

### Long-Term Commercial Vacancies: City of Saint Paul



### Project Team

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### Long-Term Commercial Vacancies in Saint Paul

- Where are they?
- How do they affect neighborhoods?
- What factors drive them?
- What are other cities doing about them?



(Long-Term > 1 Year)







# Approach

### Scope & Process

Approach:

- Observation
- Diagnosis
- Prescription

Each phase builds from previous analysis to develop final recommendations

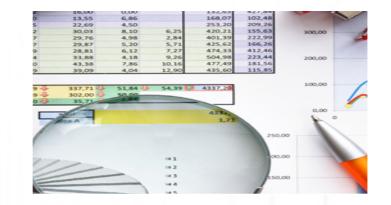






# Phase 1: Observations

### DATA COLLECTION



Very little quantitative data available

Observation – driving and walking tours

- West Side smaller, street-facing, 1-2 stories
- West 7<sup>th</sup> very few vacancies, similar to West Side properties
- Summit Hill not a visible issue
- Downtown concentrated, street-front and skyway, large properties and multiple spaces



# Phase 2: Diagnosis

NARROW THE FOCUS

25 stakeholder interviews

Key findings:

- Info is hard to find
- Navigating official processes in Saint Paul is complex & difficult
- Decisions appear arbitrary & inconsistent
- You have to know the right people
- Grants may not be worth the transaction costs

- Some spaces are not worth the investment
- Downtown population is too small to support to support retail investment
- Historic preservation requirements can be a barrier to business development
- Empty spaces affect the surrounding community



Humphrey School of Public Affairs Phase 3: Prescriptions

# SOLUTIONS & OPPORTUNITIES



What other cities are addressing long-term commercial vacancies?

Buffalo, NY Fort Worth, TX Roanoke, VA Hamilton, ON

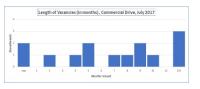
- and more



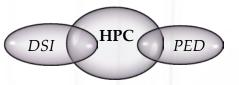
# Recommendations

### **<u>1: IMPROVE CITY PROCESSES</u>**

A. Create and maintain a comprehensive list of commercial vacancies



B. Better align HPC with other City departments



C. Reduce restrictions on signage to activate spaces



D. Expand online permitting



# Recommendations

### **<u>2: INCENTIVIZE BEHAVIORS</u>**

A. Strengthen taxes and/or fees on long-term commercial vacancies





B. Use new tax revenues to attract start-up businesses to empty spaces







# Recommendations

### **<u>3: ACTIVATE SPACES</u>**

A. Create a business pop-up/incubator program











# Conclusions

- Vacant commercial spaces are a public problem that Saint Paul can and should address
- Saint Paul can impact the problem by:
  - Improving city processes to increase Saint Paul's competitive position
  - Creating incentives for property owners and for new business start-ups
  - Developing creative programs to activate spaces and demonstrate vitality



### **SPECIAL THANKS**

- Councilmember Rebecca Noecker
- Taina Maki, Legislative Aide to Councilmember Rebecca Noecker
- Interview participants
- Visiting Assistant Professor Daniel Milz, Humphrey School of Public Affairs



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# Appendices



# **Appendix A: Interview Design**

Question categories included:

- Space characteristics the physical characteristics of commercial spaces, including size, condition, freestanding or part of a larger building, zoning, historic designation, etc.
- Zoning & inspections the experiences of participants with the zoning and inspections processes in Saint Paul.
- Business characteristics the characteristics of businesses and how those affect their experiences.
- Customer impacts how the customers of a business affect the businesses use or choice of a commercial space.
- Area demographics how the demographics of the immediate area affect the use of commercial spaces.
- Experience the interviewee's personal experience working with commercial spaces and the city of Saint Paul.



# Appendix B: Option Scoring Summary

|                   |   | Scoring Cri<br>A<br>Costs St. | teria:<br>B<br>Improves<br>bus/prop | C<br>Increases St<br>Paul's | D<br>Who | E<br>Who is dis- | F     |
|-------------------|---|-------------------------------|-------------------------------------|-----------------------------|----------|------------------|-------|
| On                | tion:   | Paul                          | owner<br>experience                 |                             |          | advantaged?      | Total |
| Improve Processes |   |                               | experience                          | posicion                    | _        |                  |       |
|                   | Create/maintain list of<br>commercial vacancies                   | 3                             | 5                                   | 3                           | 4        | 5                | 20    |
|                   | Better align HPC with<br>licensing departments                    | 5                             | 3                                   | 3                           | 4        | 4                | 19    |
|                   | Promote signage to<br>activate spaces                             | 5                             | 4                                   | 4                           | 4        | 3                | 20    |
|                   | Expand online<br>permitting                                       | 4                             | 4                                   | 2                           | 3        | 5                | 18    |
|                   | Designate liaisons for<br>disadvantaged start-ups                 | 3                             | 3                                   | 3                           | 2        | 4                | 15    |
|                   | One-stop shop for<br>business assistance                          | 1                             | 2                                   | 2                           | 1        | 4                | 10    |
| Inc               | entivize Behaviors  |                               |                                     |                             |          |                  |       |
|                   | Tax on long-term<br>commercial vacancy                            | 5                             | 3                                   | 3                           | 3        | 4                | 18    |
|                   | Use tax revenues to<br>provide tax inœntives<br>to new businesses | 5                             | 2                                   | 4                           | 2        | 4                | 17    |
|                   | Better promote city of<br>St. Paul                                | 2                             | 3                                   | 3                           | 3        | 4                | 15    |
|                   | Expand grant programs<br>for TI investment                        | 1                             | 2                                   | 2                           | 2        | 4                | 11    |
| Ac                | tivate Spaces   |                               |                                     |                             |          |                  |       |
|                   | Create pop-up business<br>incubator program                       | 4                             | 3                                   | 5                           | 5        | 5                | 22    |
|                   | Activate the public realm with art/activities                     | 4                             | 2                                   | 2                           | 2        | 5                | 15    |
| Status Quo        |   |                               |                                     |                             |          | 11               | 11    |
|                   | Do nothing  | 5                             | 1                                   | 1                           | 1        | 3                | /n/   |



# **Appendix C: Not Recommended**

The options below were considered by the project team but, are not recommended as priorities at this time based on scoring criteria.

- Improve Processes
  - Designate liaisons for disadvantaged start-ups.
  - One-stop shop for business assistance for new business owners.
- Incentivize Behaviors
  - Better promote city identity, programs, and benefits.
  - Expand grant programs for Technical Investment (TI) for start-up businesses entering long-term commercial vacancy spaces.

### • Activate Spaces

- Activate spaces with art installations and activities in the public realm in partnership with communities.
- Status Quo
  - Do nothing.



# Appendix D: Fort Worth Planning & **Development** Website





and neighborhood vitality.





The Planning and Development Department seeks to make Fort Worth the most

livable city in Texas by promoting orderly growth and development, safe construction

**Planning & Development** 

Permits





Zoning

### News

· Permits no longer required for garage sales

### **Current Wait Times**

#### Schedule an appointment Get a spot in line before you arrive.

### Enter online permitting

| Service  | Wait Time |  |  |
|--|-----------|--|--|
| Building Permits<br>7 people in line now.                    | 43 min    |  |  |
| Non-Structural Permits<br>1 person in line now.              | 8 min     |  |  |
| Plans Exam<br>2 people in line now.                          | 14 min    |  |  |
| Plans Exam Consultations<br><sup>0</sup> people in line now. | 5 min     |  |  |
| Traffic Control<br>0 people in line now.                     | 20 min    |  |  |
| Water Development<br>3 people in line now.                   | 14 min    |  |  |
| Last updated: 12:04:29 PM May 7, 20                          | 018       |  |  |

04.29 PM May 7, 2010

#### Hours

Monday-Friday: 8 a.m.-5 p.m.



Applications & Forms

### Planning and Design

- Area Plans
- · Comprehensive Plan
- Historic Preservation
- Urban Design Districts
- Downtown Urban Design District
- Urban Villages
- Transportation Planning







Development Process Trees

### Development

- Applications & Forms
- Contractor Registration
- · Data, Mapping & Research
- Inspections
- Online Permits
- Platting
- Pre-Development





Permit Statistics



