

City Council Policy Session



The Most Livable
City in America

Update on the Economic Development Strategy 2016-2018

Department of Planning
and Economic Development

April 12, 2017

Agenda

1. Economic Development and PED's ED Team
2. Brief overview of the ED Strategy
3. Activities in each of the six priorities
4. Progress on meeting Strategy goals
5. Details on BRE&A priority
6. Questions / Discussion

PED's 2016 – 2018 Economic Development Strategy

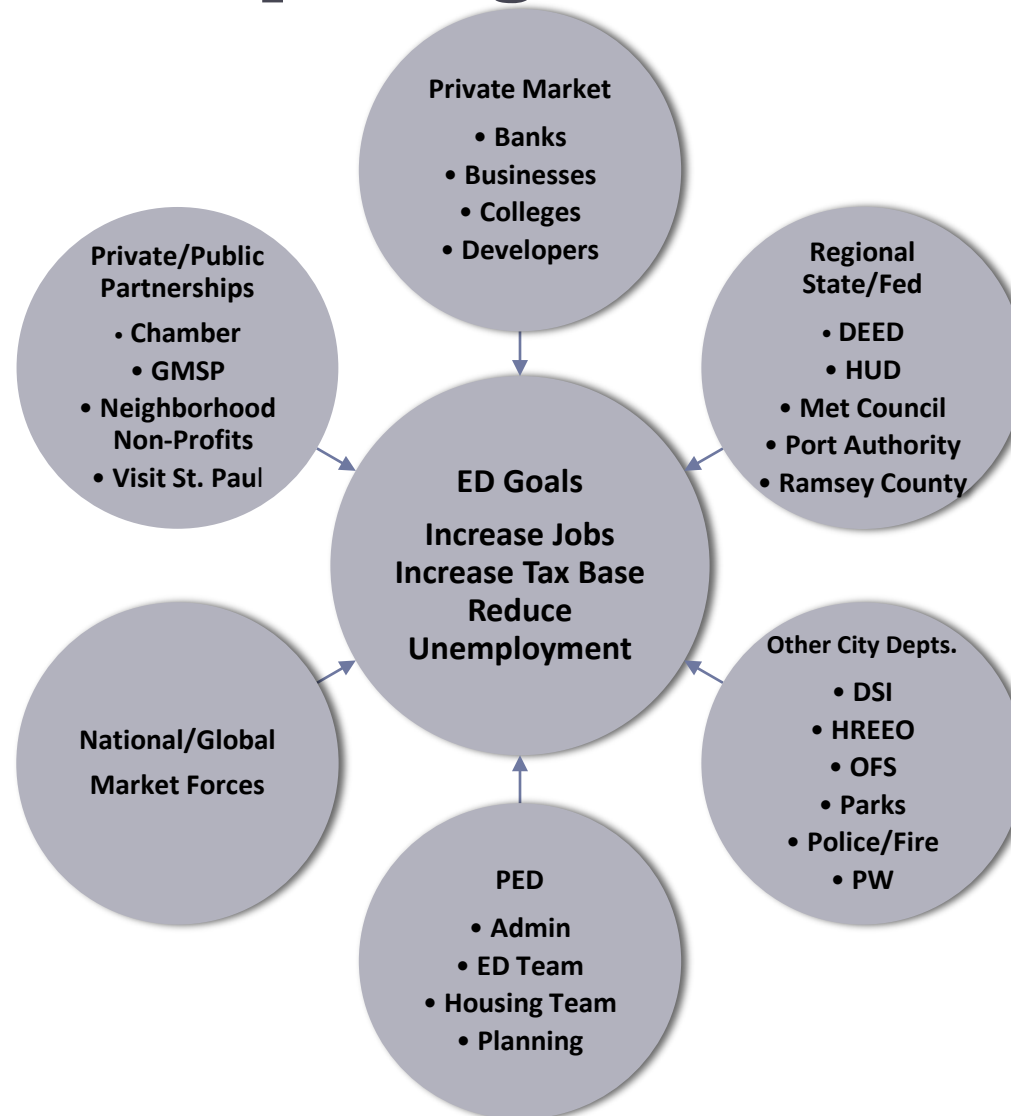
Broad Economic Development Goals

- Increase Jobs
- Increase Tax Base
- Reduce Unemployment Disparities

2016 – 2018 Economic Development Strategy designed to guide the work of PED's Economic Development team, recognizing....

Achieving good outcomes ultimately depends on the contributions of many different players

World of Economic Development Impacting Saint Paul



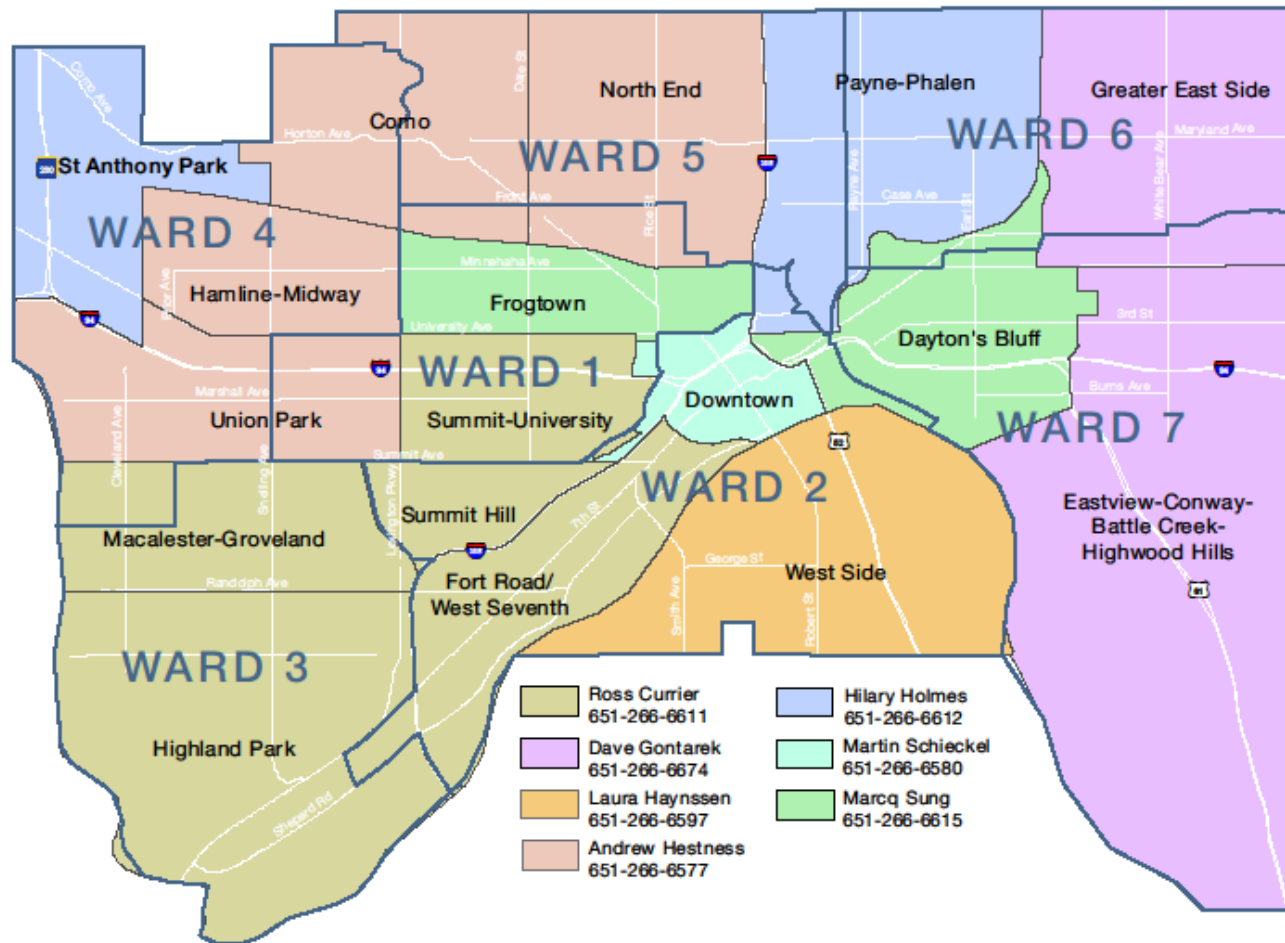
City's Broad Role in Economic Development Outcomes

- Departmental Initiatives – Viewed through ED lens
- Allocation of Scarce Resources – Assess ED impact
- Collaboration Across Departments – 8 80 Vitality Initiative
- Regulation / Compliance
- Comprehensive Plan and Zoning
- Development of Housing
- PED's ED Team

PED's Economic Development Team

- Currently eleven team members:
 - Martin Schieckel – Economic Development Director
 - Jenny Wolfe – Debt Manager
 - Gary Grabko – Parking Assets Manager
 - Nora Riemenschneider – Program Coordinator
 - Tina Sheldon – Administration and HRA Recording Secretary
 - Dave Gontarek – Principal Project Manager
 - Ross Currier – Principal Project Manager
 - Marcq Sung – Senior Project Manager
 - Hilary Holmes – Senior Project Manager
 - Andy Hestness – Principal Project Manager
 - Laura Haynssen – Project Manager
 - New Senior Project Manager starting April 24
 - Open Position – Business Outreach Coordinator

ED Team's Geographic Areas



**Economic Development Team
Geographic Areas**

Document Path: K:\GIS\Map\Requestor\EconomicDevelopmentStaff\Areas\EconomicDevelopmentStaff\Areas\WithStreets.mxd
Date: 9/3/2016

Economic Development Areas of Responsibility

Develop commercial and mixed-use projects

Market HRA-owned property and assist with private real estate development projects.

Manage tools for business development

Provide business financial assistance, technical assistance, and “concierge” services.

Manage economic development action strategies like the Commercial Vitality Zone program

CVZ program currently has ongoing projects at: Lower Payne; Phalen Village; East 7th; Como-Front-Dale intersection; Central Selby Avenue; District Del Sol; Lower Rice (planning); and Rice / Larpenteur (planning). Working on 2018 recommendations.

Provide financial assistance through the Cultural STAR and Neighborhood STAR programs

Approximately 30 STAR projects per year are assigned to the ED Team.

Manage 16 HRA-owned municipal parking ramps and lots

Nine Ramps (7,117 spaces); Seven Lots (793 spaces); estimated value of \$100 million.

Economic Development Areas of Responsibility

Oversee the 8 80 Vitality Fund projects and cross-departmental work

Manage overall coordination across departments and work with 8 80 Vitality Fellow on special projects.

Help small, women- and minority-owned businesses access resources

Work with Vendor Outreach Program, and provide technical assistance and referral services.

Manage Tax Increment Financing and Revenue Bond Programs

Create new TIF districts, manage existing districts, and produce annual TIF report. Manage existing bond portfolio, process new revenue bond applications, and oversee State-issued G.O. debt projects.

Various regional economic development efforts

Center Cities Initiative with Greater MSP. Partnering with Greater MSP & DEED on business recruitment and expansion activities. VentureLake Coalition, a public/private collaboration.

2016 – 2018 ED Strategy Priorities

1. Expand business attraction, retention, and expansion programs.
2. Support entrepreneurship and small business development.
3. Build and market a compelling Saint Paul brand.
4. Proactively direct new development to certain high-priority geographies and sites in the city.
5. Invest in downtown Saint Paul to catalyze further economic activity.
6. Align resources around Spotlight neighborhoods, where attention and investment can create momentum for resurgence.

Expand BRE&A Activities

- Continue and expand personal visits with targeted businesses.
- Maintain and update the “Top Ten Opportunities and At-Risk” firms.
- Continue to support GREATER MSP as it markets the region.
- Enhance the referral network between PED, neighborhood CDCs and community banks.
- Improve use of technology for business outreach and engagement.

Support Entrepreneurship and Small Business Development

- Develop an inventory of fast-growing firms in Saint Paul and regularly connect with them.
- Raise awareness that Saint Paul is a supportive location for entrepreneurial ventures.
- Enhance the Business Resource Center and concierge program in PED.
- Work with HREEO to promote access to City procurement opportunities.

Support Entrepreneurship and Small Business Development

Innovation Cabinet

- In fall 2016, the Mayor with Councilmember Tolbert created the Innovation Cabinet to help grow, retain, and attract innovative companies to Saint Paul.
- The Cabinet will create a framework for a specific action plan by July 2017.

Open For Business Initiative

- City Council initiative to evaluate and improve permitting and project-approval process.
- Cross-departmental effort to make Saint Paul even more business friendly.

Networking

- Marcq Sung has increased PED's networking with the tech community.



Market Compelling Saint Paul Brand

- Provide site selectors and brokers with information that will help them understand the advantages and opportunities of being located in Saint Paul.
- Enhance the City's website to better assist businesses looking to expand in or relocate to Saint Paul.
- Partner with culturally-specific business organizations to expand awareness of PED's resources among the city's diverse businesses.
- Market "deal-ready sites."

Market Compelling Saint Paul Brand

Marketing Materials

- One page pieces – in several languages – marketing Business Resource Center and Technical Assistance Providers.
- *Why Do Business in Saint Paul?* fact sheet; business cards; note pads / pens.

Increased Presence at Business and Real Estate Events

- Presenting to smaller business events such as: W 7th Business Association; WSCO Business Development Committee; Midway Chamber.
- Sponsoring Annual Saint Paul Development Summit and the Hamline University Community Economic Development Symposium.

Improved Website Content

- Updated information on business resources with improved links.
- Working on improved parking web presence with enhanced features.

Direct Development to High Priority Sites and Geographies

- Expand the list of Development Opportunity Sites available on the City website.
- Provide financing tools to help property owners improve the marketability of their space.
- Take advantage of the Lean Urbanism pilot to explore creation of new “pink zones.”
- Continue to help small businesses navigate the development process.
- Support Saint Paul DSI as it reviews the City’s permitting process.

Direct Development to High Priority Sites and Geographies

Central Cities Competitive Initiative

- Initiative with GreaterMSP, Minneapolis, Ramsey & Hennepin Counties, the Port, and Chambers to focus attention on specific areas of urban core.
- Have participated in ward-by-ward tours to identify priority projects and sites.

HRA-Owned Property Disposition

- PED is employing new methods to market property, and evaluating new processes that are less-cumbersome to the development community.
- Working on more frequent updating of information on city's web site.

Industrial Property Conversion

- PED Planning staff evaluating potential strategies to address concern within development of the next Comprehensive Plan.
- ED staff have participated in peer-learning with City of Minneapolis to maintain and support industrial operations in the city.

Invest in Downtown

- Utilize the Strategic Investment Fund to attract businesses to existing Class A and B buildings.
- Continue to grow the downtown residential population.
- Work with appropriate partners (BOMA, Chamber) to pursue neighborhood-serving retail and services.
- Dedicate staff resources to work more closely with local arts organizations and creative businesses.
- Accelerate downtown planning efforts and implementation schedules for such visible and powerful amenities as the River Balcony.

Invest in Downtown

Properties in Transition

- ED team has identified downtown properties in transition that could potentially accommodate and support jobs.
- Working on ways to help private owners enhance property marketability.

Public Safety Annex Building & Jobs

- PSAB is currently being marketed for sale.
- Number and types of jobs proposed will be part of evaluation criteria.

Ramsey County Riverfront Property RFP & Jobs

- County listed tax base growth and job creation as a redevelopment goal.
- Working with PED and downtown stakeholders on overall design goals.

Public Realm

- Working with Musicant Group to increase activity at Central Station.
- Working to advance planning and design for River Balcony.

Align Resources Around Spotlight Neighborhoods

- Designate specific PED staff to build relationships with District Councils, neighborhood groups, business groups in Spotlight neighborhoods.
- Work with neighborhood partners in Spotlight neighborhoods to review or develop neighborhood-level economic development plans.
- Pilot the use of lean urbanism principles (Pink Zones) in Spotlight neighborhoods to facilitate entrepreneurship.
- Expand the capacity of inexperienced property owners and developers.

Align Resources Around Spotlight Neighborhoods

CVZ Activities

- Currently have nine zones at various stages of implementation.
- 2017 should see construction of Swede Hollow Overlook, and pedestrian and bicycle facility improvements at Como/Front/Dale.

Bangkok Thai 2nd Location

- HRA provided funding for a second location on Rice Street.
- Project will increase tax base, create jobs, and economic equity.

Neighborhood Vitality Fellow

- Full-time, one-year position working with community partners to help increase and accelerate investment and vitality in the North End.
- Increase STAR applications; redevelopment grants; housing rehab loans; and help meet the Ten for the North End goal.

ED Strategy 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.

Jobs

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

Total Jobs in Saint Paul, Quarter Three 2015: 179,853

Total Jobs in Saint Paul, Quarter Three 2016: 180,837

Increase between Q3 2015 and Q3 2016: 984 jobs

Source: MNDEED Labor Market Information, QCEW Results

ED Strategy Benchmark is Q4 2015, but Q4 2016 results are not yet available.

Tax Base

- *Increase Total Tax Capacity for Saint Paul (non-airport) by 15% over three years.*
- *Increase Sales and Use Tax Collections for Saint Paul by 15% over three years.*

Tax Capacity:

Base Measure: Pay 2016	\$239,055,061
Pay 2017	\$258,127,364
% Increase:	7.98%

Sales and Use Tax Collections:

City Net Sales Tax Receipted 2015:	\$17,990,679
City Net Sales Tax Receipted 2016:	\$18,823,310
% Increase:	4.63%

Unemployment

- *Maintain city-wide unemployment rate relative to statewide rate.*
- *Reduce unemployment disparity between people of color in Saint Paul and the city as a whole by 10% over three years.*

Base Measure for City-wide Unemployment 2015:

State: 3.7%

City: 3.7%

State versus City-wide Unemployment 2016:

State 3.9%

City: 3.6%

City-wide unemployment rate for people of color 2015: 11.0%

City-wide unemployment rate for people of color 2016: N/A*

**Note: No data on unemployment disparity is available until September 2017.*

Expand BRE&A Activities

Numbers and Examples

	PED	Port	SPACC	Total
Business Retention/Expansion	64	35	106	205
In Person	48	6	97	151
Phone / Email	16	29	9	54
Business Attraction	47	3	0	50
In Person	25	0	0	25
Phone / Email	22	3	0	25
Total Distinct Business Contacts	111	38	106	255

Five months of data from November, 2016 through March, 2017.

Only contacts with existing businesses, developers, and/or property owners were counted, and then only once. Some had multiple contacts during this period.

Only PED ED team and Jonathan; one person at Port; and SPACC staff were polled. Does not include other City staff or officials, other Port staff, GreaterMSP, or DEED.

Questions / Discussion