

ANNUAL REPORT

2014/2015

City of Saint Paul
Planning and Economic Development



The Most
Livable City
in America

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

Planning and Economic Development Director - Jonathan Sage-Martinson

Planning and Economic Development Deputy Director - Kristin Guild

Economic Development - Martin Schieckel

Housing - Patty Lilledahl

Planning - Donna Drummond



June 2015 marked one year of operation of the Metro Transit Green Line, running from downtown Minneapolis to downtown Saint Paul.

\$3 Billion

development investment along the Green Line since 2009*

11 Miles

of Light Rail Line on Metro Transit Green Line

13,700 units

of housing established along the line in 1st year*

*Metropolitan Council, METRO Green Line project office, June 2015



Director's Message

The past two years have shown incredible growth for the city of Saint Paul, and it's clear that this continues to be a vibrant place to live, work, and do business. Thanks to substantial interest from businesses and residents, we are seeing very strong construction investment and very low unemployment rates.

Data shows an increase throughout the city in the value of building permits, and an overall decline in vacant buildings, foreclosures and building demolitions since 2011, with commercial and residential demolitions both at their lowest since 2007.

Through existing programs like Cultural and Neighborhood STAR and new investments in Commercial Vitality Zones, we will continue to grow the vibrancy of our city.

We are invigorated by what has been accomplished over the past two years and look forward to what 2016 will bring for furthering the diverse neighborhoods in Saint Paul.

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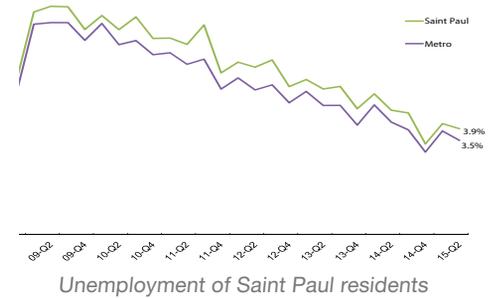


Jonathan Sage-Martinson,
Planning and Economic Development Director

Tracking Trends

Fifteen projects were issued construction permits worth \$1 million or more in the first half of 2015, nearing the 2014 total of 18 projects. The rolling annual average permit value in 2015 (August 2014 - August 2015) is also higher than the previous year, showing a continued upward trend since 2007 and 2008.

Unemployment has dropped to 3.9% for the second quarter of 2015, down from the 5.3% average for 2014.



Economic Development

HIGHLIGHTS

- Revenue refunding bonds, senior housing revenue bonds, and other funding offered support for projects including Regions Hospital, expansions at Hazelden and The Ordway, new senior assisted living, Twin Cities Public Television and Minnesota Public Radio.
- Schmidt Brewery Site – Keg House sold to Craig Cohen for planned redevelopment.

Our Economic Development staff continues to deliver programs and services designed to help businesses grow and succeed

- Following the development of CHS Field and with the continued popularity of the surrounding neighborhood, five new restaurants opened in Lowertown.
- PED hosted a Saint Paul “Going Global” Export meeting for Saint Paul Businesses with 90 in attendance.
- The Thinc.Green initiative with Minneapolis-St. Paul was completed with the final report issued.
- The Economic Gardening program was launched with Ramsey County, and seven Saint Paul companies were recruited to participate.

- The AccelerateMSP initiative for entrepreneurs launched VentureLake Coalition with a web portal launch in 2015.
- Economic Development work between the U of M and Highway 280 commenced. The geographic area expanded further east into Saint Paul and Saint Paul was invited to participate in planning.
- The Palace Theater Development and Use Agreements were approved by Council with construction underway.
- Three Deep made a strong investment as they expanded their business in the growing Lowertown neighborhood.
- Mississippi Market in Dayton’s Bluff was completed.
- The 2015 and 2016 areas for the Commercial Vitality Zone Program were selected with work underway.
- The plan was completed for the Center Cities Initiative and a 2-year \$400,000 grant for staff was awarded.
- The Neighborhood STAR program invested \$3.8 million in business growth and community vitality, leveraging \$14.3 million in non-City dollars.



Large Redevelopment Opportunities (ongoing)

SNELLING-MIDWAY REDEVELOPMENT

In 2015, Major League Soccer announced their intent to locate a new professional soccer franchise in Minnesota. The team ownership group selected a site in the Midway area of Saint Paul, near Snelling Avenue and University Avenue as their preferred location. With the private investment of over \$150 million in a Major League Soccer stadium, the team has partnered with the adjacent property owner to create a master plan for the area that will guide the design of the stadium and redevelopment, helping to realize the vision of previous planning for the area, and the planning to come with the inclusion of a soccer stadium.

The Snelling-Midway site has already been the focus of significant community input, including the development of the Snelling Station Area Plan and SmartSite TOD Development Strategy report.

Along with ongoing public engagement opportunities through public open house events and web-based outreach, a Mayor-appointed Community Advisory Committee (CAC) will help guide the plan with feedback from the public.

The master plan is expected to be reviewed and approved by the Planning Commission, and ultimately the City Council and Mayor, in 2016.

Learn more at stpaul.gov/midway

FORD SITE REDEVELOPMENT

The Ford plant property moved significantly closer to being market ready in 2015. In 2013, the Planning Commission approved a master site plan for decommissioning, which guided final building and slab removals and seeding of 60% of the property. Staff from multiple City departments met monthly and worked in subgroups to oversee a jobs strategy study, an energy system study, and a stormwater management study.

Eight large public meetings and multiple task force meetings held in 2014 and 2015 addressed specific redevelopment topics and solicited extensive public input to shape priorities for the site zoning and a public realm master plan, which will be drafted for public review in 2016. The eight public meetings had an average attendance of 100 people, with 2,570 people currently on the email list for meeting and project notifications. Staff from multiple departments continue to be engaged in an ongoing traffic study, a market study, infrastructure cost estimate study, environmental review, and consultation with a real estate advisory firm.

The Ford Task Force and large public meetings will continue throughout 2016 to learn about study findings, to review zoning and public realm plans, and provide input and recommendations on Ford items coming before the Planning Commission in 2016.

Learn more at stpaul.gov/ford



Ford Redevelopment Site, 2015

Planning

Our planning division completed a variety of important studies and plans in 2014 and 2015, including Ward 3 and Citywide Residential Design Standards, Hamline Midway Mixed Use Corridors Study, West Side Flats Master Plan and Rezonings, Gold Line Station Area Plans and Rezonings, and more.

The team also led the planning and community engagement work for the Snelling-Midway and Ford redevelopment sites.

PLANNING DIVISION PROJECTS COMPLETED

- Saint Paul Streetcar Feasibility Study
- West Midway Industrial Area Plan
- Shepard-Davern Area Plan Update and Zoning Study
- Hamline Midway/District 11 Plan Summary
- Thrive MSP 2040, Housing Policy Plan, and Transportation Policy Plan Comments
- Chapter 64 Sign Amendments
- T1/T2 Transit Street Text Amendments



METRO Green Line

The planning division also reviews a multitude of zoning applications, use permits and site plans each year

- Source Separated Organics Study
- City comments on the Department of Natural Resources (DNR) Critical Area Rulemaking Process, which were recommended by the Planning Commission
- Complete Streets Design Manual
- Partner in Regional Transit Corridor Planning (Riverview, Rush, Robert, Red Rock, Highway Corridor)
- Partner in Gateway Corridor DEIS and lead for Station Area Planning
- Parkland Dedication Zoning Study
- Highway 5/Shepard Road Realignment Study
- Downtown Parking Study
- 8 80 Vitality Fund Project Implementation
- Neighborhood Redevelopment Planning
- Ford Site and Snelling-Midway Redevelopment Planning activities (outlined on page 5)
- West Side Flats Master Plan Update and Zoning Study
- District 10 (Como) and District 14 (Macalester Groveland) Plan Updates
- River Balcony Master Plan work (to be finalized in 2016)
- Downtown Sites Redevelopment Planning – Seven Corners Gateway, OXBO and Dorothy Day Center/Higher Ground
- Produced multiple Saint Paul Market Watch Reports
- Division provides staff to the Planning Commission and its four standing committees

Heritage Preservation

In January 2015, the City instituted measures to ensure that historic properties are not lost without going through the appropriate environmental review process. About 1,800 properties were mapped in the Hill Historic District that include National and State Register properties that are not locally designated.

HERITAGE PRESERVATION PROJECTS COMPLETED

- During 2014, the Heritage Preservation Commission (HPC) accepted public comment and commented on four National Register of Historic Places (NRHP) nominations which were for Euclid View Flats, Minnesota Milk Company Building, the expansion of the National Register boundary of the Saint Paul Union Depot, and the United States Post Office and Custom House.
- The HPC conducted telecom reviews for 79 Western Avenue, 612 Selby Avenue, 1065 Summit Avenue, and the Verizon Downtown Small Cell Network
- The HPC conducted three major design reviews including exterior alterations at the TPT building at 172 Fourth Street East, partial demolition and new construction at the General Motors Truck Company Building at 2390-2400 University Avenue, and rehabilitation of the Key House at 928 West Seventh Street.
- Major design review projects with tax credits included: Gordon and Ferguson Building (190 Fifth Street East), pre-application review for the Keg House (928 West Seventh Street), and continuing phased work for the Pioneer and Endicott Buildings.
- A complicated review that did not involve tax credits was the new construction and partial demolition proposed at the Anthony Waldman house at 445 Smith Avenue, which utilized an Historic Use Variance in order to allow for a brew pub and brewing facility.
- HPC staff completed 65 reconnaissance surveys (2014 & 2015) and made staff recommendations to the Legislative Hearing Officer regarding potential historic significance and integrity.
- During 2015, the HPC recommended to the City Council that five Pioneer Era Limestone properties be designated as Saint Paul Heritage Preservation Sites. The five properties are: 383 Goodhue Street, 178 Goodrich Avenue, 202 McBoal street, 252 Seventh Street West, and 445 Smith Avenue.
- Preservation Education and Policy: During 2015, HPC staff gave talks/presentations regarding preventing teardowns and tools to the Summit Hill Association, Macalester Groveland neighborhood and the Summit Hill Working Group and also presented to the West Seventh/Ford Road Federation neighborhood proposing designation of five Pioneer Era limestone houses as Saint Paul Heritage Preservation Sites.

The Heritage Preservation Staff reviewed over 820 applications through 2014 and 2015

- During 2014, the HPC and staff wrote and received a Certified Local Government Grant (\$13,000) to complete Phase I Text Amendments for the historic preservation ordinance. The project was completed in 2015 and final amendments will be made and forwarded to the HPC and City Council for adoption during the first half of 2016.
- HPC was involved in several environmental reviews where state and/or federal funding requires consideration of impacts to historic resources. The Commission continued to be involved in closing out the Central Corridor and the Union Depot projects as well as reviewing telecommunications proposals across the city.
- The HPC is participating in Section 106 (NHPA) consultation for the Gold Line Bus Rapid Transit (BRT) which will extend within the Dayton's Bluff Historic District and served as a consulting party for the A Line BRT project which resulted in adopting a resolution and commenting on the Final Report.
- The HPC and heritage preservation staff host an annual preservation awards program in May every year.

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

Over the last two years staff provided over \$2.8 million in rehabilitation loans to 144 homeowners and counseled over 335 homeowners facing foreclosure.

Housing Development

Over the last two years staff assisted with the creation, financing or preservation of nearly 2,750 units of housing including: Schmidt Brewery, Pioneer Edicott, Rayette Lofts, Episcopal Homes, 180 Degrees, West Side Flats, Rolling Hills, 324 Johnson Parkway, Jamestown Apartments, Maryland Park Apartments, SE Hall/Whitney Young, Lewis Park Apartments, Elders Lodge, Custom House, Hamline Station, Cambric Apartments, 2700 University Avenue, Serenity, Dorothy Day I, Lonnie Adkins, Skyline Towers, and Western U.

Homeless Prevention

More than 4,558 persons were assisted with \$541,908 in funding from the U.S. Department of Housing and Urban Development through the Emergency Solutions Grant (ESG) Program. Throughout 2014 and 2015, staff worked closely with Ramsey County Continuum of Care to coordinate comprehensive services for homeless residents in Saint Paul. Saint Paul was also one of 22 cities surveyed by the U.S. Conference of Mayors as part of its Hunger and Homelessness survey. The Housing division provided information on the extent and causes of homelessness in Saint Paul and identified homeless services provided in Saint Paul cities between Sept. 1, 2014, and Aug. 31, 2015. In addition, the housing division, Minnesota Housing, and Catholic Charities are working together to develop a new Dorothy Day Center – Higher Ground facility, which will provide emergency shelter, supportive housing, and support services – all that will assist homeless residents move towards housing stability.

Inspiring Communities Program

In 2014-2015, we sold 104 properties, as follows:

- 28 vacant lots were sold to developers (for new construction) through our RFP process (with subsidy funds provided).
- 12 vacant houses were sold to developers (for rehabilitation) through our RFP process (with subsidy funds provided).
- 26 rehabilitated houses (HRA as developer) were sold to end-buyers. (“HRA as developer” work is now complete. HRA rehabilitated and sold a total of 84 houses since 2009.)
- Closed on the sale of six vacant lots to Dayton’s Bluff NHS for Wells Street redevelopment project (construction underway).

***Non-white Inspiring
Communities program
property owners = 51%,
versus 17% citywide***

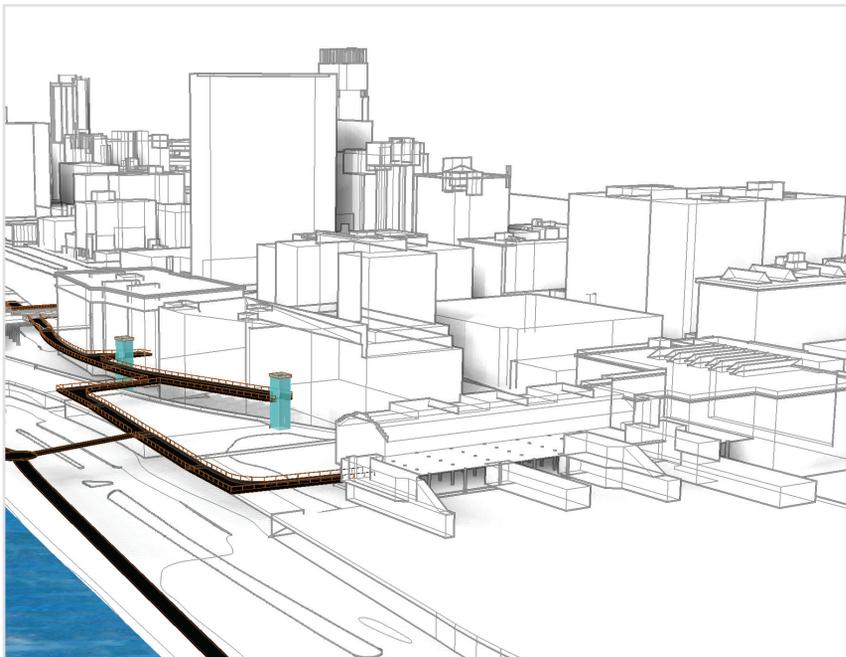
- Closed on the sale of seven vacant lots for redevelopment, in partnership with the Twin Cities Community Land Bank, via Affordable Housing Trust Fund (construction underway).
- Seven un-developable vacant “splinter” lots were sold.
- 10 vacant lots were sold through our “lots for sale with no subsidy” program (various re-uses planned).
- Development Agreement closed with West 7th / Fort Road Federation for the rehabilitation of eight houses in Little Bohemia (rehab underway).

Other highlights:

- Received a 2014 Sustainable Saint Paul Award for our single-family residential green building design.
- The housing division successfully achieved the mandated 100% spending milestones for Neighborhood Stabilization Program (NSP) 3 grants (HUD and MHFA). This wraps up the successful, timely deployment of over \$28 million Federal NSP funds total.

Additional Department Activities of Note

- The Downtown Parking study was completed and implementation has begun.
- The West Side Flats and Gold Line Station Area plans and rezonings were completed.
- PED added one Historic Preservation staff member in the 2016 budget to add capacity for more proactive work.
- The majority of the projects funded by the 8 80 Vitality Fund are currently underway.
- PED completed and adopted the HUD 5-Year Consolidated Plan and began preparations for the next Comprehensive Plan update, due to the Metropolitan Council in 2018.
- There was significant progress on the Community Residential Facilities Zoning Studies and Green Line and ADU/Density Bonus Amendments.
- PED established a permanent position in 2015 for a Transit Oriented Development Manager. In the position, Gary Leavitt provides technical assistance and works with developers to seize development opportunities along transit corridors like the METRO Green Line and soon-to-open A Line Bus Rapid Transit line.



The majority of the projects funded by the 8 80 Vitality Fund are currently underway, including the Palace Theatre and River Balcony planning.



“If you create a city that’s good for an eight-year-old and good for an 80-year-old, you will create a successful city for everyone.”
- Gil Penalosa, 8 80 Cities

RACIAL EQUITY INITIATIVE

- In 2015, the City of Saint Paul launched a Racial Equity Initiative with the vision that We will be a city where race does not predetermine opportunities in education, employment, housing, health and safety. Each department has developed annual racial equity action plans, with three common goals for achieving racial equity in the City workforce, City services and engagement, and in our community.
- PED formed a Departmental Change Team, responsible for defining the department’s racial equity action plan and championing the effort within the department.
- **Hiring:** In July 2012 8.5% of PED employees were people of color, while in August 2015 that increased to 13.5%. In addition, 35% of all new hires in the past year have been people of color.
- **Engagement:** The department also tested a variety of community engagement strategies to increase racial diversity in public policy discussions with the Gold Line Bus Rapid Transit line.

CREATING VIBRANT PLACES AND SPACES THROUGHOUT SAINT PAUL

The city is focusing in on ways that departments can work collaboratively to make Saint Paul the most livable city in America. Some of the efforts include:

- Promoting infrastructure investment and economic development that helps build a Saint Paul which is welcoming and invigorating for all ages and backgrounds.
- Encouraging economic growth through public and private investments.
- Creating welcoming, safe and energizing open spaces where people want to spend time.
- Connecting public spaces to biking and pedestrian facilities to improve the livability of the city.
- Showcasing the city’s cultural diversity.
- Positioning Saint Paul as a forward-thinking city that puts people first.

8 80 VITALITY FELLOW

- In August 2015, Margaret Jones was hired as the City of Saint Paul’s 8 80 Vitality Fellow.
- Her role is to coordinate with all city departments to help implement the vision of the 8 80 Vitality Fund, which invests in diverse projects ranging from the restoration of a historic downtown theater to the enhancement of the city’s bike path network.
- Inspired by internationally renowned urban designer Gil Penalosa, the 8 80 Vitality Fund is part of the city’s long-term vision of creating vibrant places and spaces for people of all ages and backgrounds.
- Jones’ role will be to embed these concepts into current and future projects, and other aspects of city government to help the city compete and thrive in a 21st century economy.



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