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Commercial Corridors Analysis – Initial Findings

HRA meeting September 4, 2024



Commercial Corridors - 2025 Budget Priority

“From downtown to Selby Ave, from Payne Ave and District Del Sol to Little Africa and beyond, we support place-based investments in all the city's commercial and cultural corridors. As you know, a comprehensive approach backed by meaningful investment is essential for fostering vibrant, thriving corridors, as well as our downtown sector.

The Council welcomes the chance to collaborate with you on a shared city strategy to elevate these special corridors into even more vibrant districts and support broader economic growth and social equity goals. We are eager to support continued investments into our commercial corridors through city programs from STAR to business assistance.”

*Council President Mitra Jalali
Saint Paul City Council FY2025 Budget Priorities*



Landscape Analysis in progress

Budget priority for Mayor Carter as well

Empty store fronts and vacant lots

Aging, worn or overgrown infrastructure, light poles, trash cans, streets and boulevards, etc.

Partnerships with business associations and district councils, some with corridor wide STAR programs

Opportunities for state funding and programs

Efforts from PED, Public Works and Parks, CAO and other City departments

Restrictive zoning, sign ordinances, etc.

Crime, mental health issues, unsheltered homelessness



East Side/multiple corridors – initial observations

Challenges

- Vacant storefronts, multiple transit construction and road construction project, turnover of commercial property leading to displacement of small businesses

Opportunities/recent investments

- 2022 YR STAR grant \$15,000 for regranting to businesses on White Bear Ave between Stillwater and Larpenteur; 2022 NSTAR grant of \$49,000 for D2 Revitalization Program for facade and business improvements; 2023 NSTAR grant of \$44,500 for D2/Greater East Side Grant Program;
- East Side Commercial Real Estate Strategy (ESNDC, LEDC, NEOO, CLUES)
- East Side Funders Group – Providing Grants and Capital Investments in nonprofits and small businesses
- Rooted Philanthropic – Started a Real Estate Acquisition Fund, invested in LEDC to hire a commercial RE staff
- ESNDC – Has a Working Capital Loan Fund, Partnered with SPMFC to provide TA for Main Street Grants and TA to small businesses
- LEDC - provides loans and TA for small businesses
- Corridor is located within the MN Promise Act boundaries



North End/Rice Street – initial observations

Challenges - Empty store fronts, scheduled 2025 Rice Street reconstruction is a huge concern for businesses, no identified source for working capital assistance during this period.

Opportunities/recent investments

- Rice Larpenteur Alliance is leading a brownfield study in partnership with Stantech to identify development opportunities and
- \$75,000 from HRA for the past several years
- 2019 - NSTAR grant of \$123,000 for business grants for facade and other improvements
- 2019 - NSTAR grant of \$9,000 and \$91,000 to NENDC for North End Loan Program (re-lending program)
- 2020 - NSTAR grant of \$150,000 for Revitalize North End loan/grant program
- 2021 – NSTAR \$100,000 grant for North End Revitalization Program
- 2022 - NSTAR grant of \$150,000 for North End Economic Development re-granting program
- 2023 – NSTAR \$44,500 grant for North End Grant Program, regranting for small businesses
- 2023 – RLA - \$50,000 NSTAR grant for facade improvements



University Ave – initial observations

Challenges –Safety issues and crime on and around the Green Line, vacant store fronts, turnover of commercial property leading to displacement of small businesses

Opportunities/recent investments

- Little Africa - 2020 African Economic Development Solutions NSTAR grant of \$75,000 for re-lending to immigrant-led businesses
- 2023 NSTAR grant of \$185,000 grant AEDS Loan Fund
- 2023 NSTAR grant of \$210,000 to African Development Center for small business loans
- Little Africa Plaza project at 678 Snelling Ave N received a 2021 Yr-STAR grant of \$65,000, a 2022 NSTAR grant of \$200,000, and HRA Loan of \$1.833M
- United Village project is nearing construction of Phase 1 (hotel, office and restaurants)
- Corridor is located within the MN Promise Act boundaries



West Side/Robert Street – initial observations

Challenges – Vacant store fronts, underutilized land and a general lack of commercial activity on Robert St.

Opportunities/recent investments

- MnDOT is planning significant improvements to Robert St. between Annapolis St. and Fillmore Ave. Construction will likely occur in 2026-2028. The project will repair or replace the roadway pavement, replace sidewalks, improve safety, and will be coordinated with other infrastructure work planned along the corridor such as utility replacement and transit improvement.
- Public Works applied for a regional solicitation grant from the Met Council to do additional work alongside the Robert St reconstruction project. They will learn the outcome this fall.
- WSCO is organizing community engagement events this fall around activating the corridor
- Corridor is located within the MN Promise Act boundaries
- HRA owns a couple of lots along Robert
- Candidate for rezoning study related to G Line



Grand Avenue– initial observations

Challenges – Businesses hadn't been joining GABA due to long ago mismanagement of funds. Many vacant store fronts, street, sidewalks, boulevards and public infrastructure (traffic control signals, etc.) looking rough. Trash containers, benches. etc. worn or in bad condition. All of this plus a prohibitive sign ordinance are making it hard to attract tenants.

Opportunities/recent investments

- GABA has hired the Saint Paul area chamber to do a bit of a membership drive and some marketing. They have added many members and have been holding successful events.
- Parks worked with GABA to get flower baskets, and Public Works got some of the roughest looking traffic control signals repainted (which made a huge difference)
- East Grand Avenue Overlay study led to zoning changes more conducive to development
- GABA would like to join the Minnesota Main Streets program
- GABA would like to try a pilot of back in angled parking in a limited area



Possible HRA budget strategies for 2025

- Provide funding support for organizations currently working in the commercial corridors (don't reinvent the wheel)
- Continue direct loans to businesses through Business Assistance Fund (using carryover from 2024)
- Work with a consultant on a commercial corridor zoning study to determine any beneficial zoning code changes



Next Steps

- Continue landscape analysis, working with councilmembers, district councils and partner organizations
- Finalize commercial corridor budget recommendations for 2025
- Finalize recommendations for longer term, comprehensive strategy for the corridors and cultural destination areas



Questions and Comments