

Commercial Vitality Zone – 2015 Funding Recommendations

The Commercial Vitality Zone program invests in Saint Paul neighborhood commercial districts to promote city-wide vitality, growth and equity. It is funded by a \$750,000 annual sales tax revenue fund, created by a ½-cent local sales tax that State law mandates be used to further residential, cultural, commercial and economic development. This annual fund was proposed in 2014; the first year of implementation is 2015.

Purpose of Commercial Vitality Zone (CVZ) Program

The CVZ program is a nimble, flexible approach to investments in a neighborhood commercial corridor district. Identified areas have assets with potential, organizations with capacity, and/or community-developed plans in place. This long-range commercial investment strategy will attract and retain businesses and customers, create quality job opportunities, grow and expand business success, expand the tax base, advance sustainable development, and ultimately strengthen our neighborhoods and communities. CVZs vary in size and scale, but they are typically part of a larger network – linking other zones in the urban fabric.

Investment Strategy

The commercial vitality investment strategy implements catalytic projects in up to two CVZs a year based on criteria for project implementation. It also may fund one or more pre-development planning processes in order to develop an on-going pipeline of strategic projects.

Criteria for Choosing Implementation Zones

1. Projects are catalytic. They:
 - a. leverage other investments; and
 - b. build off existing plans, have neighborhood support, and engage capable partners.
2. Projects promote equity. They are targeted toward Racially Concentrated Areas of Poverty, as defined by the Metropolitan Council.
3. Projects have the potential to maximize the expected outcomes of the program, including:
 - a. vitality – projects will strengthen commercial areas and make them more vibrant
 - b. growth – projects will grow the tax base
4. There are identified feasible and visible projects.

Funding Plan

The CVZ program utilizes \$750,000 of sales tax revenue each year – ideally devoting at least \$700,000 for implementation and up to \$50,000 for pre-development planning. A pipeline of zones is established based on the criteria noted above (vitality, growth and equity). In addition, City Council members identify areas in their wards that meet the criteria, based on conversations and input from primary stakeholders. Then, a staff team assesses the pipeline of implementation and pre-development projects to make recommendations to the Mayor and City Council each year.

Implementation	Pre-development Planning
<ul style="list-style-type: none"> • 1-2 projects per year • Potential investments include: <ul style="list-style-type: none"> ○ investment in key City- or HRA-owned properties ○ “gateway” projects that serve to amplify the identity of a commercial district and are inviting ○ commercial parking projects ○ scattered light industrial projects on small sites ○ low-cost temporary community markets ○ street and public space infrastructure improvements 	<ul style="list-style-type: none"> • 1+ pre-development plans per year • engage businesses, residents, and other CVZ stakeholders in a process to develop ideas for implementation projects • desired outcome: An understanding of what investments will be catalytic in increasing the commercial vitality of the area

Recommended Zones for Implementation in 2015:

Staff focused on seven zones from the pipeline for possible 2015 investment. Project proposals were prepared by City staff, with descriptions of each slate of potential projects within a zone discussed in several meetings. A staff team reviewed the proposals for recommendation to the Mayor and City Council, using the criteria outlined above.

Three zones were selected for implementation based on how catalytic and feasible the projects were, where equity can be promoted by targeting Racially Concentrated Areas of Poverty, and on how investments address vitality and growth.

Payne Avenue – East 7 th Street to Minnehaha Avenue	\$337,500
Phalen Village – 1365-1371 Phalen Boulevard & 1150-1186 Prosperity Avenue	\$337,500
North Snelling Avenue	\$ 75,000
TOTAL	\$750,000

These projects are described in detail below.

Recommended Zones for 2016 Funding:

The zones identified below were also determined to have great potential to address outlined criteria, and are recommended to receive funding for the 2016 program year.

East 7 th Street and Arcade Street	Implementation	\$350,000
Como-Front-Dale Intersection	Implementation	\$350,000
Rice Street – University Avenue W to W Pennsylvania Avenue	Pre-development planning*	\$ 50,000
TOTAL		\$750,000

*Pre-development planning would help determine area readiness for potential CVZ implementation funding. Elements determining CVZ designation for implementation funding may include partner investments, neighborhood support, community betterment and strategic leverage.

Lower Payne Avenue – 2015 Implementation

Background

Lower Payne Avenue, between East 7th Street and Minnehaha Avenue, is on the border of Wards 5 and 7, closely bordering Wards 2 and 6, and is in District 5 (Payne-Phalen), where it closely borders District 4 (Dayton's Bluff). This section of Payne contains a mix of commercial and residential uses, and serves as a gateway into the Payne-Phalen neighborhood, the thriving "Upper Payne" Avenue and the Hamm's Brewery redevelopment.

CVZ funding could implement strategies to improve walkability, improve connections to Swede Hollow Park, assist current businesses in opportunities for growth, address future development, and improve overall quality of life.

Equity

Lower Payne Ave is located within a Racially Concentrated Area of Poverty.¹

District 5 (Payne-Phalen) has a total population of 30,343, with 64.3% people of color and 31.3% of people living with income below poverty.²

Potential Outcomes

Vitality

Funding from multiple stakeholders including Ramsey County, MnDOT and 8-80 Vitality Funding have continued to increase traffic to the businesses along the street. Additional improvements and enhanced amenities will enhance the vibrancy of the surrounding area.

Growth

Several businesses have flourished and continue to attract greater number of customers. The recommendations for Payne Avenue will improve walkability, build connections to Swede Hollow Park and improve overall quality of life.

Potential Use of Funds

Several potential projects exist in this zone, many of which were identified in a design process led by the Saint Paul Design Center [*Concept Plan from Payne Avenue Street Improvements Summary Report, Saint Paul Design Center (2014)*]. Project concepts that could be studied further for prioritization and design development include:

- Improve visual access and access to Swede Hollow
- Improve and repurpose existing sites
- Increase surface parking
- Enhance green space

¹ Metropolitan Council, "Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region," Section 5

² Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods



Illustration 1. Lower Payne from East 7th Street to Minnehaha Avenue

Phalen Village – 2015 Implementation

Background

The City of Saint Paul has been involved in the Phalen Village Project since it developed its first plan to revitalize the entire area more than 20 years ago. The project creates a new physical and social center for the Phalen Village community, in the area of 1365-1371 Phalen Boulevard and 1150-1186 Prosperity Avenue, through coordinated public infrastructure improvements that catalyzes private investment.

The project consists of three phases that will: 1) re-establish the street grid, and construct a “woonerf” (a fully-functioning street that gives preference to non-motorized-vehicle modes) that will run east-west through the site on Rose Avenue between Cub Foods and the Bureau of Criminal Apprehension; 2) relocate utilities; and 3) add affordable townhomes and apartments, a new mixed-use building, and commercial/retail/office space. The project will receive \$337,500 in CVZ funding for these activities.

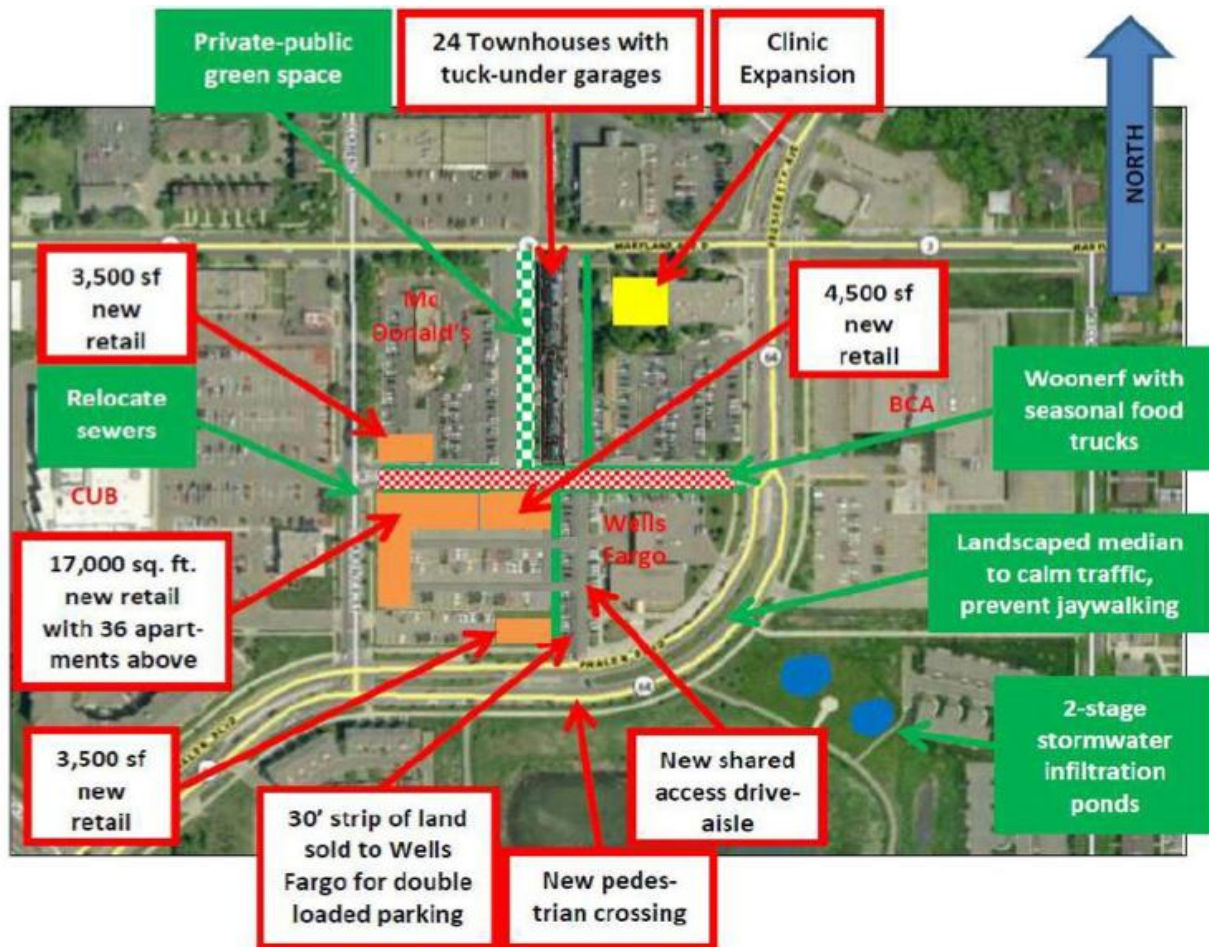


Illustration 2. Phalen Village Project

Phalen Village is a highly visible and feasible project, with a development team in place already working on pre-development activities. The project builds on millions of dollars that have been invested in the area over the last 20 years, leverages over \$20 million in new private money, and enhances the potential of other commercial development in the neighborhood.

Equity

Phalen Village is located within a Racially Concentrated Area of Poverty.³

District 2 (Greater East Side) has a total population of 28,108, with 58.9% people of color and 25.9% of people living with income below poverty.⁴

50 full-time equivalent (FTE) jobs are projected with an average wage of \$15.

Potential Outcomes

Vitality

Providing innovative public infrastructure for the Phalen Village site, such as the woonerf, will enhance the vibrancy of the surrounding commercial and residential area. The development will increase activity in the area, leading to additional investment in existing nearby commercial sites.

Growth

Existing tax base is \$1,316,600. The projected tax base is \$8,004,000.

Potential use of funds

- Develop woonerf on Rose Avenue.
- Develop stormwater settling ponds.
- Remove pavement from Prosperity.

³ Metropolitan Council, "Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region," Section 5

⁴ Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods

North Snelling Avenue – 2015 Implementation

Background

Snelling Avenue north of University Avenue lies in Ward 4, District 11 (Hamline-Midway). It has a mix of uses with walkable commercial storefront corridors, anchored by Hamline University to the north, and Midway and Spruce Tree Centers to the south. The Hamline-Midway Community Plan outlines a vision for “aesthetically appealing mixed-use development [and] transit-oriented corridors with commercial vitality” that “respect neighborhood history and character.”

In June of 2014, the Green Line LRT began operations with a station at Snelling Avenue. This station has the fourth highest rate of boardings along the system, according to Metro Transit figures. In 2015, MnDOT is undertaking a reconstruction of Snelling Avenue from Pierce Butler Route to Selby Avenue, which includes updating pedestrian crossings to ADA standards, constructing the Metro Transit arterial bus rapid transit platforms for the Metro Transit A Line, planting trees, and adding landscaped medians and decorative street lighting.



Illustration 3. Rendering of street improvements along N. Snelling at Hewitt Avenue looking south (Source: [MnDOT](#))

The City, in an effort to improve the pedestrian realm throughout this corridor, will be reconstructing all sidewalks not already being rebuilt as part of the MnDOT project, as well as all “hard-scape” boulevards, providing improved tree growing environments, widening the boulevards north of University to accommodate pedestrian scale lantern lighting, and constructing landscaped medians at three locations

to improve the overall visual environment. This CVZ project will assist in paying for above-standard street lighting to go along with MnDOT’s Snelling Avenue reconstruction project.

Existing Investments along N. Snelling Avenue	
Amount	Source
\$12,909,000	Snelling Avenue Street Project (2015)
\$11,880,000	MnDOT Share of construction
\$504,000	City of St. Paul contribution (MSA)
\$525,000	City of St. Paul contribution (8-80 Vitality Fund)
\$1,249,000	Ornamental Street Lighting (2015)
\$1,099,000	Assessments to Property Owners
\$75,000	Year-Round STAR (proposed)
\$75,000	Commercial Vitality Zone (proposed)
\$50,000	Neighborhood STAR – AEDS Façade Improvement program (2014)

Equity

There is a concentration of African immigrant-owned buildings and businesses along North Snelling Avenue between University and Minnehaha Avenues. African Economic Development Solutions (AEDS), a local non-profit organization that works with African immigrants in building wealth within its communities, have branded this commercial node as one of their “Little Africa” areas in the region. This branding aims to leverage the rich and diverse business, arts and cultural assets of Minnesota’s growing African immigrant populations to build sustainable wealth within these communities.

The area north of University Avenue lies in District 11 (Hamline Midway), which has a total population of 12,060, with 28.2% people of color and 19.4% of people living with income below poverty.⁵

South of University Avenue is in District 13 (Union Park), which has a total population of 17,427, with 20.3% people of color and 18.4% of people living with income below poverty.⁶

Potential Outcomes

Vitality

Improved streetscape amenities will improve the vitality of the surrounding commercial district by providing a more welcoming and walkable environment.

Growth

With increased vitality, the value of the property in the surrounding community will increase over time.

Use of Funds

Help pay for above-standard street lighting installation in conjunction with Snelling Avenue reconstruction.

⁵ Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods

⁶ Ibid.

2016 Funding Recommendations

East 7th Street and Arcade Street – Implementation

In 2012, the Near East Side Road Map Study was completed with intentional focus on the East 7th Street commercial corridor, along with adjacent commercial-industrial property along Minnehaha Avenue (Middle Section south), and the commercial node near Atlantic Street and Johnson Parkway. The Road Map is an action/implementation strategy that assesses and recommends – at the scale of a city block – key property and streetscape improvement strategies in support of a vibrant commercial district. It also identifies and recommends capacity- and community-building efforts.

Investments in or near this zone that have occurred or are in process, include:

- Hospital Linen Housing Site – now called Cambric
- Mississippi Market Co-Op
- The Dancing Goat Coffee Shop at 699 East 7th Street
- Hamm’s Brewery Redevelopment
- Cerenity Site Redevelopment at 753 East 7th Street
- Metro State University recent investments
- The Saint Paul Port Authority’s Beacon Bluff Redevelopment

There are many potential partnerships and activities that can facilitate additional development in the area.

East 7th Street and Arcade Street is located within a Racially Concentrated Area of Poverty.⁷

District 4 (Dayton’s Bluff) has a total population of 16,358, with 57.9% people of color and 27.7% of people living with income below poverty.⁸

Como-Front-Dale Intersection – Implementation

The Como-Front-Dale area is designated as a Neighborhood Center in the Saint Paul Comprehensive Plan. The intersection lies at the border of Wards 1 and 5, as well as the borders of Districts 6 (North End) and 10 (Como). It is one of two primary business districts in District 6 (the other being Rice Street). Infrastructure investments include Front Street mill & overlay by Ramsey County, with an addition of a bike lane.

Como-Front-Dale currently features locally-owned businesses, including several restaurants, a gas station, a hardware store and other neighborhood services. As an intersection of three major streets, it lacks a cohesive character that could be improved through streetscape improvements. Better accommodating multiple modes of transportation and improving the attractiveness of the area will bring more commercial interest to the area.

The most recent District 6 Plan was adopted in 2012, and it references a 2011 streetscape and intersection study by the Metropolitan Design Center. This study outlines transportation-specific

⁷ Metropolitan Council, “Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region,” Section 5

⁸ Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods

recommendations to make the intersection more functional for pedestrians and bicyclists. In addition, the plan calls for rezoning along Como Avenue toward more commercial and mixed uses.

There are several potential redevelopment opportunities in the area, including underutilized surface parking lots and vacant storefronts and buildings.

The four census tracts on the east side of Dale Street comprise a Racially Concentrated Area of Poverty, defined as an area where 50% or more of residents are people of color and 40% or more of residents have family incomes that are less than 185% of the federal poverty threshold.⁹

East of Dale Street lies in District 6 (North End), which has a total population of 22,306, with 63.6% people of color and 38% of people living with income below poverty.¹⁰

The west side of Dale Street is in District 10 (Como), which has a total population of 15,702, with 16% people of color and 11% of people living with income below poverty.¹¹

Rice Street (W Pennsylvania Ave to University Avenue W) – Pre-development

Rice Street has a number of assets that offer significant economic development potential. Como Avenue is a major transportation connection to commercial and industrial areas in both Saint Paul and Minneapolis, as well as the eastern metropolitan region. University Avenue is a multi-modal transportation connection between the central business districts of both Minneapolis and Saint Paul. In addition, the commercial/industrial infrastructure at Pennsylvania Avenue and Rice Street offers possible economic multipliers and probable retail consumers. Finally, the State Capitol offers potential human resources and substantial retail consumers.

The most recent investment in this zone is the J&J Produce plant expansion and green house development, but there are many other opportunities for additional development:

- vacant lot (formerly known as the Stahl House) at Como and Rice
- vacant lot at the NE corner of University and Rice
- NW corner of University and Rice (League of MN block)
- SW corner of University and Rice (Greyhound block)
- SE Corner of Como and Rice
- analysis of building facades needing improvement

Rice Street is located within a Racially Concentrated Area of Poverty.¹²

District 7 (Thomas-Dale) has a total population of 15,475, with 79% people of color and 35% are people living in poverty.¹³

⁹ Metropolitan Council, "Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region," Section 5

¹⁰ Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods

¹¹ Ibid.

¹² Metropolitan Council, "Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region," Section 5

¹³ Minnesota Compass, Profiles: Minneapolis-Saint Paul Neighborhoods