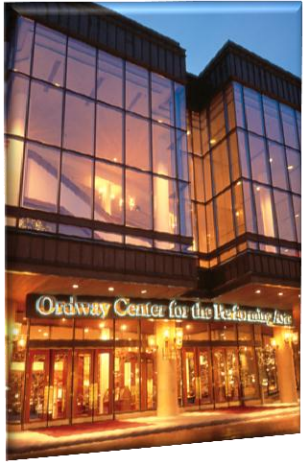


SAINT PAUL'S ECONOMIC DEVELOPMENT TOOLS

October 28, 2015



Economic Development Programs and Services



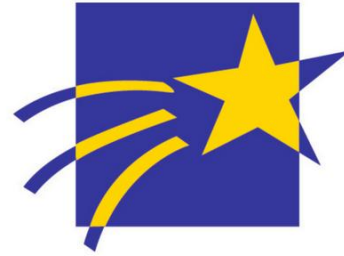
- Financial Assistance
- Technical Assistance
- Land Assembly and Prep for Redevelopment
- Economic Development Initiatives

Financial Assistance



- ❑ Neighborhood and Cultural STAR
- ❑ HRA Enterprise Fund
- ❑ CDBG
- ❑ Tax Increment Financing
- ❑ Conduit Revenue Bonds
- ❑ State General Obligation Bonds

Neighborhood & Cultural STAR



- In the last (5) years, the Neighborhood STAR program has funded 75 economic development projects with \$10 million that leveraged approximately \$39 million in private investment.
- Since 1993, approximately \$75 million in STAR funding has assisted over 710 economic development projects, and is estimated to have generated more than \$300 million dollars in private investment throughout the City.

Neighborhood STAR



Bad Weather Brewing

- ❑ \$150,000 STAR loan used for leasehold improvements: utilities, insulation, lighting, windows, and ADA accessibility. Leveraged over \$300,000.
- ❑ Community Impact: Revitalized 12,000 sq. ft. vacant building into a place of vibrancy and vitality; created new jobs (20 over the next 5 years) available to local residents; neighborhood asset which attracts visitors from entire metro area.

Neighborhood STAR





Arnellia's

- Bar & restaurant nightspot featuring live jazz, funk & soul music on University Ave and Dunlap.
- Received a \$40,000 STAR grant and \$40,000 STAR loan for interior improvements. Leveraged \$90,000.
- \$45,000 CDBG Grant being used for exterior improvements.

Neighborhood STAR



-  \$150,000 Loan, \$150,000 Grant to renovate 1141 Rice Street for new restaurant.
- East Side Enterprise Center received a \$150,000 Loan and \$100,000 grant to create an office business incubator in the community. Additionally, STAR funded their the East Side Local food Incubator, Kitchen on the Bluff, with \$30,000 Loan and \$30,000 Grant.
-  **Garden Fresh Farms**
Sustainable Agriculture Indoor hydroponic farm. Opened Saint Paul location in 2013 with \$170,000 Loan and \$125,000 Grant used for equipment and build out.

Neighborhood STAR

- Payne Avenue Parking Program: \$24,277 Loan and \$36,416 Grant. Leveraged \$240,000.



- Highland and Grandview Theaters Renovation: \$83,750 Loan, \$83,750 Grant, \$166,250 Forgivable Loan.



Cultural STAR



2014 Awards Supporting ~62 Cultural Experiences ~ \$1,614,702

- ❑ Aurora St. Anthony's Unify University! Parade
- ❑ Skylark Opera's Summer Fest
- ❑ Highland Friendship Club's Movie Magic Program
- ❑ Made in Minnesota Media Center
- ❑ North End Arts Initiative
- ❑ East Side Freedom Library
- ❑ Twin Cities Women's Choir

HRA Enterprise Fund

The HRA Enterprise Fund is the most flexible source available to PED



Annual Budget for this Program :

□ Business Assistance Fund \$150,000

Flexible funds for general business assistance

□ Pre-Development Fund \$200,000

Funding for public and private pre-development activities

□ Strategic Investment Fund \$200,000

Incentive program to attract profitable, growing companies to Saint Paul

HRA Enterprise Fund

□ Business Assistance Fund –

- ✓ Yarusso's Restaurant Expansion \$45,108
- ✓ Covenant Capital Commercial Building Renovation \$50,000

□ Pre-Development Fund –

- ✓ Ford Site \$200,000



HRA Enterprise Fund

□ Strategic Investment Fund

	Amount	Jobs Promised	\$ per Job	Jobs Today	Leveraged
Cray	\$400,000	200	\$2,000	340	\$1,176
Three Deep	\$45,000	30	\$1,500	46	\$978
Flagstone Food	\$80,000	40	\$2,000	64	\$1,250
West Academic	\$80,000	80	\$1,000	83	\$964
Redpath	\$40,000	40	\$1,000	N/A	N/A

Totals Since 2004 \$3,186,500



1,562 Jobs Promised
\$2,040 Per Job Promised
1,754 Actual Jobs Today
\$1,817 Loan Amount Per Job

40 Years



Building Better Neighborhoods

- Community Development Block Grant Funds from HUD.
- Approximately \$4 Million annually is available for capital projects – most of these funds used for housing.
- \$100,000 available for economic development through PED.
- Additional funding for economic development is provided to neighborhood sub-grantees (NENDC, ESND, Historic St. Paul).
- Challenging use of funds for economic development: 51% of a business's services need to be within HUD target geography, or needs to provide jobs to low- moderate income individuals.
 - Arnellia's
 - Model Cities Brownstone Project for Commercial Space (proposed)
 - Lake Monster Brewing (proposed)

Tax Increment Financing ~ TIF

- Mechanism for capturing future tax benefits of real estate improvements to pay for the present day cost of the improvements.
- Multi-year TIF District Budgets are established at the time the district is established.
- In the last 7 years, \$23.7 million of total TIF assistance has been granted for economic development projects.

TIF Projects



□ Cossetta's:	\$2,000,000
□ J & J Produce	\$1,510,000
□ Schmidt Rathskeller	\$1,910,715
□ CHS Field Infrastructure	\$1,500,000
□ Green Line Betterments & Parking Improvements	\$9, 058,000
□ Frogtown Square/ Kings Crossing	\$1,419,552

-
- A hand holds a magnifying glass over the word "BONDS". The background is filled with various business-related terms such as MARKETING, DEVELOPMENT, CALL CENTER, HUMAN RESOURCE, RESEARCH, and FINANCIAL. The word "BONDS" is prominently displayed in the center, enlarged by the magnifying glass.

Conduit Revenue Bonds



- **Twin Cities German Immersion Charter School**
 - \$8.545 million acquisition and expansion/renovation of existing school and church buildings that were no longer in use. Financing closed in May of 2013, with the facility opening for the 2014-15 school year.
 - Source of Funds Used: \$8.545 million of conduit revenue bonds issued by HRA
 - Project allowed an existing and thriving school that had outgrown its space to occupy an existing school facility for their long-term use

Conduit Revenue Bonds



- HealthPartners Bond Refunding
- Over the last two years, the HRA issued \$566 million in revenue bonds for multiple facilities throughout the metro area, \$189 million was related to Saint Paul facilities
- HealthPartners was able to reduce their cost of debt and reinvest money in all their facilities, including those in Saint Paul

Examples of Conduit Revenue Bonds

■ Charter Schools

- \$12.6 million for Academia Cesar Chavez
- \$15.9 million for Twin Cities Academy

■ Healthcare Facilities

- \$25 million to Allina for United Hospital
- \$36 million to Gillette Children's

■ Senior Campuses and Nursing Homes

- \$50.2 million for Carondolet Village
- \$26.8 million for Episcopal Homes
- \$1 million Lyngblomsten Apartments

State GO Bonds



Ordway Theatre Expansion

- \$43 million renovation/expansion of the Ordway which included the demolition of the McKnight Theater, creation of the 1,100 seat Concert Hall, and expansion of the 3-story production wing. Construction started in March, 2013 and the new theater opened in March, 2015.
- Source of Funds: \$20M of State Bond funds, \$3M of Cultural STAR, \$10.65M of HRA Conduit Revenue Bonds, plus Private donations and New Market Tax Credits.

State GO Bonds

Twin Cities Public Television



- ❑ \$18.4 million renovation and expansion of its 172 E. Fourth St. offices and studios
- ❑ Includes added space for public screenings, art exhibits, concerts and lectures & street-level presence.
- ❑ \$9 million in state bonding and \$85,000 from Cultural STAR program

Technical Assistance



- PED is the entry point for businesses and the primary customer service arm for business in Saint Paul.
- Project Managers provide a continuum of services.
- Liaisons to main street and neighborhood business associations, and CDC's.
- The HRA undertakes land assembly, and prepares and markets sites for redevelopment.
- Interface with the community for city-wide and regional economic development initiatives.

Prepare Sites for Redevelopment

Seven Corners Gateway Site

- ✓ Acquired and remediated the site over time; made infrastructure improvements; maintained the site until redevelopment was appropriate.
- ✓ Important gateway into downtown and proximate to the St. Paul Cathedral and Capitol. HRA can be a patient landholder.
- ✓ Tentative developer status was awarded to OPUS and Greco for market rate apartments, Radisson Red Hotel and a signature public plaza



Land Prep for Redevelopment

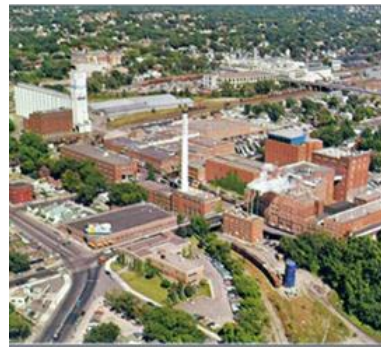
Former Hospital Linen Site – Now Cambric Apartments and Mississippi Market

- ❑ Cambric - 113 Unit Senior Affordable Housing Project \$26 million
- ❑ Mississippi Market – First Floor Commercial with Lower Level Commissary Kitchen



Hamm's Brewery Redevelopment

- ❑ Flat Earth Brewery
- ❑ 11 Wells Distillery
- ❑ Urban Organics



Economic Development Initiatives



- Commercial Vitality Zone Program
- 8-80 Vitality Fund
- Parking Fund

Commercial Vitality Zone

Commercial Vitality Zone Program



8-80 Vitality Fund

City Council approved the Mayor's 8-80 Vitality Fund in October 2014.

- \$42.5 million in projects
- Projects include:
 - Capital City Bikeway
 - Grand Round
 - Palace Theatre
 - Dickerman Park
 - Streets & Public Spaces
- Three year timeline (through 2017)



Downtown Bike Loop – Jackson St

Parking Fund



- ❑ PED manages the HRA's \$100M Parking & Transit Program, which includes 9 Ramps and 7 Lots.
- ❑ Revenue generated from this program is reinvested into projects with parking nexus.
- ❑ Proposed 2016 budget for unrestricted funds is \$2,245,000.
- ❑ A few examples from prior years:
 - ✓ E. 7th Street Traffic Study - \$11,500
 - ✓ Payne Ave Traffic Solution - \$30,000
 - ✓ Downtown Public Realm Strategy - \$100,000
 - ✓ Purchase Lexington Library for Redevelopment - \$334,288

Leveraging Outside Resources

- There is a strong tradition of collaboration among various sectors and institutions.



- Requires all stakeholders to work together - sharing responsibility for achievement of the overall objectives.
- When our technical and financial resources are not enough or are not the right fit – we will seek the right partner(s) for help.

Leveraging Outside Resources

Federal

- Emerging Leaders Program – mini-MBA training for small to medium sized businesses.
- EPA grants for brownfield investigation and remediation planning.

State ~ Met Council and DEED

- Livable Communities Grants from Met Council.
- Cleanup funds from DEED.
- Ready for Rail Program – resources from Met Council, the City of Saint Paul, and the Central Corridor Funders Collaborative.

Ramsey County

- Economic Gardening Program – provides free tools and resources for companies looking to take their business to the next level.

Other Non Profits/CDC's

- Community Reinvestment Fund
- Neighborhood Development Center



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