



## Mayor Melvin Carter's 2026 Budget Address Thursday, September 4, 2025

Good morning.

Thank you, Council President Noecker, for your introduction. I'm proud to call you my colleague and my friend.

Our nation faces deep division that threatens the progress our communities urgently need. Now more than ever, we must rise above what separates us and focus on building a city that delivers for everyone. Let's lead with clarity, act with purpose, and show what's possible when we stand together against the forces working to pull us apart.

I have the great honor of serving as Mayor of the City of Saint Paul—the community that raised me and now raises my children. I approach the role of mayor with humility, knowing no one person has all the answers. Our success depends on building a team that works together, learns from one another, and serves our entire city with unity and purpose.

To the love of my life, First Lady Dr. Sakeena Futrell Carter; to our children, my parents, and my family members here today—you are so that I may be. You are the resting place and the foundation of every single thing I've achieved, and you are the inspiration behind my reason for serving this incredible community. Thank you for being my constant. [APPLAUSE]

We gather today at United Village because this place represents how we build forward: a year-round neighborhood with housing, retail, restaurants, and inclusive public spaces—an economic engine and cultural hub that reconnects our corridor. Thank you, Dr. McGuire and the Allianz Field team, for welcoming Saint Paul into this space and ensuring this redevelopment will be done right.

United Village represents our commitment to renewal, sustainability, and community-centered growth. What was once a contaminated bus barn and a deteriorating shopping center is becoming a vibrant, mixed-use neighborhood anchored by Allianz Field.

This project is more than construction—it's reclamation. By cleaning up decades of environmental damage, we've transformed a burden into an asset for the whole city, paving the way for healthier neighborhoods and a stronger future.

United Village sets a new standard for sustainable urban development. From stormwater systems that reuse rainwater, to new parks, playgrounds, and inclusive public spaces, to iconic public art, this is a model of what modern city-building can be.

And it's not just about buildings—it's about people. United Village will be a year-round destination: an economic engine with hundreds of millions in investment, jobs, shops, restaurants, and a hotel. It's a cultural hub and gathering place, designed for walking, biking, and connecting communities across the Midway.

This is the future of Saint Paul—sustainable, vibrant, and inclusive. United Village is not just a new neighborhood; it's a blueprint for how we grow forward, together.

Budgets are where our values meet reality.

We began this year facing a \$23 million deficit and unjust federal funding threats. And yet, together, we've built a balanced plan—without layoffs—that puts residents first.

Our 2026 budget totals approximately \$887 million, with a General Fund of \$404.9 million. It proposes a 5.3% increase toward a \$232.5 million property tax levy—about \$107 a year, or \$9 a month, on a median-value home.

We've lived through three converging pressures:

Rising costs from inflation, labor contracts, and materials.

Declining revenues, from uncertain federal support to falling downtown values.

A historic inflection point—we cannot repeat the mistakes of past leaders who kicked the can down the road.

So we are doing the opposite. This budget reduces spending across departments, strategically leverages vacancies, and avoids layoffs—while still finding ways to ease the cost of living for our residents. One example is a new cart-sharing option for 2–4 unit buildings that will lower garbage bills for households who generate less waste.

This is how we balance the books while keeping our city moving forward.

Public safety is our number one job. It is the foundation for every ambition we hold as a city.

From the very beginning, we advanced a Community-First Public Safety framework—because we’ve always known police officers, firefighters, and first responders cannot keep our neighborhoods safe alone. But when homicides spiked nationwide two years ago, we doubled down with urgency.

We said then that we would make Saint Paul the best place to find opportunity and a second chance—and the worst place to fire a gun. And we are making good on that promise.

Homicides are on pace for a ten-year low.

- Shots fired are down 29%
- Aggravated assaults are down 30%
- Our Non-Fatal Shooting Unit has tripled its clearance rate—from just over 20% to more than 70%
- Project PEACE’s wraparound services have reduced non-fatal shootings to just 39 as of July 2025

Our officers’ spirit shows whether they’re rushing in to stop an active shooter or grilling hot dogs with kids at a rec center—serving with distinction alongside partners who help make sure they never have to do it alone.

Even as violent crime has fallen, a new crisis has escalated: fentanyl and the opioid epidemic.

It is the greatest drug crisis of our lifetimes, fueling unsustainable quality-of-life challenges downtown and in our neighborhood corridors. Overdoses now outnumber car crashes. Families are being torn apart. And our public spaces bear the strain.

Just as we changed the conditions that once made Saint Paul a place to fire a gun, we must now apply that same Community-First Public Safety framework to the fentanyl crisis.

That means going all in together to make Saint Paul a great place to get clean, recover, and rebuild—and the wrong place to sell opioids.

This budget invests \$1 million in a citywide opioid response intervention: expanding harm reduction, eliminating stigma, increasing access to treatment, and equipping our first responders. It also strengthens our HART and Familiar Faces teams, who meet unsheltered neighbors where they are—responding with humanity while restoring dignity and stability to our corridors.

This is the necessary next evolution of our public safety work—building on our progress against gun violence while facing today’s crisis with the same urgency and discipline.

Every dollar in this budget carries that same commitment—to safety, opportunity, and dignity for every person in our city.

Downtown is the economic and cultural center of our city. We rely on it for jobs, for cultural events and attractions, and for the contributions that sustain our citywide tax base.

The pandemic disrupted every downtown across the globe. But it also unearthed realities in ours that show us one thing: we can't simply return to what was. Our future depends on moving forward.

Only in the last 20 years did we begin to think of our downtown not just as a commercial district, but as a neighborhood. That shift in thinking must continue—and we must push it further. One of our biggest opportunities downtown is housing. And our greatest opportunity to add housing is downtown. These two goals work hand in hand.

That's why we worked with our City Council earlier this year to amend our rent stabilization ordinance to exclude new construction. That change is critical to adding the housing we need across the city. And it's already working: buildings are selling, Highland Bridge is moving again, and momentum is building.

And that momentum is clear. We've seen more major investment activity downtown in the last two years than in the last two decades—purchases, projects in motion, and new commitments that signal real progress:

The Landmark Tower conversion delivered 175 new apartments, and The Stella (former Ecolab HQ) will add 178 more early next year.

Pedro Park opens today—20 years in the making.

Our arena begins a new chapter as Grand Casino Arena, in partnership with the Wild and the Mille Lacs Band of Ojibwe.

Over \$1 billion in projects are in the pipeline, including Robert Street reconstruction.

Downtown crime is falling—robberies down 33%, thefts down 18%, burglaries down 15%, weapons violations down 13%—thanks to the Downtown Improvement District, ambassadors, cameras, and patrols.

There are incredible signs of life and investment all across downtown. A new park. Repaved streets. New transit. Public and private projects bringing buildings back to life, businesses opening their doors, and events filling our streets. From the Yacht Club Music Festival to the World Juniors Hockey Championships, the proof points are clear: our downtown is on the way up.

And we are just getting started. Downtown is home to some of the biggest development opportunities in our city’s history—at Central Station, along the River’s Edge, and through the full renovation of the Grand Casino Arena. Capitalizing on these projects will reshape our skyline, reconnect us to the river, and drive investment and activity for generations to come.

Our next task is to carry this momentum forward—building more housing, attracting more businesses, and creating a downtown where people don’t just come to work, but choose to live, gather, and belong.

This budget invests \$10 million in housing, starting downtown: \$5 million for office-to-housing conversions and \$1 million through the Commercial Corridors Fund to support local businesses.

Our bold goal: 20,000 new residents downtown. Because downtown is not just a job center. It’s a neighborhood.

Housing is not a want, it’s a need. It is a basic human right and core infrastructure—just as essential as streets, sewers, or schools. Housing underpins everything else: our economy, our safety, our health, and our climate goals.

That’s why we’ve made housing a citywide priority. And that’s why this budget backs our values with action.

We are using every tool we have—our policies, our processes, and our purse—to help create more homes in Saint Paul. Whether you want to convert an empty downtown office tower, renovate an older building, or add an accessory dwelling unit in your backyard, we want to help and we welcome your investment.

This budget meets the moment with a comprehensive housing package that:

Funds subsidies to convert vacant offices into new housing downtown, tackling the opportunity created by shifting work patterns since the pandemic.

Provides pre-approved building plans for accessory dwelling units (ADUs) and helps cover the cost of extending utilities to those new units, making it easier and more affordable for families to add housing in their own backyards.

Accelerates the launch of PAULIE, our new permitting and licensing platform, with a \$600,000 investment. For the first time, residents and businesses will be able to apply for permits, check status, make payments, and even complete some inspections virtually. This makes the building process easier, faster, and more cost-efficient—and will be critical to welcoming new housing and economic development downtown and across the city.

Together, these investments connect the big picture with the small—fueling growth whether you’re building a tower or adding a backyard home.

One year ago, we adopted our All-In Housing Framework—a comprehensive strategy to expand affordable housing, protect tenants, and modernize production.

We’ve made smart updates to rent stabilization that reignited stalled projects, brought clarity for developers, and ensured ongoing affordability for renters.

We passed long-overdue tenant protections including fair screening, limits on security deposits, just-cause eviction standards, and guardrails on rent increases.

We’ve sustained and expanded direct investments in family stability:

Downpayment Assistance expanded to \$2 million annually.

Inheritance Fund sustained at \$1 million and expanded to include descendants of the West Side Flats.

Emergency Rental Assistance sustained at \$1 million annually.

Shifting work patterns since the pandemic have left one-third of downtown office space vacant. That emptiness represents one of our greatest opportunities: to turn old offices into new housing.

Because at the same time, downtown housing is already at 90% capacity. There simply aren’t enough units for everyone who wants to stay.

That’s why we’ve set a bold goal: 20,000 more residents downtown.

We’ve already seen what’s possible:

Landmark Tower reopened in April with 175 modern apartments—the first office-to-housing conversion since the pandemic.

In early 2026, the former Ecolab headquarters will reopen as The Stella, adding 178 more units.

With our partners at the Saint Paul Downtown Alliance, we’ve identified 10 more buildings ready for conversion, unlocking nearly 4,000 new units. Even our City Hall Annex is being studied as a conversion site.

We know policy only works when matched by community leadership and collective action.

Last September, we welcomed the Jimmy and Rosalynn Carter Work Project at The Heights, where 147 homes were built with Habitat for Humanity—the largest build in Twin Cities history.

And The Heights itself—adding 1,000 affordable homes—is not just about expanding supply. It’s about building climate-resilient, opportunity-rich neighborhoods that set the standard for our future.

The city we have now is the city we will carry into the future.

Six weeks ago, we faced a defining test—one that proved the power of early investment and having the right people at the right time.

A coordinated and sophisticated criminal threat actor launched a cyberattack against our digital infrastructure.

In response, the City of Saint Paul activated a strong, strategic defense—mobilizing experts, protecting critical systems, and accelerating recovery through trusted partnerships and decisive action.

From the first hours on July 25, we focused on two priorities:

Ensuring uninterrupted delivery of core services like 911 response and payroll; and

Directly responding to the attack on our systems.

Last week, we shared our response with the Legislative Committee on Cybersecurity, highlighting Operation Secure Saint Paul—a four-day reset of every single employee password and credential.

Our staff accomplished in days what most organizations need months to complete.

Seemingly overnight, Roy Wilkins Auditorium became a secure IT operations hub. Every laptop was re-credentialed, every system upgraded, every employee verified.

City employees designed the process, built network connections from scratch, and created technology platforms that safely checked in staff, confirmed identities, and issued temporary access.

At peak times, 180 employees per hour moved through the system, guided by more than 70 colleagues across intake, troubleshooting, and security stations.

And they did it all under extraordinary conditions.

It was an incredible lift, powered by the heroic efforts of our city staff. Partners like the Minnesota National Guard Cyber Protection Team, federal agencies, and local resources

added capacity—but Team Saint Paul carried the weight and delivered peace of mind for our colleagues and the residents we serve.

And let me brag on one fact: the Cyber Protection Team itself exists today in large part because of Major General Stefani Horvath, now our Chief Information Security Officer, whose leadership helped write the playbook for its creation.

The scale, speed, and professionalism of Operation Secure Saint Paul showed just how critical this effort was in restoring services—and how deeply committed we remain to protecting our employees and residents.

This budget invests \$1 million to finish the job—restoring systems with stronger safeguards, expanding proactive cybersecurity defenses, and doubling down on secure, transparent service delivery.

We are well on our way to full recovery and will share a full after-action analysis once forensic investigations conclude.

In crisis, we adapted, we learned, and we came back stronger. This budget turns that resilience into momentum.

I propose investing \$489,000 to:

- Launch a new employee service portal to streamline support and keep business moving;
- Automate digital requests to increase efficiency and reduce delays; and
- Complete the secure restoration of our systems while accelerating modernization

Last week’s horrific mass shooting at Annunciation Catholic School in Minneapolis injured 18 students and three school employees, and stole the lives of 8-year-old Fletcher Merkel and 10-year-old Harper Moyski.

Please join me in a moment of silence for Fletcher, Harper, their families, friends, neighbors, and community.

Thank you.

But we owe Fletcher and Harper, and everyone impacted by this trauma, the opposite of silence. This must be our last moment of silence on their behalf. From now on, let’s get loud — loud enough that no parent, no teacher, no child ever faces that terror again.

We have called on Congress to act. They haven’t. We have called on the state legislature to act — or at the very least to lift preemption so cities could act. They haven’t.



The point is that everyone must do something. And that includes us. We can't afford to sit and wait and hope and pray until the day the legislature or Congress finally decides to change this. We must all do something — and that includes us.

That's why, working hand in hand with our City Council, we are moving forward together on four common-sense protections:

Ban public possession of assault weapons.

Ban binary triggers.

Ban guns in recreation centers and libraries.

Require every firearm to have a serial number.

These protections have two things in common: they are supported by the vast majority of Minnesotans, and they are banned as unenforceable by state law. Together, we will have Saint Paul's ordinance ready to take effect the moment preemption is lifted.

And we won't stop there. We will continue engaging with other cities across Minnesota, so that if our federal government and our state government are not yet ready to take the action we need, our cities will step forward to force the statewide conversation we have to have about finally taking decisive action to prevent gun violence.

As I present this budget, I do so with gratitude—for how far we've come as a community, and for the opportunity to keep building a city that works for all of us.

This is a budget that reflects who we are: A city that shows up.

A city that looks out for one another.

A city that believes in the promise of every neighbor, every family, every child.

And it is a budget that looks ahead—not just to today, but to every tomorrow.

Everything we do in Saint Paul must be done together.

Our District Councils have not received a meaningful investment since the days I myself served as an organizer for one of them, inspired by the start of my mother's 22 years of public service when she was first elected to the Saint Paul School Board in 2001.

To the many members of our District Councils here with us today, we see you, we value you, and you are vital to our shared prosperity.

That's why I have proposed \$200,000 to strengthen District Councils, supporting their critical work in tandem with City Hall helping shape budgets, policies, hiring processes, and opportunity with community voice at the table.

It is the lived reality of a city that has always thrived when we've leaned on one another and lifted one another up.

It comes from our city staff, who wake up every day to serve the people of Saint Paul.

It comes from our councilmembers, past and present, who have challenged me, worked with me, and helped shape bold ideas into tangible progress.

It comes from our community leaders, organization partners, small business owners, educators, faith leaders, and neighbors—who remind me daily that Saint Paul's true strength doesn't come from City Hall: It comes from you.

It comes from the children of this city, who remind us that everything we do is in service to their future.

Together, we have weathered crises that tested us: a global pandemic, economic challenges, reckonings on justice, and most recently, a cyberattack on our city systems.

When Saint Paul is tested, we don't retreat—we rise.

This budget carries that truth across every neighborhood.

It invests in modern infrastructure, safe roads, and climate-conscious systems.

It strengthens public safety rooted in trust.

It builds on the lessons of our challenges and ensures our city is future focused.

It affirms that libraries and rec centers and parks are not extras—they are cornerstones of community.

Most importantly, it reflects a promise: that everyone has a seat at the table, and that equity guides all we do.

Together, we are building a secure, safe, and vibrant Saint Paul—not just for today, but for every tomorrow.

We're taking ownership of our future—with our own processes, policies, AND purse.

Thank you.

###