

Comprehensive Downtown Improvement Special Service District (dba Saint Paul Downtown Improvement District) 2025 Operating Plan

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

Prepared By
Saint Paul Downtown Alliance
Saint Paul Downtown Improvement District
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Introduction & Background

This Introduction describes the basic provisions of the 501c6 non-profit tax-exempt organization known as the Saint Paul Downtown Improvement District (the "SPDID"). This entity was formed on September 8, 2020

for the purpose of pursuing, managing and advising a special service district as described as Minnesota Statutes, Chapter 428A (“State Law”). This organization was formed after a volunteer steering committee of private commercial property owners determined that city services for cleanliness, safety and placemaking were not meeting the needs of downtown Saint Paul and elected to devise a model that would provide programs and services in these areas, operating above and beyond what the city provides, influenced by the successful programs in countless other cities across North America.

Nationwide, 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, prior to 2021, was the only city that did 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.

In 2020 the City passed an ordinance creating Saint Paul’s first Special Service District. This district included a portion of downtown, was managed by the Saint Paul Downtown Improvement District, and included a traditional clean and safe program modeled after best practices across the US.

In 2023, State Law was amended so that residential condo units and multi-family apartment buildings could be included as assessable properties within special service districts. In that same year, the Saint Paul Downtown Alliance worked to create the Downtown Investment Strategy to create a vision and guiding plan for the future of downtown. That work included a strong recommendation to improve and increase the safe and clean services in downtown. An evaluation of the initial improvement district revealed that the program was effective but could be improved with size and scope adjustments.

In 2024, a new steering committee of commercial and residential property owners, including original SPDID board members and new property owners from across the downtown met to evaluate the potential of creating a new district. This steering committee again explored best practices from programs around the country and developed a service program and budget that reflected the current needs of downtown Saint Paul. This new service program includes the entire footprint of downtown, includes residential and commercial property owners, and includes an enhanced focused on safety strategies.

Funding for the SPDID programs and services comes from special fees for eligible real estate located within the District that are payable with annual real estate tax payments. Voluntary contributions are also sought from private and public parties whose property is not eligible to be assessed (real estate owned by government and non-profit organizations). Notwithstanding their legal exemption, it should be noted that the city and county government have both contributed based on their owned real estate.

Since its launch, SPDID’s number one priority has been improving public safety outcomes and perceptions. In downtown Saint Paul the SPDID’s Street Team, a highly visible staff operating within the public realm, includes safety and cleaning ambassador services working 7 days per week. The Safety Communications Center, a joint public safety communications hub that connects private and public audio and visual communications in downtown Saint Paul into a single system, has proven to be an invaluable asset to downtown public safety.

SPDID Board of Directors

The Board is responsible for overall policy and direction of Saint Paul Downtown Improvement District and may delegate responsibility of day-to-day operations through contracted services.

The 2024 SPDID Board of Directors includes*:

Building/Organization	Owner / Representative
Osborn370 Historic Hamm Building	Clinton Blaiser <i>Chair</i>

Mille Lacs Corporate Ventures - InterContinental & DoubleTree Hotels	Zach Atherton-Ely <i>Vice Chair</i>
Wells Fargo Place	Pat Skinner <i>Treasurer</i>
Ecolab	Kris Taylor <i>Secretary</i>
Securian 400 & 401 Towers	Kathy Beck
Travelers	Patrick Scullin
The 428 & Golden Rule	Pat Wolf
Infor Commons	Jerry Hersman
Minnesota Wild	Matt Majka
Interstate Parking	Paul Schnettler
Ramsey County	Jean Krueger

**subject to change*

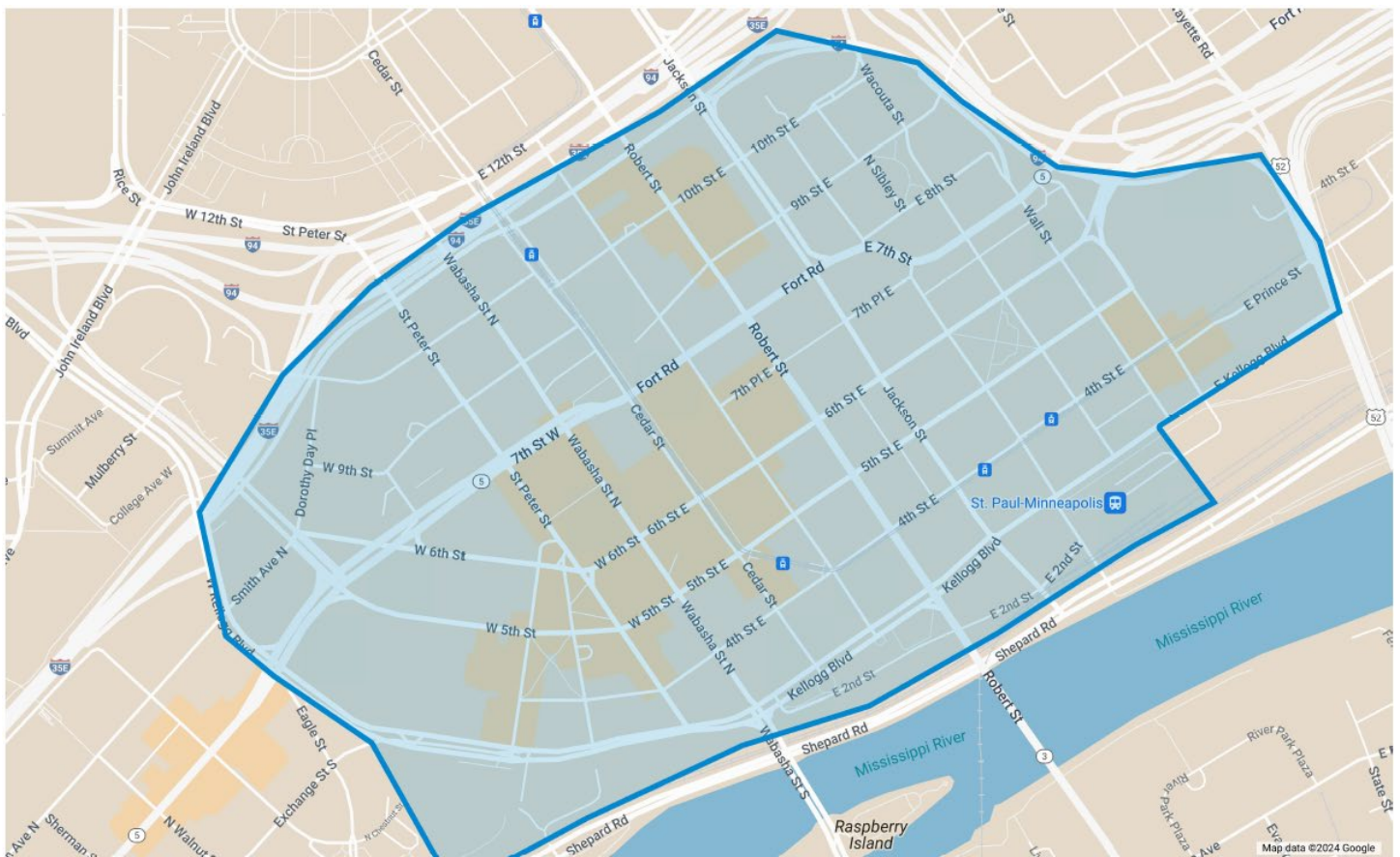
The 2025 SPDID Board of Directors will be chosen in Fall 2024.

District Boundary Methodology

The District is delineated on the following map. This area was determined by a consensus of the steering committee as the commonly understood definition of downtown Saint Paul.

The District includes a contiguous precinct that encompasses the entire core of downtown Saint Paul, including the city's most prominent artistic, cultural, and entertainment venues (the Children's Museum, the Science Museum of Minnesota, the Ordway Center, Landmark Center, Xcel Energy Center, Lowertown Arts District, Minnesota Museum of American Art, and CHS Field, along with theatres, restaurants, hotels, and other major visitor attractions). The District is also home to corporate headquarters for several large businesses, including Agribank, Bremer Financial, District Energy, Ecolab, Infor, Lumen (fka Century Link), Minnesota Wild, Securian Financial, Travelers, and others. Beginning in 2025, the District also includes Lowertown, the historic downtown neighborhood with the highest concentration of downtown's residential population.

Collectively, these venues, employers and residents literally draw millions of people to downtown Saint Paul every year. It is critically important to the future of the downtown that these visitors, workers and residents are safe and secure.



Operating Plan Summary

The name of the property-based Special Service District is the Comprehensive Downtown Improvement Special Services District dba as the Saint Paul Downtown Improvement District (SPDID or 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 District, the SPDID Management Plan is designed to improve and convey special benefits to assessed parcels located within the District boundary area. The District will provide services and activities focused on Safety and Cleanliness and Administration/Advocacy. 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 vitality, to encourage new business development and residential growth; and attract ancillary businesses and services for assessed parcels within the District.

Boundary: See Page 7.

Budget: The 2025 budget for program implementation is \$ 2,749,706.90 which includes \$25,000 in voluntary contributions from exempt properties.

The total assessable amount for commercial properties and City/County contributions is \$2,724,706.90.

TOTAL BUDGET	2025
Non-exempt property assessments	\$2,042,276.11
City voluntary assessment contribution	\$439,189.05
County voluntary assessment contribution	\$243,241.74
Exempt Property voluntary contribution, non-assessed	\$25,000.00
Total	\$2,749,706.90

Programming and Services

SAFETY PROGRAMMING	
Percent of Total Budget	60.22%
Non-exempt property assessments	\$1,229,859
City + County voluntary assessment contribution	\$ 410,960
Exempt property non-assessed voluntary contribution	\$15,055
Total	\$ 1,655,873

SAFETY COMMUNICATIONS CENTER (SCC)

- Real-time, coordinated communications between:
 - Saint Paul Police Department
 - SPDID Street Team ambassadors
 - Private building security teams
 - Downtown street outreach services
- A unified system of continuous information sharing, camera sharing and coordination, enhancing security desks' efficacy Dispatch operators available seven days a week to respond to calls or texts requesting service
- Dispatches responses to non-emergency calls for service from the general public via a widely publicized phone number for calls, texts, and photo submission

SAFETY PROGRAMS: STREET TEAM AMBASSADORS

- On foot and bike patrols, Street Team ambassadors augment police resources and provide extra eyes and ears on the street and at the skyway level.
- Beginning in 2025, safety ambassadors will wear new, enhanced uniforms and carry additional tools.
- Street Team ambassadors proactively engage with, and can respond in minutes to, non-emergency issues such as:
 - Individuals loitering or sleeping on private property
 - Welfare checks/outreach referrals
 - Safety escorts between destinations

COMMUNITY PROSECUTOR DEDICATED TO DOWNTOWN

- Beginning in 2025, SPDID will work with the City of Saint Paul to hire a city attorney exclusively dedicated to pursuing chronic offenders and issues downtown.

CLEAN PROGRAMMING	
Percent of Total Budget	26.67%
Non-exempt property assessments	\$544,675
City + County voluntary assessment contribution	\$182,004
Exempt property non-assessed voluntary contribution	\$6,668
Total	\$733,347

CLEANING SERVICES

- Graffiti, needles, hazardous waste, trash and other refuse within the public realm are all signs of social disorder that make people feel unsafe.
- Street Team ambassadors deter anti-social and criminal behavior by proactively keeping streets, sidewalks and skyways clean through daily graffiti and trash removal and regular pressure washing, as well as responding to calls for service made to the SCC.

OPERATIONS & ADMIN	
Percent of Total Budget	12.46%
Non-exempt property assessments	\$254,468
City + County voluntary assessment contribution	\$85,031
Exempt property non-assessed voluntary contribution	\$3,115
Total	\$342,613

DIRECTOR OF SAFETY STRATEGIES

- With over 30 years of experience, John Bandemer has dedicated his career to keeping the City of Saint Paul safe. As director of safety strategies for the SPDID, John oversees all public safety services. Prior to working with the SPDID, John was senior commander, chief of staff and executive to Saint Paul Police Chief Todd Axtell.

ADMINISTRATION

- Day-to-day administration of the DID is managed through a professional services contract with the Saint Paul Downtown Alliance. Administrative staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 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.

OPERATIONS

COMMUNICATIONS	
Percent of Total Budget	0.66%
Non-exempt property assessments	\$13,479
City + County voluntary assessment contribution	\$4,504
Exempt property non-assessed voluntary contribution	\$165
Total	\$18,148

COMMUNICATIONS

- Stakeholder communications
- Website hosting

Methodology

Method of Financing

A levy of special assessments upon real property that receives special benefits from the improvements and activities.

Cost

Annual assessments are based upon an allocation of program costs and a calculation of assessable

footage. Two property assessment variables, building square footage (2/3) and linear front footage (1/3), will be used in the calculation. See appendix 1, page 8 for additional details. Consistent with best practices from other districts around the county, the SPDID assessment rates for residential parcels will be discounted by 40% compared to commercial parcels. The tax-year 2025 assessments per assessment variable will not exceed amounts listed in the following chart:

Commercial		Residential	
Building Square Footage Rate	\$0.0639	Building Square Footage Rate	\$0.0383
Front Footage Rate	\$13.61	Front Footage Rate	\$8.17

Annual Budget

An annual special service district operating budget will be determined by the SPDID 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, 2025 and ending December 31, 2029.

City Service Baseline

The City of Saint Paul has established and documented the base level of pre-existing City services. The District will not replace any pre-existing general City services.

Governance

The City of Saint Paul shall contract with a non-profit organization (SPDID) 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 SPDID Board of Directors determines budgets, assessment adjustments, and monitors service delivery.

The SPDID 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. Per SPDID bylaws, during the last quarter of each fiscal year of the corporation, the Board shall elect Directors to replace those whose terms will expire at the end of the fiscal year. When a vacancy on the Board exists mid-term, the Chair must receive nominations for new members from present Board members in advance of a Board meeting. These vacancies will be filled only to the end of the Board member's term.

District Boundaries

The district shall consist of: That part of Section 31 and 32, Township 29 North, Range 22 West, and Section 5 and 6, Township 28 North, Range 22 West of the 4th Principal Meridian, City of St. Paul, Ramsey County, Minnesota, described as follows: Beginning at the intersection of the centerline of Wabasha Street with the northerly right-of-way line of Shepard Road as extended from the west; thence southwesterly along said northerly right-of-way line of Shepard Road to the easterly right-of-way line of Eagle Parkway as platted in KELLOGG CENTER; thence northwesterly along said easterly right-of-way line of Eagle Parkway and its northwesterly extension to the centerline of Eagle Street as platted in RICE & IRVINE'S ADDITION TO SAINT PAUL; thence along said centerline of Eagle Street to the said centerline of Kellogg Boulevard; thence northwesterly along said centerline of Kellogg Boulevard as extended and widened to the southeasterly right-of-way line of Interstate Highway 35E; thence northeasterly along said southeasterly right-of-way line of Interstate Highway 35E to the point of transition to southerly right-of-way line of Highway 94 as widened; thence easterly along said southerly right-of-way line of Highway 94 to the westerly right-of-way line Highway 52 as widened; thence southerly along said westerly right-of-way Highway 52 to the northerly right-of-way line of said Kellogg Boulevard as widened; thence westerly along said northerly right-of-way line of Kellogg Boulevard (fka Third Street) to the westerly right-of-way line of Wall Street (fka Rosabel Street) as platted in HOPKINS ADDITION TO SAINT PAUL; thence southerly along the extensions of said westerly right-of-way line of Wall Street and extending along the northeasterly line of Block 3 as platted in HOPKINS ADDITION TO SAINT PAUL to the northerly right-of-way line of Warner Road; thence westerly along said northerly right-of-way line of Warner Road to the point of transition to the northerly right-of-way line of said Shepard Road; thence westerly along said northerly right-of-way line of Shepard Road to the point of beginning, and there terminating.

Allocation of Service Charges

Annual service charges for affected parcels are based upon allocating program costs across all parcels according to two variables: building square footage and linear front footage. After deducting the voluntary contribution associated with city- and county-owned tax-exempt parcels (calculated using the same rate as commercial parcels), two-thirds of remaining costs are allocated based on building square footage; one-third of costs are allocated based on linear front footage. Consistent with best practices from other districts around the county, the SPDID assessment rates for residential parcels will be discounted by 40% compared to commercial parcels. Linear front footage for condo parcels are prorated by total building frontage divided by total condo units within the building.

Total program budget		\$2,749,706.90						
Less City/County contribution	- 25%	(\$682,430.79)						
Parcels subject to service charge	75%	\$2,042,276.11	Total Square Footage / Front Footage		Proposed Commercial Rates	Proposed Residential Rates		
	2/3	\$1,362,587.16	24,454,632	Total square feet	\$0.0639	\$0.0383	Per square foot	
	1/3	\$679,691.09	57,713	Total front feet	\$13.61	\$8.17	Per linear foot	

Sample Property

For each property subject to the service charge: 1) the building square footage is multiplied by the per-square-foot rate to produce a sub-total, and 2) the linear front footage is multiplied by the per-linear-front-foot rate to produce another sub-total. The two sub-totals are added to produce the total special service charge for the property.

Commercial Property

<u>Square footage</u>		<u>Linear front footage</u>	
50,000	square feet	350	linear feet
\$0.0639	rate per square foot	\$13.61	rate per linear front foot
\$3,195.00	Sub-total	\$4,763.50	Sub-total
\$7,958.50 Total 2025 Service Charge			

Residential Property

<u>Square footage</u>		<u>Linear front footage</u>	
1,324	square feet	1.35	linear feet
\$0.0383	rate per square foot	\$8.17	rate per linear front foot
\$50.71	Sub-total	\$11.02	Sub-total
\$61.73 Total 2025 Service Charge			