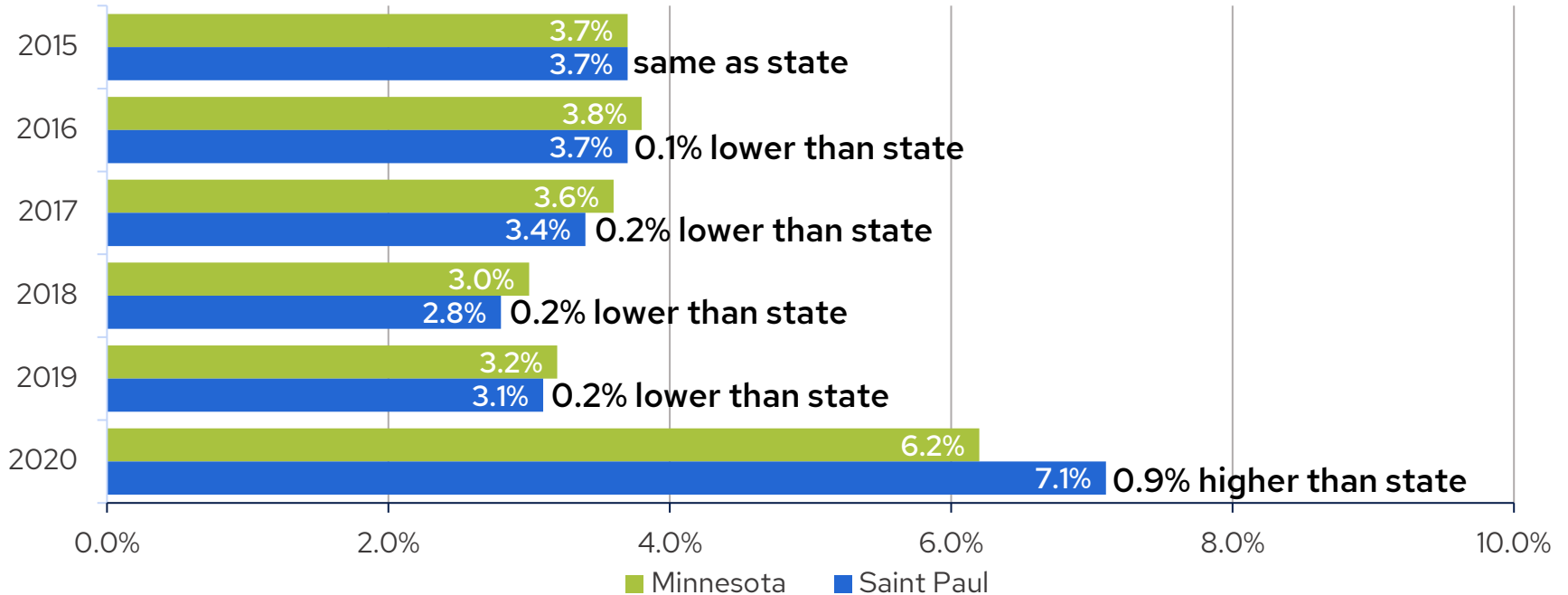




## Local unemployment rate

Source: Minnesota Department of Employment and Economic Development, Local Area Unemployment Statistics annualized rate

**2018 Goal: maintain citywide unemployment rate relative to statewide rate**

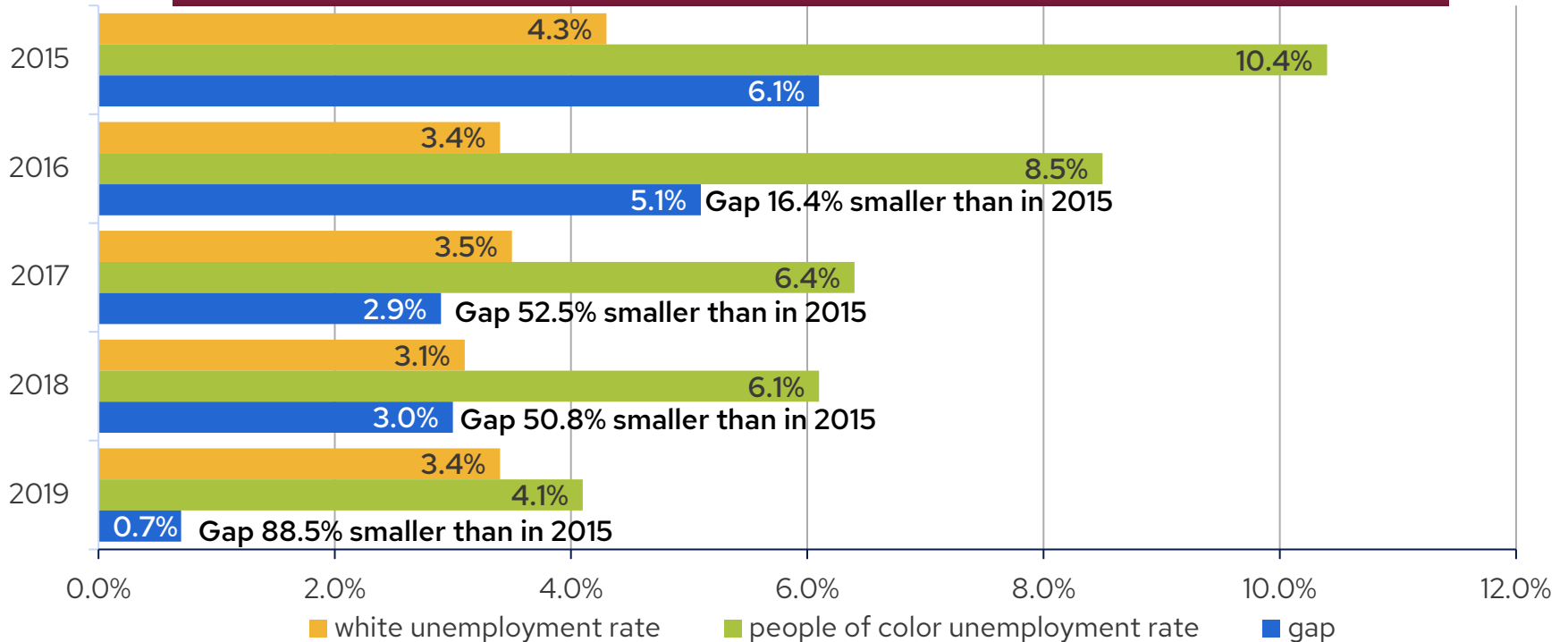




# Unemployment disparities

Source: US Census Bureau, American Community Survey Table S2301, 1 year data, staff calculations

**2018 Goal: reduce unemployment disparity between white people and people of color by 10%**







# Economic Development Strategy and Goals

Our Economic Development Strategy had six main priorities that continue to guide our work:

- Expand **business attraction, retention and expansion** programs to strengthen Saint Paul's employer base.
- Support innovative **entrepreneurship and small business development** to encourage new job growth.
- Build and market a compelling **Saint Paul brand** that conveys the distinctive advantages of doing business here.
- Proactively direct new development to certain **high-priority geographies** and sites of the city.
- **Invest in downtown** Saint Paul to catalyze further economic activity.
- **Align resources** around neighborhoods where attention and investment can create momentum.



# Economic Development Workplan – 2021

## **Business Development**

- **COVID Relief Recovery**
- **Civil Uprising Rebuilding**
- Business Outreach
- East Team
- Conduit Bond Analysis

## **Entrepreneurship & Small Business Development**

- Full Stack Saint Paul
- Neighborhood STAR
- Technical Assistance, including BIPOC developers



# Economic Development Workplan – 2021

## High Priority Geographies, Sites, Neighborhoods

- Development Projects: Snelling Midway, RiverCentre Ramp, RiversEdge
- HRA-Led Sites: Hamm's, Lex Library, others
- Downtown
- Cultural Destination Areas

## Marketing & Communications, Systems Infrastructure

- Website, Print, Email, Presentations
- Outreach / Events
- Data Tracking and Reporting



# Team Overview and Services

The Economic Development Team within PED is led by Martin Schieckel and includes the following 18 staff positions:

- ① Director of Business Development
- ⑨ Project Managers
- ② Program Coordinators
- ② Project Management Technicians
- ① Parking Manager
- ① Debt Manager
- ② Office Assistants



# Team Overview and Services

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

- Business recruitment and retention
  - Special projects such as COVID relief efforts including Bridge Fund
  - Targeted funding initiatives, including community wealth building in response to civil uprising and BIPOC-owned small business TA
  - Targeted outreach and funding initiatives in cultural destination areas
- Manage Neighborhood STAR Program and N-STAR-funded projects
- Manage Cultural STAR Program and C-STAR-funded projects
- State/local grant funding coordination/project management
- Regional leadership work with Greater MSP and East Team



## Team Overview and Services

(Cont'd):

- Commercial real estate development, including large redevelopment efforts
- Entrepreneurship and small business development and lending
  - Targeted funding initiatives, including Full Stack
  - Special funding initiatives, including Commercial Vitality Zone (CVZ) program and the recent COVID relief efforts
- Manage loan portfolio of over 130 loans valued at \$17+ million
- Manage 13 HRA-owned parking facilities and \$15M parking fund
- Oversee tax increment financing policies, process and tracking
- Oversee conduit revenue bond financing policies and bond-funded ED projects



## Team Overview and Services

(Cont'd):

Staffing support for the **Business Resource Center**, assisting with the following services:

- General business consultation
- Business planning
- Site selection
- Funding application assistance
- Connecting businesses with city departments or other agencies
- Referrals regarding building permitting and licensing



# Financial Resources

## HRA/City Sources:

- HRA Loan Enterprise Fund
  - Citywide Business Assistance
  - Civil Uprising Business Assistance
  - Strategic Investment Fund (SIF)
  - Full Stack
  - BIPOC-owned small business technical assistance
  - BIPOC small developer growth
- HRA Parking Fund
  - Neighborhood Commercial Parking Program
- CDBG Commercial Node Economic Development
- Tax Increment Financing (Redevelopment)
- Conduit Revenue Bonds (Qualifying non-profit borrowers)





# Financial Resources and Services

## Funding Partners:

### Staff manage and deploy funds

- Metropolitan Council Brownfields and Redevelopment Grants
- State Clean-up and Development Grants
- State GO Bonds (Public Recreation/Cultural Arts)
- Minnesota Investment Fund (MIF)

## Additional Funding:

### Staff refer and support

- Minnesota Job Creation Fund
- SBA Funding
- Port Authority Programs
- Ramsey County Clean-up Grants
- Community Development Corporations e.g., NDC, MCCD, AEDA, AEDS, etc.
- Capital Region Watershed District
- Arts and Cultural Funding e.g., Minnesota State Arts Board and Metropolitan Regional Arts Council
- Other nonprofit, philanthropic sources



# Program Highlights and Outcomes

## COVID Relief Programs

- Bridge Fund for Small Businesses
- Live Entertainment Venues/Movie Theatres/Food Halls
- Business Support Organizations
- Restaurant Resiliency Project

## Existing Programs

- Business Outreach
- Full Stack Saint Paul
- Cultural STAR
- Neighborhood STAR
- Cultural Destination Areas



# COVID Relief Program Highlights and Outcomes

The Economic Development Team established and implemented multiple programs providing emergency relief funding to Saint Paul businesses

### Bridge Fund for Small Businesses - \$4.7 million

- 3 Rounds (Spring 2020, Fall 2020, Winter 2020/2021) providing \$7,500 grants to 633 businesses

### Live Entertainment Venues/ Movie Theaters and Food Halls - \$770,882

- 2 Rounds (Fall/Winter 2020/2021) providing grants ranging from \$6,000 to \$250,000 to 22 businesses (most were \$25,000)

### Business Support Organization Program - \$299,164

- Fall 2020 round providing grants of up to \$15,000 to 24 organizations



Black Dog - Lowertown



## COVID Relief Program Highlights and Outcomes

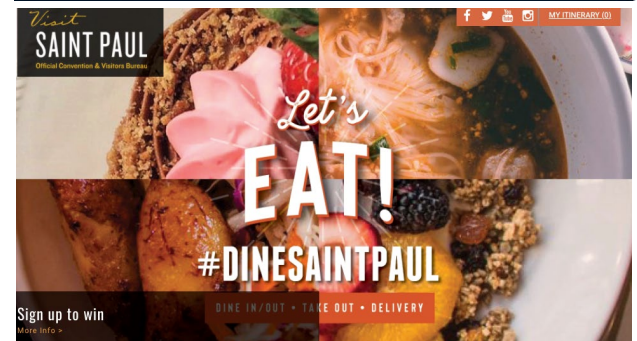
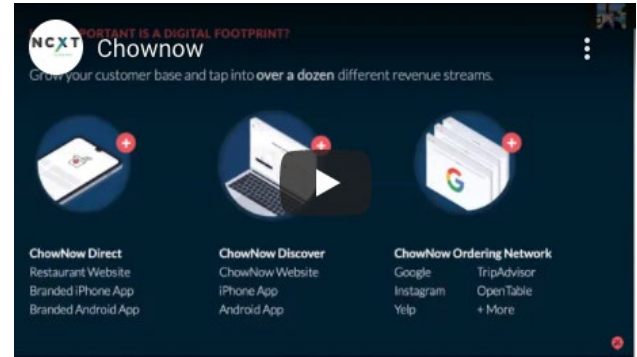
### Restaurant Resiliency Project

#### Specialized Digital Consulting & Technical Assistance

- Securing revenue and managing expense with digital menus, online ordering, app delivery
- 1st Round: 16 consultations, 5 implementations
- 2nd Round: 16 implementations, resource guide

#### Dine Saint Paul

- 3 million ad impressions
- 16,122 video views
- 963 weekly email subscribers – very high average click rate of 46%
- 11,035 unique Dine Saint Paul page views
- 250 user posts with #DineSaintPaul on Instagram
- Outdoor digital billboard will run for 4 weeks





## Business Outreach Summary

Business Retention, Expansion, Attraction Outreach	Count	Period
Bridge Fund Business Applicant Direct Outreach	1200	Spring 2020
Bridge Fund Small Business Relief Intake Calls*	707	Spring 2020
Civil Uprising Impact & Insurance Coverage Outreach Calls	121	Summer 2020
Covid-related Restaurant Outreach Calls	123	Summer 2020
Active "Conceptual" Stage ED Projects	83	Present
Top 100 Large Employer Outreach	45	2020
PED News_Economic Development Email Subscribers	4,466	Present



\*ED team trained and supported the library call center



# Full Stack Program Highlights and Outcomes

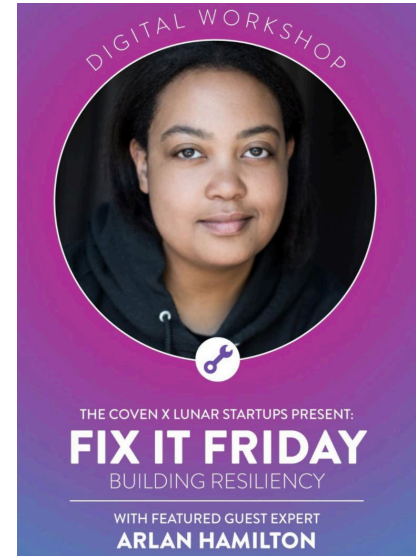


## 2017 – 2019 Innovation Cabinet Goals Achieved

- Increased new tech job posting by over 2,000
- Increased innovation related commercial space by 200,000 sq ft
- Energized community with over 80 + innovation-focused events
- 150+ press mentions of Saint Paul's tech innovation scene

## 2020 – 2021 Highlights

- Sponsored virtual events and trainings like Fix It Friday
- Developed "tech for brick and mortar" strategy that led to Restaurant Resiliency Project consulting, ads and engaged private sector experts and Right Track youth
- Launched new pilot Right Track – Prime Digital UX Academy
- New marketing and communications contract support to share stories





BUSINESS

## St. Paul-based Upsie raises \$18.2M from outside investors

The investment adds even more momentum to Upsie, a provider of warranties that saw its sales double last year amid the e-commerce boom.

By Kavita Kumar Star Tribune | MAY 13, 2021 — 1:25PM





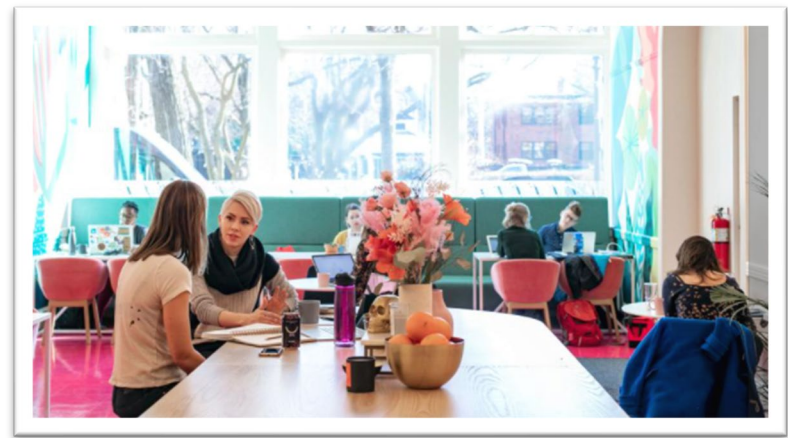
MINNEAPOLIS/ST. PAUL  
BUSINESS JOURNAL

Commercial Real Estate

## Cool Offices: St. Paul coworking space tailored to women, nonbinary, trans members



START UP  
FULL  
STACK  
SAINT  
PAUL  
SCALE UP







# Cultural STAR Program Highlights

**Program Goals:** Promote cultural vitality and economic growth, particularly in the downtown Cultural District, by strengthening the arts and culture community

## 2021 Highlights:

- Application deadline was May 14, 2021
  - Proposed projects must take place between August 1, 2021 and December 31, 2022
- 121 eligible applications received, requesting over \$2.7 million
- Total amount available to award: \$1.2 million
- Cultural STAR Board is reviewing applications and will meet to deliberate their recommendations on June 18





# Cultural STAR Program Highlights and Outcomes

## 2020 Highlights:

- \$1,522,800 of Cultural STAR plus \$1.17 million in CARES funds awarded
- 86 organizations received General Operating grants for COVID relief
- 80 Saint Paul artists supported by Springboard for the Arts' Emergency Relief Fund
- Final year of 6 toward Children's Museum expansion, and Library Materials funded

## 2019 Highlights:

- \$1,892,474 awarded to 93 projects
- Original timeframe for projects: July 1, 2019-Dec. 31, 2020
- 40 projects impacted by COVID
- Granted one-year extension requests, and/or allowed to hold their programming virtually



# Cultural STAR Photos

CAAM Chinese Dance Theater Presents:

## Journey to Dunhuang

2020 Production  
Saturday, Jan. 25, 7:00pm  
Sunday, Jan. 26, 2:00pm

The O'Shaughnessy,  
St. Catherine University  
2004 Randolph Ave.,  
St. Paul, MN 55105

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**FACE TO FACE**  
Among Women's Experiences  
#pstFACE TO FACE MAR 5-15

PARK SQUARE





## 2020 Neighborhood STAR & Year-Round STAR

### Neighborhood STAR Program Highlights:

- Requests: 59 applicants requested \$6,210,371 in grant & loan funds;
- Approved: 21 proposals awarded \$1,602,643 in STAR loan and grant dollars;
- Match: \$17,571,330 in private/non-city dollars.

### Year-Round STAR Program Highlights:

- Requests: 15 applications requested \$289,242 in grant funds;
- Approved: 15 proposals awarded \$289,242 of grant dollars;
- Match: \$178,396 in private/non-city dollars.



## 2021 Neighborhood & Year-Round STAR

### Neighborhood STAR Program Highlights:

- The 2021 funding cycle began on February 11th with a virtual workshop;
- 74 eligible proposals requesting \$6,044,127 received by the March 24<sup>th</sup> deadline;
- 71 proposals reviewed by the ED Team & 3 evaluated by the Housing Team;
- Neighborhood STAR Board review included a virtual bus tour, four days of virtual applicant interviews and a final review and ranking meeting;
- 5 applicants withdrew during the review process resulting in 69 proposals seeking \$5,225,377 in loan and grant dollars;
- More than \$24 million in private/non-city dollars have been pledged as match.

### Year-Round STAR Program Highlights:

- 3 proposals have been awarded to date equaling \$55,000 in grant funds;
- Match: \$24,916 in private/non-city dollars.



## 2021 Neighborhood STAR Program Budget

<b>2021 Neighborhood STAR Program Allocation:</b>	<b>2,579,234.00</b>
Budget Commitment to the Housing Trust Fund:	<u>(1,428,660.00)</u>
2021 Neighborhood STAR Program Budgeted Total:	1,150,574.00
Close-out of Previous Neighborhood STAR Awards:	<u>263,448.00</u>
<b>Available to Award:</b>	<b>1,414,022.00</b>



# Neighborhood STAR Photos





# Cultural Destination Areas

## 2018 – 2019 Highlights

- Community-centered CDA Collaborative of 50+ strategy partners engaged
- Marketing in Visit Saint Paul's (VSP) Insiders' Guide and Chinook Book App coupon deals
- \$1.5 million dedicated in Neighborhood STAR awards to CDA-related projects
- \$100k dedicated and invested in Cultural STAR grant awarded to the Saint Paul Area Chamber for the Arts, Culture, Retail and Entertainment (ACRE) Project
- \$40k in 2019 HRA funds supported CDA initiatives:
  - \$10k – Marketing and branding work with VSP
  - \$30k – Congress for New Urbanism







## Cultural Destination Areas

### 2020 – 2021 Highlights

- \$100k dedicated funding in 2021 Cultural STAR to continue to activate and promote downtown retail activity and market CDAs (delayed due to COVID)
- \$100k NEA OurTown Grant awarded to E 7th St Cultural Corridor for Planning and Community Engagement
- CNU 2020 Comm. Engagement Rescheduled to 2021:
  - Planning charrette and design support for Little Mekong with AEDA and West Side/District del Sol with WSCO





# Project Highlights and Outcomes

Economic Development staff use a common project tracking system to manage progress and track outcomes.

Data is tracked and grouped by project status:

- Active projects are coded as:
  - Conceptual
  - Development
  - Under Construction
  - For Sale
  - Ongoing
  - Restructuring
- Completed project data is also collected

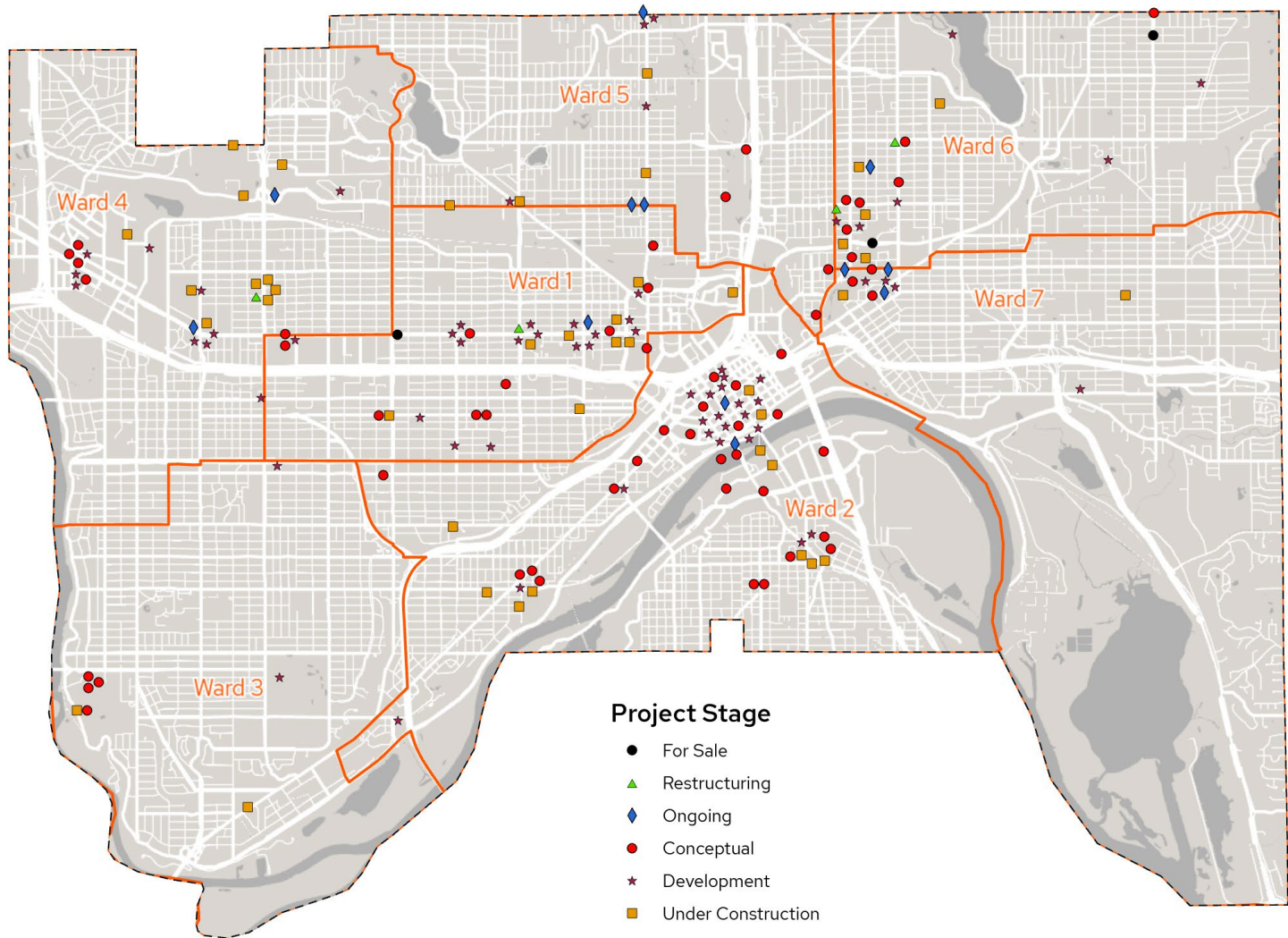


# Project Highlights and Outcomes

- Currently there are 296 total active projects with an estimated total development cost exceeding \$828M
  - 84 conceptual-stage projects
  - 91 development-stage projects
  - 53 under construction projects
  - 3 for sale projects
  - 60 ongoing projects
  - 5 restructuring-stage projects
- The 53 projects currently under construction have a total development cost exceeding \$334M
- Since 2019 the Economic Development Team has completed 104 projects with a total development cost of over \$274M



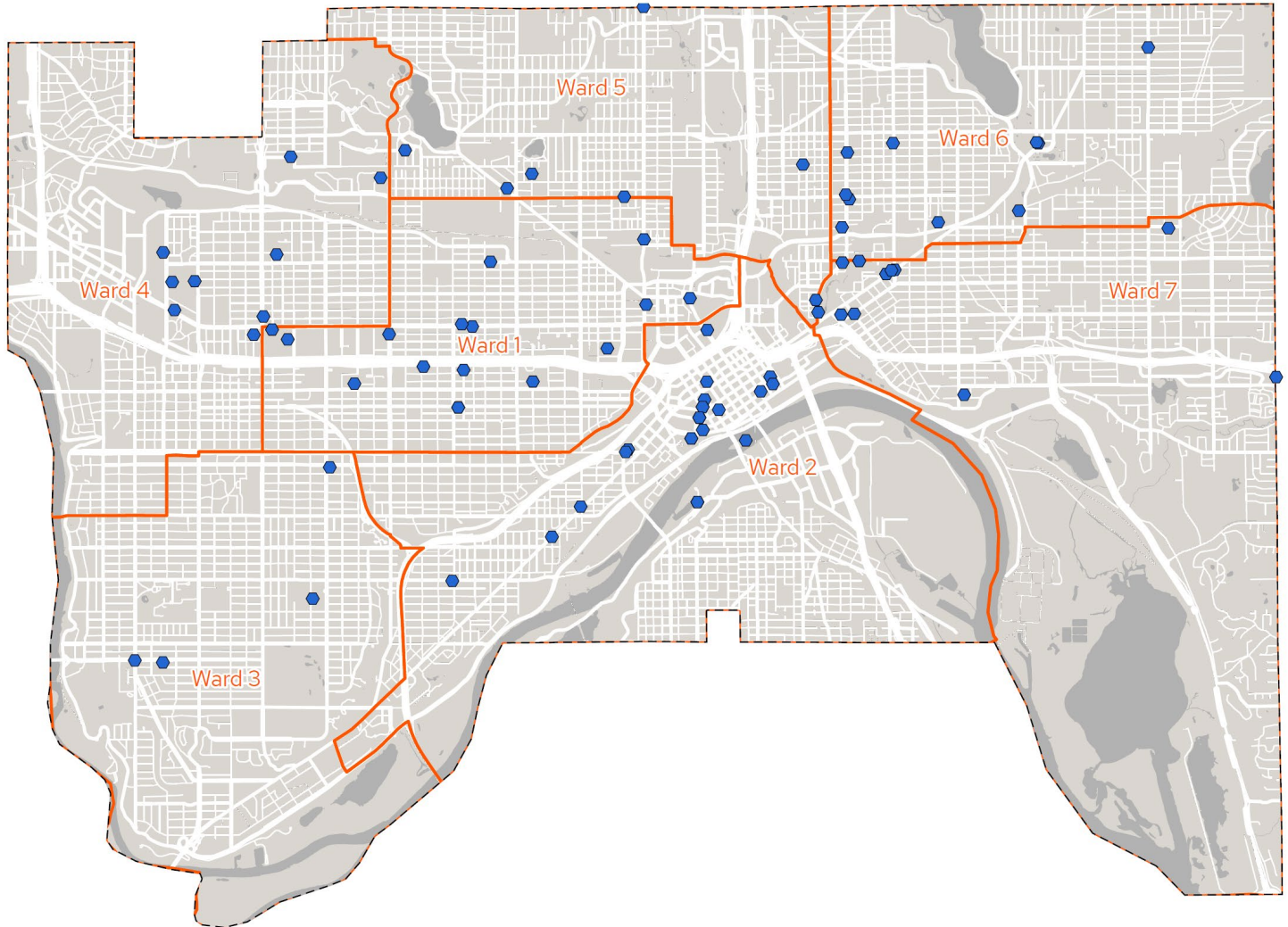
# Active Projects





# Recently Completed Projects

2019-Present





## Taste of Rondo

New Restaurant in Vacant Building  
(Before & After)

Schmidt Rathskeller Before / After -  
Rose Street Bread Lab



District Del Sol CVZ Project  
Artists: Ernesto Ybarra & Balam Ybarra

by Elizabeth Flores, Star Tribune

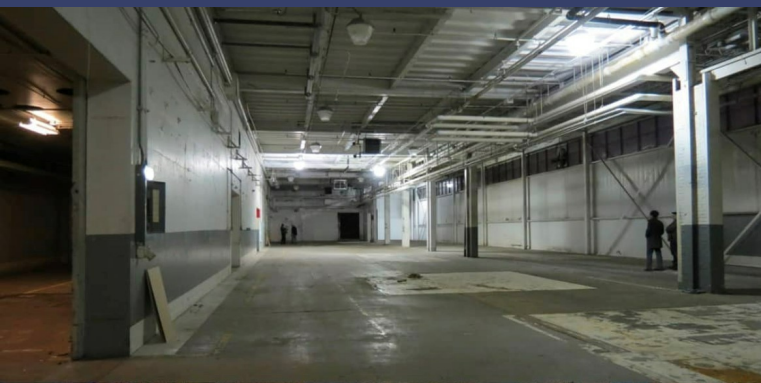


# Bap and Chicken

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Restaurant renovation





# Can Can Wonderland

COVID Relief



# Rice Larpenteur CVZ Project

Community Event and Completed Parking Lot



# Phalen Village CVZ

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New Aldi, medical office, small retail, CVZ used primarily to complete road improvements/woonerf



# La Michoacana Purepecha

New business in Saint Paul

# Questions & Discussion

