



Saint Paul Downtown Improvement District 2024 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

This Introduction describes the basic provisions of a non-profit tax-exempt organization known as the Saint Paul Downtown Improvement District (the “SPDID”). This entity was formed January 1, 2021 as a “special service district” pursuant to Minnesota Statutes, Chapter 428A (“State Law”) to serve a substantial part of Saint Paul’s downtown area (the “District”).

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, a volunteer steering committee of private property owners that own commercial real estate within the District modeled SPDID programming off the successful programs in those cities and countless others across North America.

After determining that city services for cleanliness, safety and placemaking were not meeting the needs of downtown Saint Paul, SPDID provides programs and services in these areas, operating above and beyond what the city provides. The safety and security aspects of the SPDID program are especially relevant given the historic connection of public safety issues and economic instability.

Funding to underwrite the SPDID programs and services comes from special fees for eligible commercial 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 (residential property and 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 committed to contribute approximately 25 percent of the SPDID annual operating budget during the organization’s initial five-year term.

SPDID’s first priority is improving public safety outcomes and perceptions. The traditional model for downtown districts achieves this by implementing a highly visible staff of public realm, and in 2024 the Street Team will continue to include safety and cleaning ambassador services. In 2021, SPDID built 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. In 2024 the Safety Communications Center will maintain staffing seven days per week. Since launching the SCC has proven to be an invaluable asset to downtown public safety.

SPDID Board of Directors

The board of SPDID is made up of many of the same volunteers who helped establish the district during the 2019-2020 steering committee phase.

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

**subject to change*

District Boundary Methodology

The original boundaries of the District were selected by those property owners who expressed interest in the SPDID concept and a desire to be part of the steering committee/advisory board. The District is delineated on the following map. It can be further enlarged in future years at any time before the formal submission of the SPDID organizational petition to the City of Saint Paul should other property owners contiguous to the District wish to be included. Even later, there are ways under State Law to expand the District to include interested property owners.

The District includes a contiguous precinct that encompasses Saint Paul's most prominent artistic, cultural, and entertainment venues (the Children's Museum, the Science Museum of Minnesota, the Ordway Center, Landmark Center, and Xcel Energy Center, along with theatres, restaurants, hotels, and other major visitor attractions) that have unique public safety and other needs and concerns that distinguish them from other less-traveled areas of greater downtown Saint Paul. Collectively, these venues literally draw millions of people to downtown Saint Paul every year. It is critically important to these attractions and the future of the downtown that these visitors are safe and secure.

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. Providing a safe environment for their thousands of employees is essential.

Together, these two groupings of venues and other attractions made inclusion in the District both logical and necessary.

Operating Plan Summary

The name of the property-based Special Service District is 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 Cleanliness and Safety, Communication/Public Space Activation, and Administration/Advocacy/Office. 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 building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the District.

Boundary: See Page 7.

Budget: The 2024 budget for program implementation is \$ 1,324,240 which includes \$25,000 in voluntary contributions from exempt properties.

The total assessable amount for commercial properties and City/County contributions is \$1,299,240.

TOTAL BUDGET	2024
Non-exempt property assessments	\$960,519
City voluntary assessment contribution	\$181,721
County voluntary assessment contribution	\$157,348
Exempt Property voluntary contribution, non-assessed	\$25,000
Total	\$1,324,240

Improvements, Activities, Services

SAFE & CLEAN	
Percent of Total Budget	80.46%
Non-exempt property assessments	\$772,812
City + County voluntary assessment contribution	\$ 272,527
Exempt property non-assessed voluntary contribution	\$20,114
Total	\$ 1,065,454

Enhanced Safe Programs

The SPDID Street Team safety and hospitality ambassadors work to address crime prevention for parcels in the District will consist of some of the following:

- Safety Communication Center and SafetyComms Network
- Foot Patrol
- Bicycle Patrol

Enhanced Clean and Upkeep Programs

The work of SPDID Street Team cleaning ambassadors will consist of some of the following:

- Sidewalk Sweeping and Pressure Washing
- Graffiti & Handbill Removal
- Trash Removal

COMMUNICATION + PUBLIC SPACE ACTIVATION	
Percent of Total Budget	1.36%
Non-exempt property assessments	\$13,056
City + County voluntary assessment contribution	\$4,604
Exempt property non-assessed voluntary contribution	\$340
Total	\$18,000

Communication/Public Space Activation programs will consist of some of the following:

- Stakeholder Communications
- Website
- Branding and Marketing

ADMIN + ADVOCACY/OFFICE OPERATIONS	
Percent of Total Budget	18.18%
Non-exempt property assessments	\$174,651
City + County voluntary assessment contribution	\$61,590
Exempt property non-assessed voluntary contribution	\$4,546
Total	\$ 240,786

Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The improvements and activities are managed by a professional staff that requires centralized administrative support. 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.

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 (70%) and linear front footage (30%), will be used in the calculation. See appendix 1, page 8 for additional details. The tax-year 2024 assessments per assessment variable will not exceed amounts listed in the following chart:

Building Square Footage Rate	\$0.0639
Front Footage Rate	\$13.61

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 and enlargement require 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, 2021 and ending December 31, 2025.

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 nominations shall be sent to Board members with the regular Board meeting announcement to be voted upon at the next Board meeting. These vacancies will be filled only to the end of the particular Board member's term.

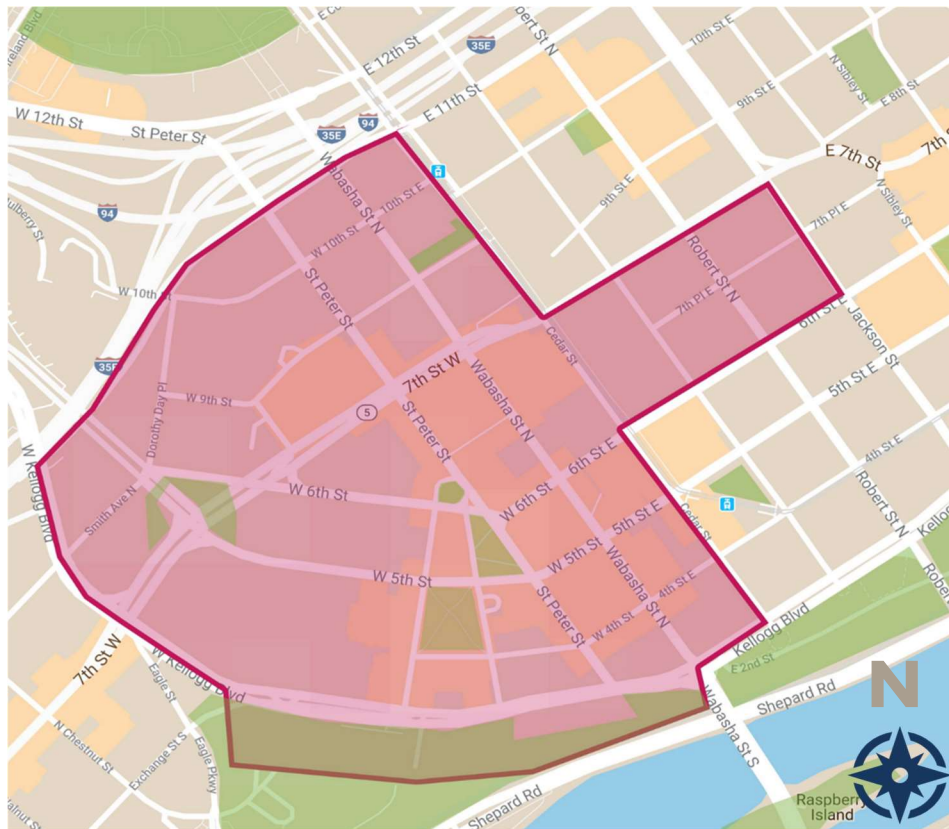
Saint Paul Special Service District Boundaries

The District consists of approximately 40 whole or partial blocks and approximately 131 non-exempt parcels. In general, the District is bounded by Cedar Street and Jackson Street on the east, 11th Street and 7th Street on the north, Kellogg Boulevard and Eagle Street/Parkway on the west, and Kellogg Boulevard and Shepard Road on the south.

The District includes all non-exempt parcels within the boundaries of:

- Cedar Street (west side only) from 11th Street to 7th Street.
- 7th Street (south side only) from Cedar Street to Jackson Street.
- Jackson Street (west side only) from 7th Street to 6th Street.
- 6th Street (north side only) from Jackson Street to Cedar Street.
- Cedar Street (west side only) from 6th Street to Kellogg Boulevard.
- Kellogg Boulevard (north side only from Cedar Street to Wabasha Street.
- Wabasha Street (west side only) from Kellogg Boulevard to Shepard Street.
- Shepard Street (north side only) from Wabasha Street to Eagle Street/Parkway.
- Eagle Street/Parkway (east side only) from Shepard Street to Kellogg Boulevard.
- Kellogg Boulevard (east side only) from Eagle Street/Parkway to 11th Street.
- 11th Street (south side only) from Kellogg Boulevard to Cedar Street.

The District boundaries are illustrated by the map below.



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 commerical parcels), seventy percent (70%) of remaining costs are allocated based on building square footage; thirty percent (30%) of costs are allocated based on linear front footage.

Total program budget		\$1,299,240				
Less City/County contribution	-26%	(\$338,721)				
Parcels subject to service charge	74%	\$960,519	Total Square Footage / Front Footage		Proposed Rates	
	70%	\$672,388	10,522,502	Total square feet	\$0.0639	Per square foot
	30%	\$288,131	21,171	Total front feet	\$13.91	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.

<u>Square footage</u>		<u>Linear front footage</u>	
50,000	square feet	350	linear feet
<u>\$0.0639</u>	<u>rate per square foot</u>	<u>\$13.61</u>	<u>rate per linear front foot</u>
\$3,195.00	Sub-total	\$4,763.50	Sub-total
\$7,958.50			
Total 2024 Service Charge			