



2013

Annual Report



Department of Planning & Economic Development



Director's Message

CECILE BEDOR

If I had to choose one word to sum up 2013, it would be **transformation**. Areas of Saint Paul began to see properties and buildings transformed into new uses and staff continued to work in all areas of the city to encourage economic development and job growth.

On the Central Corridor alone, building permits for the year totaled over \$153 million. With the help of the Saint Paul Foundation and McKnight Foundation, we hired a Transit Oriented Development Manager position to be "on the street" to facilitate development specifically along the Green Line and other major transit corridors throughout the city.

Iconic former brewery sites in the city - Hamm's and Schmidt - are being brought back to life with new businesses and artist housing.

Two emerging industries, microbrewing and urban farming, continued to expand with entrepreneurs turning their passions into realities.

A task force appointment by Mayor Coleman worked to develop visions on four key redevelopment sites that are excellent opportunities to further enhance the landscape of downtown Saint Paul.

One of the biggest housing projects our department managed was the construction of The Penfield, a 254 unit market rate housing development in downtown Saint Paul. This development took years to come to fruition, but is now leading the way for upscale

housing for all generations to live downtown near employment, entertainment, and transit. It also attracted Lunds, a full service grocery store which will open in May 2014.

Demolition began at the Ford site, paving the way for the future development of a vibrant, urban, sustainable neighborhood connected to the Mississippi River.

These are just a few of the many projects that my dedicated Planning & Economic Development staff worked on over the past year. In 2014, we will continue to carry out our mission to ensure that Saint Paul is the "most livable city in America."

We greatly appreciate the high level of collaboration from our many community partners. We look forward to continued growth in 2014 and beyond.



MISSION

To actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, grow and sustain downtown and the city's diverse neighborhoods.

VISION

We are a driving force in ensuring that Saint Paul continues to be the most livable city in America, and a recognized leader in city planning, neighborhood revitalization, housing and economic development.

PED LEADERSHIP TEAM

Economic Development - Patty Lilledahl
Housing - Al Carlson
Planning - Donna Drummond
Administration & Finance - Bob Hammer

PED BY THE NUMBERS

68 full-time employees
2013 Operating Budget = \$8.6 million
2013 HRA Budget = \$64 million
Grants secured by PED: \$26.1 million

Tracking Saint Paul's Trends

In 2013, PED published the second and third editions of **Saint Paul Market Watch** which measures economic health and development activity in the city. Data is compiled from a number of resources including the U.S. Census, Minnesota Department of Employment and Economic Development and the City of Saint Paul.

The fall 2013 report showed that Saint Paul is seeing strong development and growth in jobs, wages and population. The data also showed that most economic measures were returning to pre-recession levels, with investment throughout the city in new construction activity and residential remodeling.

Building and development activity in the city remained strong. **Through mid-2013, 36 construction projects had a permitted value of more than \$1 million.** The total permit value of these projects exceeded \$173 million. Single family home additions continued at a steady pace with an average of \$2.25 million invested from mid-2012 to mid-2013.

The report highlights good news on the job front as well. In August 2013, Saint Paul residents held 141,442 jobs, a 2 percent growth with 2,822 more jobs than one year ago.

Additional highlights include:

Foreclosures declining. Saint Paul was expected to end 2013 with the fewest number of foreclosures since 2005. From 2012 to 2013, there was a 28 percent decrease in foreclosures.

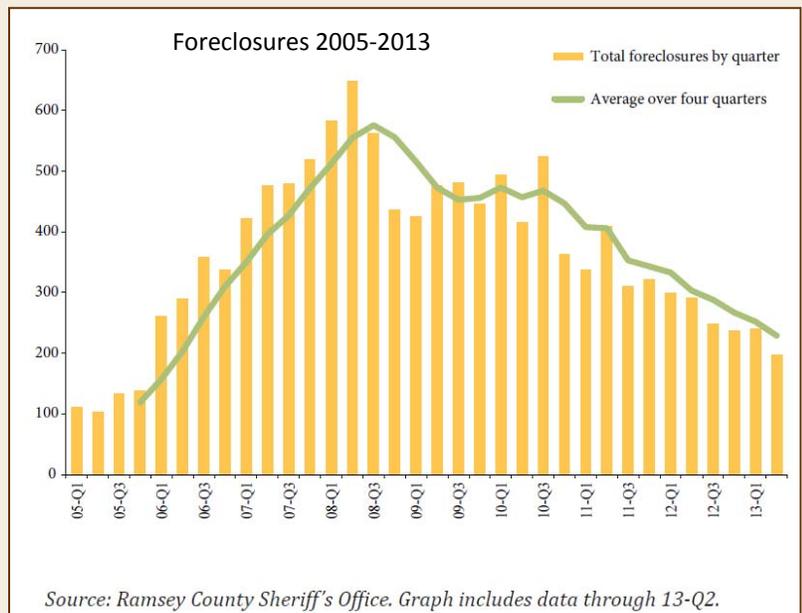
Commercial, mixed-use and institutional construction is strong. The largest projects were additions to the Ordway and Janet Wallace Fine Arts Center at Macalaster College. Those two projects alone had a permit value of more than \$47 million. A few of the city's hospitals (Children's, Regions and United) also invested during this time with projects totaling more than \$28 million.

Single family home remodeling was on an upward trend through mid-2013. There were 680 permits issued from third quarter 2012 through the second quarter of 2013.

Home sales are improving. For the first half of 2013, the average days on the market was down to 101, which is the lowest it has been since 2007. Median home sale price increased from 2012 to \$137,500.

Job sectors seeing growth. The Utilities sector of the job market saw an 18.3 percent growth from the first quarter of 2012 to the first quarter of 2013. Health Care and Social Assistance jobs grew by 1,276 during that time.

For complete copies of Saint Paul Market Watch visit: www.stpaul.gov/ped.



Economic Development

The Economic Development team facilitates programs and services designed to help businesses develop and succeed in Saint Paul. Activities include providing financial and technical assistance to commercial businesses, nonprofit organizations, developers, and neighborhood groups; assisting developers with redevelopment, rehabilitation and contamination cleanup of commercial properties; and stabilizing commercial areas and neighborhoods through economic development activities.

Business Assistance, Expansions & Retention

- PED's Business Resource Center and project staff helped 336 businesses and dozens of developers on business recruitment, relocation, retention, and expansion efforts to preserve and grow jobs in Saint Paul. This is a 60% increase over 2012. Services provided range from public financing tools to business licensing, permitting, and zoning assistance. Staff also makes referrals to local networks for technical help on financial issues, marketing and legal services, energy audits, workforce training, micro loan products and the city's MBE/WBE certification process.
- Issued over \$85 million in revenue bonds for three charter schools, Cretin Derham Hall, District Cooling, and District Heating.
- West Academic, a law school publishing company, moved their headquarters to the UBS Plaza in downtown Saint Paul. The company is occupying 23,000 square feet of office space that houses over 70 employees. West Academic was part of Thomson Reuters until being divested in February 2013.
- Brewing is booming! Four new microbrewery companies found locations in Saint Paul including Bang Brewing, Burning Brothers, Tin Whiskers and Urban Growler.
- Companies that renewed leases included Infor (650 jobs), Image Sensing (60 jobs), and Comcast (700 jobs). U.S. Bank signed a six-year extension to their lease. The company occupies 10 floors of the U.S. Bank Center in downtown Saint Paul.

New Saint Paul Businesses



Matsuura opened their U.S. headquarters in Saint Paul at the Port Authority's River Bend Business Center.



The Buttered Tin opened in Lowertown and quickly became a new hot spot for breakfast and lunch.



West Academic moved to Saint Paul from Eagan.

Revitalizing Hamm's

What do fish, leafy greens, beer and whiskey have in common? They're all products that are or will be produced by companies opening at the Hamm's Brewery site on the Eastside of Saint Paul.

The Saint Paul HRA acquired the 8.8 acre portion of the Hamm's brewery site on the south side of Minnehaha Avenue in 2003. The oldest buildings on the site date back to the mid-1800's and finding an appropriate reuse has taken time, patience, and creativity.

In 2013, three companies began renovations at their new homes at Hamm's.

Urban Organics, a new aquaponic farm, has set-up their operations in the Stock House building. When scouting locations, the thick concrete floors and potential to expand to all six floors of the building as the company adds to its product line proved to be the perfect fit. At peak production, Urban Organics is expected to produce 720,000 pounds of greens and 150,000 pounds of fish annually.

Flat Earth Brewing Company moved from their West 7th location to two buildings at Hamm's allowing them the capacity to double their craft beer production. The company will also open a tap room and has plans to create a beer garden using the ruins of one of the buildings on the site as a backdrop.

Saint Paul's first distillery, **11 Wells**, is renovating the former electric and pipe shop to craft their own spirits and open a tasting room.



The Stock House building will be owned by Urban Organics, an aquaponic farm growing leafy greens and raising fish.



Flat Earth moved their operations from West 7th Street to Hamm's.



Ruins of one building will become a beer garden for Flat Earth.

Saint Paul's first distillery, 11 Wells, will be opening at Hamm's.



PED Project Manager Dave Gontarek with Urban Organics Founder Dave Haider.

Housing

The Housing Team administers a variety of programs to help homebuyers and homeowners be successful, and assists nonprofit and private developers to create and preserve affordable housing throughout the city. Staff provides foreclosure counseling, participates in initiatives to end homelessness, and helps homeowners make improvements to their properties.

Housing Highlights

- **Homeowner Assistance** - provided over \$1.5 million in rehabilitation loans to 93 homeowners and counseled over 300 households facing foreclosure.
- **Housing Development** - assisted with the creation, financing or preservation of nearly 1,400 units of housing including: Bridgecreek, Episcopal Homes Midway Village expansion, Hamline Station, Pioneer Endicott, Rolling Hills, Saint Albans Park, Schmidt Artist Lofts, Sibley Court Apartments, Sibley Park Apartments, St. Phillips Gardens, and The Penfield.
- **Homeless Prevention** - More than 2,500 people received assistance through the Emergency Shelter Grant Program. Secured nearly \$460,000 in funding from the U.S. Department of Housing and Urban Development for the Emergency Solutions Grant Program. These funds were allocated to 18 agencies serving homeless residents. Staff provided support for the Mayor's Overnight Shelter Task Force and Dorothy Day Center ReVision initiative.



Fort Road Flats, a 44 unit supportive housing development, opened in 2013.

Housing & Job Training Initiative Kicks Off in Frogtown



Dirt flew on December 3, 2013 for a new housing and job training initiative to construct new, affordable homes in Saint Paul's Frogtown neighborhood. Mayor Chris Coleman and City Councilmember Dai Thao joined leaders from Goodwill/Easter Seals and Urban Homeworks to officially kick-off construction for two single-family homes that are being built by crews trained by Goodwill/Easter Seals' construction program.

The City of Saint Paul's Human Rights and Equal Economic Opportunity Department provided \$200,600 to expand the Goodwill/Easter Seals Minnesota construction training program.

The Saint Paul Housing and Redevelopment Authority (HRA) sold two vacant lots to Urban Homeworks that will market and sell the finished homes to income-qualified households. The Saint Paul HRA is also providing homebuyer assistance incentives of up to \$5,000 depending on household income.



Inspiring Communities + Partnerships = Success

In 2013, the Housing team worked diligently to continue the work of the Inspiring Communities Program, to create affordable and sustainable housing in neighborhoods that have experienced high rates of foreclosure and vacancy in Saint Paul. A key component of the program's success has been a partnership with the Capitol Region Watershed District (CRWD) to install rain gardens and other features at the properties to help mitigate effects of stormwater runoff. To date, 49 rain gardens have been installed and an additional 11 will be completed in summer 2014.

Each rain garden is designed to capture and infiltrate a minimum of 1/2 inch of runoff from impervious surfaces, and a minimum of one inch if there is enough green space on the property. Each development is preventing an estimated 1,500 cubic feet of stormwater runoff annually, with an estimated cumulative reduction of 90,000 cubic feet of stormwater per year.

CRWD has provided up to \$2,000 in rebates, free site plan design, and technical assistance for the implementation of stormwater best management practices at Inspiring Communities properties. In addition to the rain gardens, projects have also included swales, rain barrels, and other environmentally friendly landscape features. CRWD also provides technical expertise for landscape design, supports contractors during installation of these features, and ensures the projects meet standards for the homes to receive certification through Enterprise Green Communities. CRWD values this partnership because the organization is able to provide education about rain gardens and the environment in neighborhoods that have been challenging to serve in the past due to concentrations of abandoned or vacant property.

Other key partners in the Inspiring Communities Program are the city's Forestry Department and the Ramsey Conservation District. Forestry assesses the health of trees on project sites, offers recommendations regarding removal of invasive or unhealthy trees, and suggests preferred tree types to meet the program quota of one to two healthy trees per property. The Ramsey Conservation District has provided landscape designs for the implementation of the rain gardens.



Inspiring Communities Receives Award

The City of Saint Paul and CRWD partnership was recognized as the 2013 Program of the Year from the Minnesota Association of Watershed Districts.

For more information about the program visit:

www.stpaul.gov/inspiringcommunities.

The Penfield Opens in Downtown

The block of 10th Street between Robert and Minnesota Streets has made quite a transformation since July 2012 when ground was broken on **The Penfield**, a 254 unit mixed-use market rate housing development. The first residents moved into the building in late November 2013.

The site was previously occupied by the Saint Paul Public Safety Building that dated back to the 1930's. Part of the historic façade was retained in The Penfield to maintain the historical significance of the public buildings constructed during that era.

The building has studio, alcove, one-bedroom, two-bedroom, and three-bedroom units. All are equipped with stainless steel appliances, granite countertops, and an island in the kitchen. Property amenities include: an outdoor swimming pool, firepit, grills, large green roof patio area, sauna, fitness room, club room, dog wash, dog area on the roof, lobby with a drop-off canopy area, and a full service Lunds grocery store with a bank kiosk and other services (such as dry cleaning drop-off and pharmacy). The Penfield is also just one block from the Green Line.

A 30-foot wide public plaza that spans the entire block on 10th Street incorporates public art including: a rain garden, a historic interpretive display about the former Public Safety Building, Spirit of the Mississippi statue, cut granite benches, corten steel lighted benches, and a corten light wall.

For more information visit:
www.thepenfieldapts.com.



The Penfield was named **Best in Real Estate** for multifamily housing in 2013 by the Minneapolis-Saint Paul Business Journal.



Celebrating the ribbon cutting at The Penfield were Mike LaRue, Lunds Penfield General Manager, Councilmembers Amy Brendmoen, Dan Bostrom and Dave Thune, Mayor Chris Coleman, and Planning & Economic Development Staff Cecile Bedor, Marie Franchett and Al Carlson.



Rendering of green roof and amenities.

Planning

The Planning team serves as the primary staff to the Saint Paul Planning Commission and Heritage Preservation Commission, which advise the Mayor and City Council on historic preservation, planning, and zoning issues. Responsibilities include the citywide Comprehensive Plan, environmental review, neighborhood plans, zoning code amendments, zoning applications, and historic preservation. The Planning staff also work closely with the Housing and Economic Development teams, collaborating on the Green Line and other development projects citywide.

Major Initiatives

In 2013, Planning staff completed the following plans, studies, and zoning activities:

- **Alcohol Production Zoning Study** - included zoning code amendments that will make it easier for craft breweries and distilleries to open in commercial areas throughout the city.
- **Great River Passage Master Plan** - Key elements of the master plan were adopted into the City's Comprehensive Plan, which will guide future public and private investment in the 17 miles of the Mississippi River in Saint Paul.
- **Industrial Zoning Study** - Revised zoning code regulations for industrial development that will facilitate more efficient use of industrial lands with higher design standards, resulting in improved quality and appearance of industrial areas in the city.
- **Urban Agriculture Zoning Study** - Zoning code changes were adopted that will make it easier to grow and market fresh and healthy locally grown food.
- Additional plans and studies included the Highland Village Special Sign District Plan, West Grand Zoning Study, Auto Body Text Amendments, District 9 Area Plan Amendments, West Side Community Plan, Ford Site Zoning Framework Study, Central Corridor Green Infrastructure Plan, Central Corridor Public Art Plan.
- **Zoning application reviews** included: 21 conditional use permits, 10 non-conforming use permits, 10 property rezonings, five determinations of similar use, and three site plan reviews.

Building a Better Block

As part of the Street Design Manual process, a Better Block event was held in Dayton's Bluff to test bike lanes and traffic patterns when community events and gathering places are incorporated into the streetscape.



Planning Projects Underway

- **Streetcar Feasibility Study** - Major progress was made in 2013 on this comprehensive study that determined a set of citywide streetcar corridors that would improve local circulation, support economic development, and complement existing and planned transportation systems in the city. The study identified a long-term streetcar system and starter line on West & East 7th Street. The study will be reviewed by the City Council in 2014. For more information visit www.stpaul.gov/streetcars.



- Work continued on the **Street Design Manual**, which will be a valuable tool in implementing Complete Streets policies and designing balanced streets. Five street design workshops were held, as well as a Better Block event that showcased multimodal infrastructure. The manual will be adopted in 2014. For more information visit: www.stpaul.gov/completestreets.
- Major progress was made on the **West Side Flats Master Plan**, **Shepard Davern Area Plan**, and **West Midway Industrial Plan**.

Heritage Preservation

- Staff completed **39 design reviews** and **328 administrative reviews**. Major design review projects included the Schmidt Brewery, Chittenden and Eastman, Rayette Building, and Pioneer Endicott.
- **Sec. 106 & Programmatic Agreements** - All mitigation for the loss of the Public Safety Building which is now The Penfield, was completed.
- Completed **Island Station Designation Study** and recommended designation to the City Council.
- Reviewed and commented on the **Indian Mounds Park Mounds**, **Euclid Flats**, **Union Depot train deck** and the **MN Milk Company Building** for listing on the National Register of Historic Places.

Ford Site Demolition

Demolition of buildings at Ford's former Twin Cities Assembly Plant in the Highland Park neighborhood began in June 2013. As part of the decommissioning process, the buildings were demolished to set the stage for a future master developer to transform the property into a new urban area.

The 150 acre site offers an unprecedented opportunity for the city and region to become a model for sustainable and urban design that integrates jobs, housing, commerce and green space.

Ford preserved elements of the former assembly building to be reused in the future development that honors the legacy that the company played in Saint Paul for nearly 90 years. Pieces saved included medallions and light fixtures, red clay roof tile, a frieze, and fluted columns.

For more information visit www.stpaul.gov/ford.



Demolition beginning.



Preservation of assembly building elements.

Green Line

Light rail is getting ready to roll in Saint Paul on the Green Line, an 11 mile corridor spanning from Union Depot to Target Field in Minneapolis.

Development continues to boom along the line with construction of an expansion to Episcopal Homes' Midway Village campus and headquarters for Habitat for Humanity breaking ground. Last year, the value of building permits along the line totaled over \$153 million.

Planning & Economic Development continued its work with businesses through the Ready for Rail Forgivable Loan Program. The program received a community development award in 2013 for exemplifying a collaborative and innovative approach to fulfilling a community vision. Nearly all of the \$4 million made available through the program has been allocated to help business owners during construction of the Green Line.

Investigation work on 22 properties through the Brownfield Assessment Program and 20 parking improvement projects was also completed.



The Green Line will begin operations in June 2014.



In August 2013, Mayor Chris Coleman, City Councilmember Dave Thune, Ramsey County Commissioners Rafael Ortega and Jim McDonough, Metropolitan Councilmembers Rich Kramer and Jon Commers, and Advocating Change Together Co-Director Rick Cardenas commemorated the construction of a vertical connection that will provide access from the Green Line's Central Station and downtown transit hub stations to the downtown skyway system.



Rendering of the Vertical Connection at night.



Gary Leavitt was hired as Transit Oriented Development Manager to facilitate development along the Green Line.



Episcopal Homes Midway Village Expansion



Schmidt Brewery



Inspiring Communities Home



The Penfield



Vertical Connection Rendering



Mayor Christopher B. Coleman

Councilmembers

Ward 1 - Dai Thao

Ward 2 - Dave Thune

Ward 3 - Chris Tolbert

Ward 4 - Russ Stark

Ward 5 - Amy Brendmoen, HRA Board Chair

Ward 6 - Dan Bostrom

Ward 7 - Kathy Lantry, Council President

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