

Commercial Vitality Zone Program

2018 Staff Funding Recommendations and Progress Report on 2015-2017 Zones

March 27, 2018

Overview of Commercial Vitality Zone (CVZ) Program

Description

The CVZ program is an annual fund of \$750,000 used to invest in neighborhood commercial districts to promote vitality, growth and equity. It is funded by an annual sales tax revenue account from the City of Saint Paul's ½-cent local sales tax, known as Sales Tax Revitalization or "STAR".

Identified commercial districts for CVZ program investment have assets with potential, organizations and businesses with capacity, and/or community-developed plans in place. This long-range commercial investment strategy will attract and retain businesses and customers, create quality job opportunities, grow and expand business success, expand the tax base, and ultimately strengthen our neighborhoods and communities. CVZs vary in size and scale, but they are typically part of a larger network – linking other zones in the urban fabric.

Goals and Principles

1. Projects are catalytic. They:
 - a. leverage other investments; and
 - b. build off existing plans, have neighborhood support, and engage capable partners.
2. Projects promote equity. They:
 - a. Are targeted toward Areas of Concentrated Poverty, as defined by the Metropolitan Council
 - b. Help eliminate structural barriers to services, resources, and support for every resident in Saint Paul
 - c. Involve community in making decisions to prioritize investment options
 - d. Aim to benefit and retain existing business owners and residents
3. Projects have the potential to maximize the expected outcomes of the program, including:
 - a. vitality – projects will strengthen commercial areas and make them more vibrant
 - b. growth – projects will grow the tax base
4. There are identified feasible and visible capital projects that can be completed in a 12-18 month time-frame from allocation.

2018 funding recommendations

Summary

Both Rice Street at Larpenteur Avenue and Rice Street from University to Pennsylvania Avenues have been engaged in economic development planning processes with funding from the City. These plans will both be complete in early 2018, and will result in short- and long-term recommendations for capital and other improvements in these areas. CVZ funds would help implement some of the recommended projects.

Rice Street at Larpenteur Avenue	\$ 337,500
Rice Street from University Avenue to Pennsylvania Avenue	\$ 337,500
Administrative Expenses	\$ 75,000
2018 CVZ Allocation Total	\$ 750,000

Rice Street: South from Larpenteur - \$337,500

In 2017, a planning process began with cities of Saint Paul, Maplewood and Roseville, with collaboration from Ramsey County, to [conduct a “Gateway Study”](https://www.stpaul.gov/departments/planning-economic-development/planning/current-activities/rice-street-larpenteur-avenue) (<https://www.stpaul.gov/departments/planning-economic-development/planning/current-activities/rice-street-larpenteur-avenue>) to develop a short-



Long-term vision. Source: Rice Street-Larpenteur Avenue Gateway Area Vision Plan Final Boards, 10/26/17

and long-term vision plan for the Rice Street-Larpenteur area.

This study examined land use, market conditions, transportation services and access, and other characteristics, with a goal of growth and redevelopment in the area. The study began in early 2017, with community meetings held throughout the year. The “Rice-Larpenteur Vision Plan” will be completed in the first quarter of 2018.

This plan will outline improvements to walking, biking and driving infrastructure, redevelopment scenarios at key opportunity sites, and connections to open spaces and other amenities in this node. The goal is to bring renewed public and private investment coordinated across three cities, resulting in an attractive destination with strong businesses and vibrant places and spaces.

In addition, Ramsey County is conducting a Rice Street Transportation Safety Study to be completed in early 2018, which will lead to reconstruction or rehabilitation of the full

length of Rice Street within city limits over a 5-10 year period beginning in 2019. These road improvements will improve public realm at the intersection.

The area is recommended from an equity standpoint because of the concentration of low-income families and new immigrant populations, in addition to a high concentration of naturally occurring affordable housing. It is an Area of Concentrated Poverty where 50% or more of the population are people of color (ACP50, as defined by the Metropolitan Council). Furthermore, community capacity is low here with no organized community group or business association with a strong presence, combined with a lack of funding to support such work. Public funds can help focus attention and investment in an area that otherwise would have difficulty making capital improvements. CVZ investment will help prevent a loss of momentum from the planning efforts.

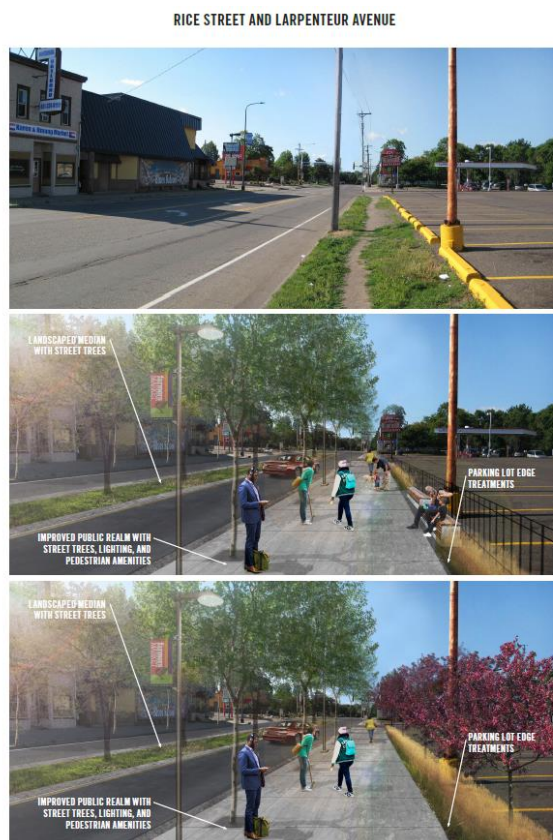
The area can also leverage recent public investments, including the build-out of Grand Round and reconstruction of Wheelock Parkway, adding high quality walking and biking paths and connecting to larger trail networks. In addition, Neighborhood and Year-Round STAR and CDBG funds are available for capital improvements to commercial properties, which can be leveraged for improvements. So far,

Long's Auto on Rice Street at Hoyt Avenue and Thai Street Market in the MyThrift Shopping Center have benefited from this program, but other businesses are also eligible.

Timing is excellent to invest additional public dollars into the slate of recommendations from the Rice-Larpenteur Vision Plan, and leverage the improvements Ramsey County will make to the sidewalks and road network. Improvements can encourage private investment because of public realm beautification, and/or subsidy to private investments that can be enhanced or encouraged with some addition of public funds.

Rice Street: University to Pennsylvania - \$337,500

City of Saint Paul's Department of Planning and Economic Development has been partnering with the Capitol Area Architectural and Planning Board (CAAPB) since 2016 on a [Capitol Rice Plan](https://mn.gov/caapb/planning-zoning/planning/capitol-rice/) (<https://mn.gov/caapb/planning-zoning/planning/capitol-rice/>), to include a market assessment and short- and long-term recommendations for improvements to the commercial corridor along Rice Street between University and Pennsylvania Avenues. This effort complements the CAAPB's process to develop an updated unified Comprehensive Plan for the Minnesota State Capitol Area. Community engagement took place throughout 2017 at the Capitol-Rice Green Line Station Area, Hmongtown Marketplace, and in other sessions. Partnership with CAAPB is critical, as they have zoning jurisdiction over this area.



Public Realm Vision. Source: Rice Street-Larpenteur Avenue Gateway Area Vision Plan Final Boards, 10/26/17



Engagement at Jan. 29, 2018 community session;
Source: [CAAPB Website](#)

Community engagement has resulted in over 500 ideas collected from the community, with five emerging themes, including supporting entrepreneurs and small business development and Rice Street re-design. Community input has been gathered through open houses conducted at Hmongtown Marketplace and Christ Lutheran Church, and through on-street interviews conducted by community based artists who represented the interviewees and their comments in portraits on concrete blocks and on the [Capitol-Rice Instagram page](#).

The Capitol Rice Plan will be completed in the first quarter of 2018. This plan will provide recommendations for investments that will improve the commercial corridor along Rice Street.

In addition, Ramsey County is conducting a Rice Street Transportation Safety Study to be completed in early 2018, which will lead to reconstruction or rehabilitation of the full length of Rice Street within city limits over a 5-10 year period beginning in 2019. These road improvements will improve public realm at the intersection.

While the neighborhood is an Area of Concentrated Poverty where 50% or more of the population are people of color (ACP50, as defined by the Metropolitan Council), the area is also home to large institutions such as the Minnesota State Capitol Complex, Bethesda Hospital and Regions Hospital, who employ over 10,000 people near here. Both residents and employees could be better served by a stronger and more vibrant commercial corridor along Rice Street.

Community and implementation partners include the CAAPB, Frogtown Neighborhood Association (District 7), and the Capitol Heights Block Club.



Portraits of community members by Witt Siasoco, Jonathan Herrera and Mischa Kegan;
Source: [CAAPB Website](#)

Program Update – 2015-2017

To date, there have been nine Commercial Vitality Zones to date, with \$2,250,000 allocated in total. One zone is complete (N. Snelling Ave – street lighting assessment), two have pre-development plans that are nearly finalized (Rice and Larpenteur, Rice from University to Pennsylvania Avenues), and four are far along in moving toward construction in 2018 and 2019 (Phalen Village, Payne Avenue, E 7th and Arcade, and Como-Front-Dale intersection). The 2017 implementation zones (District del Sol and Central Selby) are in phases of community engagement, moving toward a final prioritization of projects. See the tables below for more details.

Many lessons have been learned about this new effort. First, staff sees the value in strong community partnerships through this program, working closely with neighborhood groups and business associations to ensure investments are strategic and catalytic. Staff and community partners also value the impact that a targeted capital investment or improvement project can have on a neighborhood commercial district or node.

That said, the work takes time to ensure the local business owners and residents are engaged in the decision-making process. Furthermore, at times, the timing for financing of other large and complementary investments is a challenge or working with private property and business owners to develop a project that has the owners' buy-in and some contribution from them. It is a lengthy but worthwhile endeavor to strategically invest in capital improvements in our challenged neighborhood districts.

Funding History

9	CVZs over 3 years
\$2,250,000	Total amount allocated over 3 years
\$1,503,930 (67%)	spent or planned use is moving forward
\$ 746,070 (33%)	Community engagement in process, mostly District del Sol and Central Selby funds (total of \$625,000 or 28% of the total funds)

Year	Zone	Ward	Program Type	Amount
2015 Zones	Payne Ave – E 7 th St to Minnehaha Ave	5 & 7	Implementation	\$337,500
	Phalen Village – 1365-1371 Phalen Blvd & 1150-1186 Prosperity Ave	6	Implementation	\$337,500
	North Snelling Ave	1 & 4	Implementation	\$ 75,000
	TOTAL			\$750,000
2016 Zones	East 7 th St and Arcade St	7	Implementation	\$350,000
	Como-Front-Dale Intersection	1 & 5	Implementation	\$350,000
	Rice St – University Ave W to W Pennsylvania Ave	1	Pre-development planning*	\$ 50,000
	TOTAL			\$750,000
2017 Zones	District del Sol	2	Implementation	\$312,500
	Central Selby – Lexington Pkwy to Dale St	1	Implementation	\$312,500
	Rice Street and Larpenteur	5	Pre-development planning*	\$ 50,000
	Administrative Costs			\$ 75,000
	TOTAL			\$750,000
TOTAL				\$2,250,000

*Pre-development planning was deemed an eligible category for CVZ funds. Funding was found from other sources to cover the two previously allocated pre-development planning areas to enable them to occur.

Map of Funded Zones



Lower Payne Avenue – 2015 Implementation - \$337,500

Background

The area of focus for this zone is Payne Avenue from E 7th St to Minnehaha Ave. In 2014, a planning process led by Saint Paul Design Center led to a Payne Avenue Street Improvements report, which provided the basis for many of the implementation recommendations for commercial vitality improvements along this corridor.

Selected Project for CVZ Funding

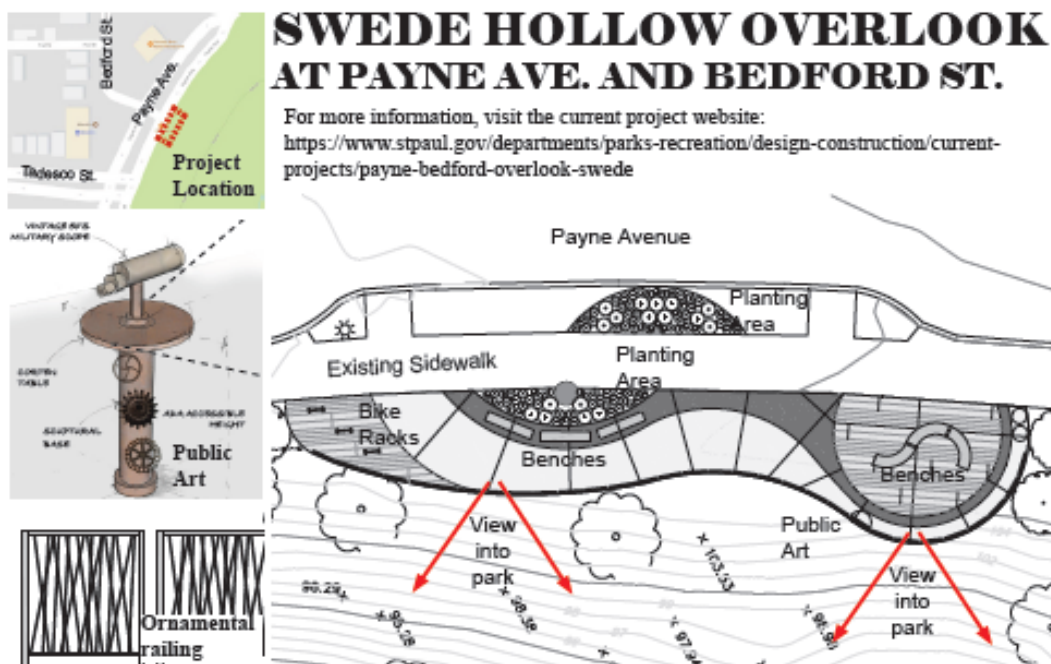
Swede Hollow Overlook

Budget: \$275,000

The Swede Hollow Overlook is expected to provide benefits to adjacent commercial anchors; offer a distinct short-term capital project; highlight a cherished natural area; and serve as a landmark and place-maker in the neighborhood that calls itself “Railroad Island.”

Status Update

Parks and Recreation’s Design and Construction team has bid the project and construction will take place in spring 2018. The concept shown illustrates the final design concept.



Next steps and decisions

Community engagement is taking place to determine the use for the remaining \$62,500. Project options have been drawn from earlier engagement and include a business improvement fund, and “gateway” public art features at E 7th St and/or Bedford St.

Phalen Village – 2015 Implementation - \$337,500

Background

The City of Saint Paul has been involved in the Phalen Village Project since it developed its first plan to revitalize the entire area over 20 years ago. The current project creates a new physical and social center for the Phalen Village community, in the area of 1365-1371 Phalen Boulevard and 1150-1186 Prosperity Avenue, through coordinated public infrastructure improvements that catalyzes private investment.

The HRA approved Phalen Village, LLC to purchase the parcels south of Rose Avenue to build a new grocery-anchored retail development, additional retail space, an outparcel with a drive-thru, and an outdoor community gathering space for neighborhood events. The HRA also extended tentative developer status for the Phase II property north of Rose Ave, to Phalen Village, LLC. Phase II plans to provide senior affordable housing.

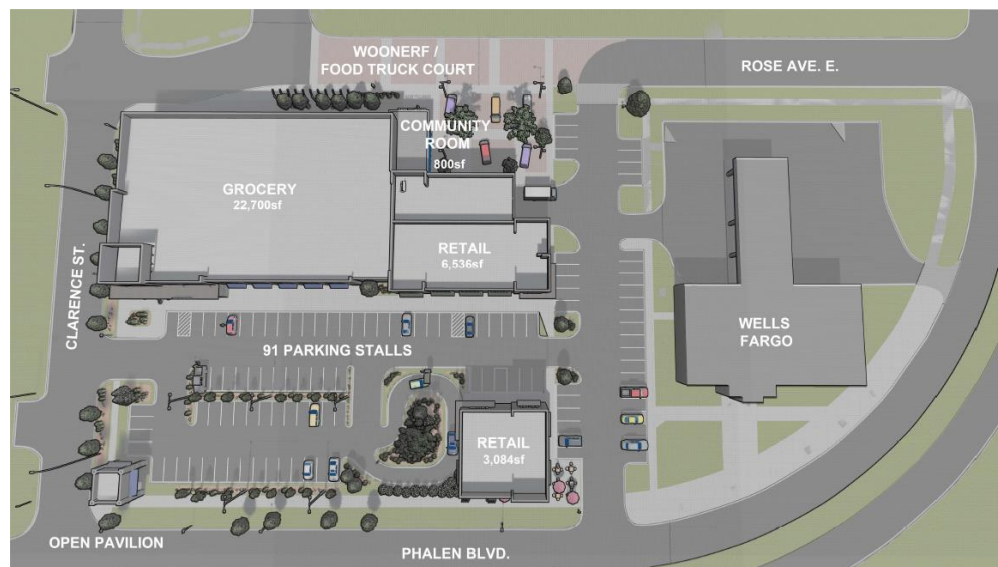
Selected Projects for CVZ funding

CVZ funds will be used to relocate utilities along the new street lay-out, and build a “woonerf”, or shared street concept, on Rose Avenue.

Description	Status	Cost
Demolition and site set-up costs for 1186 Prosperity	Completed in 2016	\$9,706
Utility Relocation and Woonerf build-out	2018 Construction	\$327,794

Status Update

The demolition and site set-up at 1186 Prosperity has been completed. The Zoning Committee is reviewing this project as of the writing of this report. Utility relocation and construction of the Woonerf will be done as part of the overall project, set to begin in spring of 2018.



North Snelling Avenue – 2015 Implementation - \$75,000 - PROJECT COMPLETE

Background

In 2015, MnDOT reconstructed Snelling Avenue from Dayton Ave to Pierce Butler Route. The City of Saint Paul contributed \$525,000 from the 80 Vitality Fund to further enhance the pedestrian environment. Above-standard lantern-style lighting was also added, with an assessment charged to property owners to cover the cost difference above the cost of standard lighting.

Simultaneously, Metro Transit built out infrastructure for the A-Line Arterial Bus Rapid Transit (BRT) line that began operation in June 2016.

Selected Project for CVZ funding

The CVZ funds contributed to a buy-down of the lighting assessment. This project also received \$75,000 in Year-Round STAR, which resulted in an approximate reduction in the assessment charged to property owners by 15%.

East 7th Street and Arcade Street – 2016 Implementation - \$350,000

Background

In 2012, the Near East Side Road Map Study was completed with intentional focus on the East 7th Street commercial corridor, along with adjacent commercial-industrial property along Minnehaha Avenue (Middle Section south), and the commercial node near Atlantic Street and Johnson Parkway. The Road Map is an action/implementation strategy that assesses and recommends – at the scale of a city block – key property and streetscape improvement strategies in support of a vibrant commercial district. It also identifies and recommends capacity- and community-building efforts.

The CVZ funds allow for further implementation of strategies and plans recommended by the Road Map and the Community Health Project Plan (2016) – funded by the Robert Wood Johnson Foundation’s Invest Health Initiative.

Proposed Projects for CVZ Funding

Pedestrian improvements along E 7th Street

Estimated Budget: \$270,000

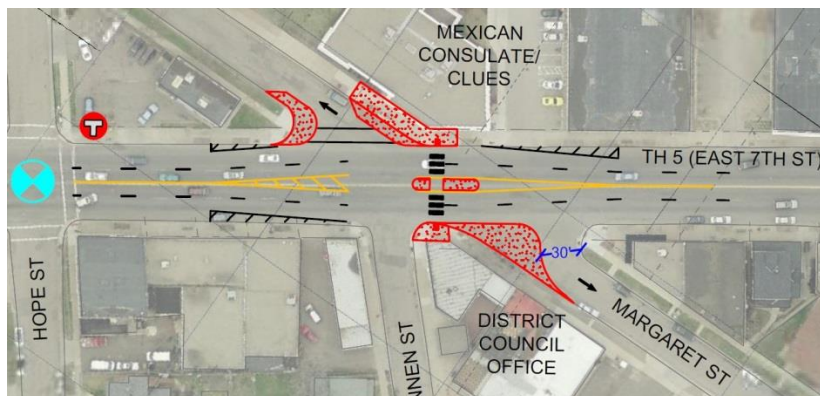
This project:

- Provides a crossing area across E 7th Street between Greenbrier Street and E. North Street (see map below), including a HAWK (high-intensity activated cross walk) Light
- Adds bump-outs and a pedestrian refuge area at the Margaret St intersection
- Leverages up to \$500,000 of MNDot Community Benefits Agreement funding





Crossing with HAWK light between North and Greenbrier Streets



Bump-outs and pedestrian refuge at Margaret St

Improvements to Hamm Park

Estimated Budget: \$70,000

This project:

- Increases visibility into and activity within an under-utilized park
- Provides access to hidden community asset by providing a clear entry to Swede Hollow Park
- Complements increased visibility of Swede Hollow Park from the Payne Ave's CVZ project of Swede Hollow Overlook

Status Update

PED staff is working with Public Works and Parks and Recreation staff to finalize budgets and project scopes to ensure feasibility of both projects.

Como-Front-Dale Intersection – 2016 Implementation - \$350,000

Background

The most recent [North End District 6 Plan](#) was adopted in 2012, and it references the 2010 streetscape and intersection study by the Metropolitan Design Center called “Como/Front/Dale, Rethinking the Intersection”. This study outlines transportation-specific recommendations to make the intersection more functional for pedestrians and bicyclists.

Selected Projects for CVZ Funding

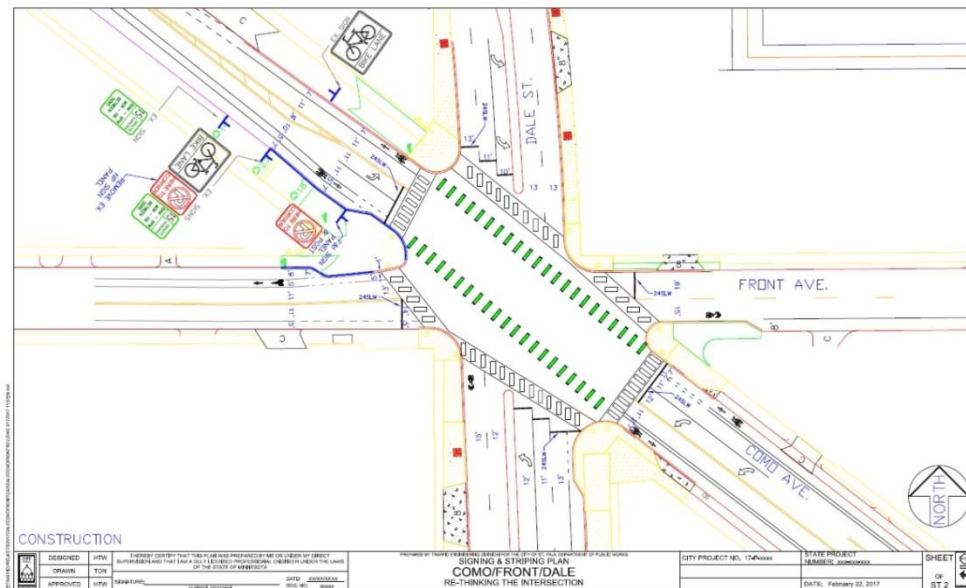
PROJECT	AMOUNT
Pedestrian and Bicycle Facility Improvements	\$ 74,430
NE corner strip mall parking lot improvements	\$ 150,000
Landscaping and signage for daycare on east side of Dale St	\$ 70,000
Replace boulevard trees	\$ 1,500
TOTAL	\$ 295,930
Remaining CVZ funds	\$ 54,070

Pedestrian and Bicycle Facility Improvements

Budget: \$74,430

This project will improve safety of people accessing businesses at this commercial node by walking, biking or in cars, and improve appearance of this commercial node.

Public Works Design (2017)



(subject to design refinement)

NE corner strip mall parking lot Improvements

Budget: \$150,000

The strip mall on the NE corner is lacking in attractive and safe parking lot features, including fences and/or curb stops to prevent parked cars from hanging into the sidewalk along Dale St, landscaping, and other features to improve the overall appearance of the intersection.

Landscaping and signage for daycare on east side of Dale St

Budget: \$70,000

This project will improve the landscaping along the street and improve the outdoor play area for the children served by this center, and add a more attractive sign.

Pedestrian and Bicycle Facility Improvements

Budget: \$1,500

Replacing boulevard trees that have been lost at that intersection will enhance the pedestrian and bicycle improvements, and would be completed by the City's Parks & Recreation Forestry Department.

Status Update

PED is working with Public Works Street Engineers to design and implement this project as part of the bid for the Wheelock Parkway project in 2018. PED is also working with a landscape architect on design for the strip mall and daycare projects, which will then move into construction in 2018.

Further steps and decisions

The remaining \$54,070 needs to be programmed. A potential use is to invest in the potential development site at Uniforms Unlimited, to improve the exterior and incent additional investment at the site.

Rice St (W Pennsylvania Ave to University Ave W) – 2016 Pre-development Planning - \$50,000

Status

The plan is nearly complete, and this area is recommended for CVZ implementation funding in 2018. See page 3-4 of this report for further details.

Central Selby – Lexington Pkwy to Dale St – 2017 Implementation - \$312,500

Background

The ongoing collaborative efforts of many community partners in this area have resulted in real estate projects and many community and economic development plans for this stretch of Selby Avenue. Community partners include Central Selby (formerly the Selby Avenue Action Coalition), Rondo Community Land Trust, Community Housing Development Corp., Rondo Avenue, Inc., Neighborhood Development Center, Network for Seniors, Summit-University Planning Council, Walker West Music Academy, and artists Seitu Jones and Ta-Coumba Aiken.

Status Update

PED staff has met with Central Selby leaders, City Council staff, Rondo Community Land Trust staff, and attended a Summit-University District Council meeting since CVZ funding was approved to compile a list of previously identified capital improvements for the area. Staff has compiled cost estimates for public realm and other investment ideas. Community engagement sessions are in the process of being planned to finalize the prioritization of capital improvements.

District del Sol – 2017 Implementation - \$312,500

Background

In 2013, the City Council adopted [The District del Sol Plan](#) which outlines plans and recommendations to revitalize the area. These recommendations could be taken into consideration in a community-oriented process to determine investments with the Commercial Vitality Zone funds.

Identified community partners in the area include West Side Community Organization (WSCO), Neighborhood Development Alliance (NeDA), West Side Community Health Services (La Clinica), Wellstone Center, Neighborhood House, and El Rio Vista Rec Center.

Status Update

The CVZ investment engagement will be coordinated with and leverage WSCO’s “Our Streets Our Stories” initiative, a foundation-funded branding effort focused on West Side commercial corridors including District del Sol. Community engagement sessions were held throughout summer 2017 to start prioritizing possible capital improvements. PED staff also attended the District del Sol “Our Streets Our Stories” visioning event in February 2018. Next steps in prioritizing investments through community engagement are being planned.

Rice St and Larpenteur – 2017 Pre-development Planning - \$50,000

Status

The plan is nearly complete, and this area is recommended for CVZ implementation funding in 2018. See page 2-3 of this report for further details.