

Downtown Investment Strategy



Presentation to Ramsey County Board
July 23, 2024



**Downtown
filled with
Vibrancy &
Vitality**

Vitality

+20,000 residents

+20,000 workers

+20% visits



Downtown Investment Strategy



STEERING COMMITTEE

- **Christophe Beck (co-chair)**
 - *Ecolab*
- **Chris Hilger (co-chair)**
 - *Securian Financial*
- **Mayor Melvin Carter**
 - *City of Saint Paul*
- **Councilmember Rebecca Noecker**
 - *Saint Paul City Council*
- **Commissioner Trista Martinson**
 - *Ramsey County Board of Commissioners*
- **Jon Fure**
 - *CapitolRiver Council*
- **Tina Gassman**
 - *Saint Paul BOMA*
- **Todd Hurley**
 - *Saint Paul Port Authority*
- **B Kyle**
 - *St. Paul Area Chamber*
- **Jaimee Lucke Hendrikson**
 - *Visit Saint Paul*
- **Matt Majka**
 - *Minnesota Wild*
- **Jai Winston**
 - *Knight Foundation*
- **Charlie Zelle**
 - *Metropolitan Council*

Downtown Investment Strategy

+conversion subsidy

+public realm

+key development projects

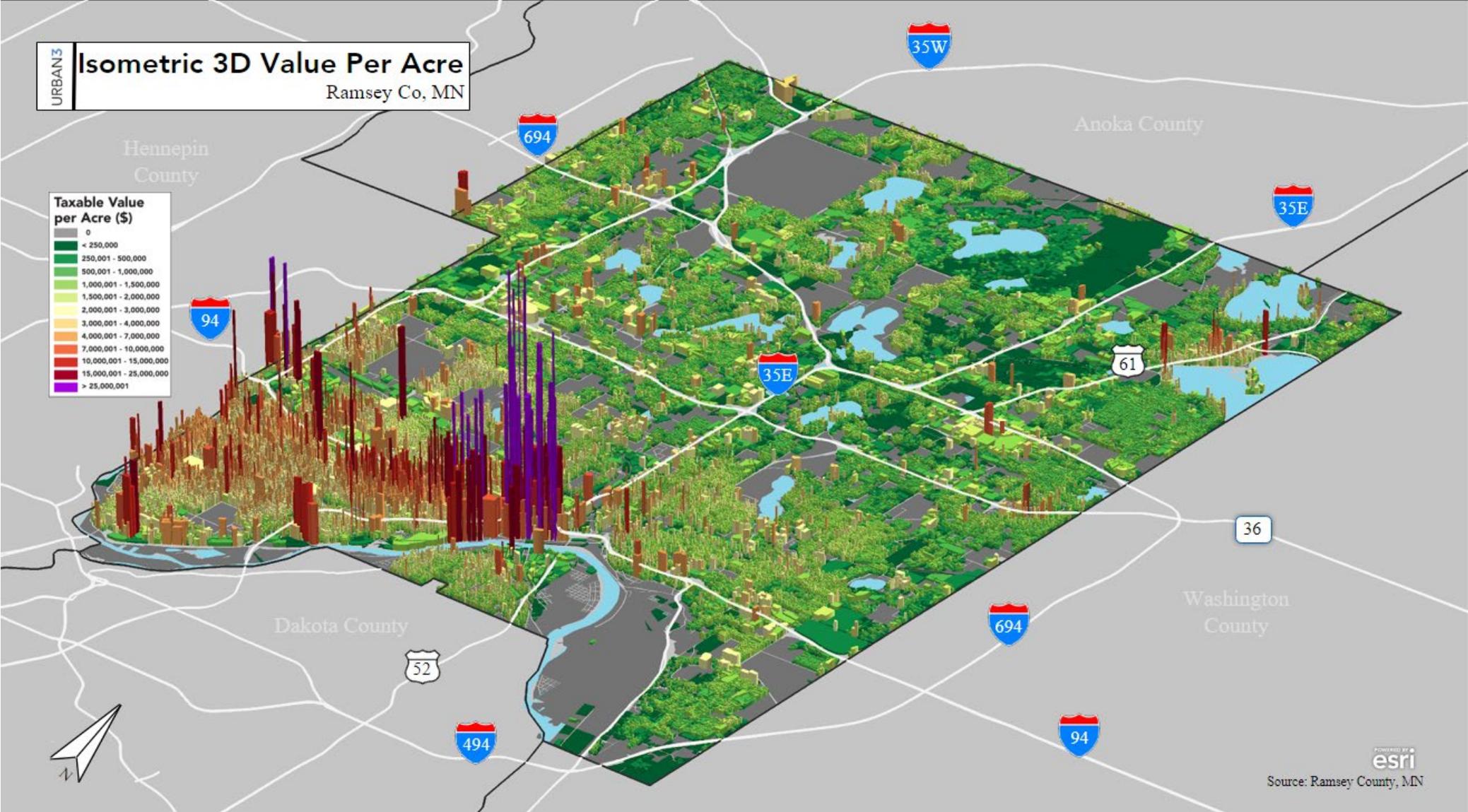
Purpose of the Downtown Investment Strategy

**Align diverse stakeholders on
investment priorities centered
around **shared goals**
shared principles**

Purpose of the Downtown Investment Strategy

Seize a critical moment to consider how you plan for the future of downtown

The Value of Downtown

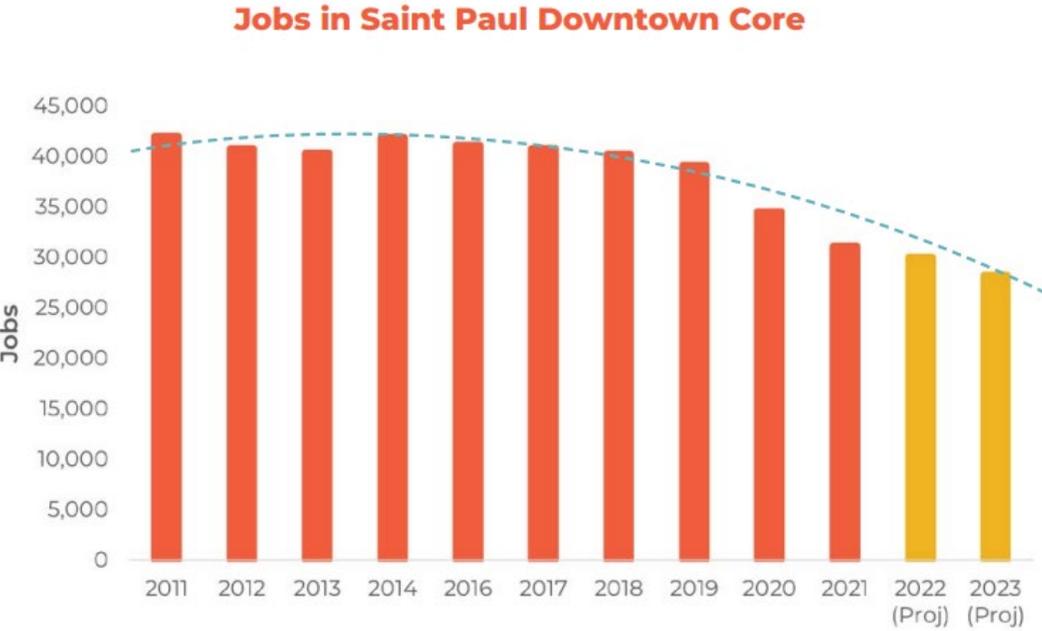


Purpose of the Downtown Investment Strategy

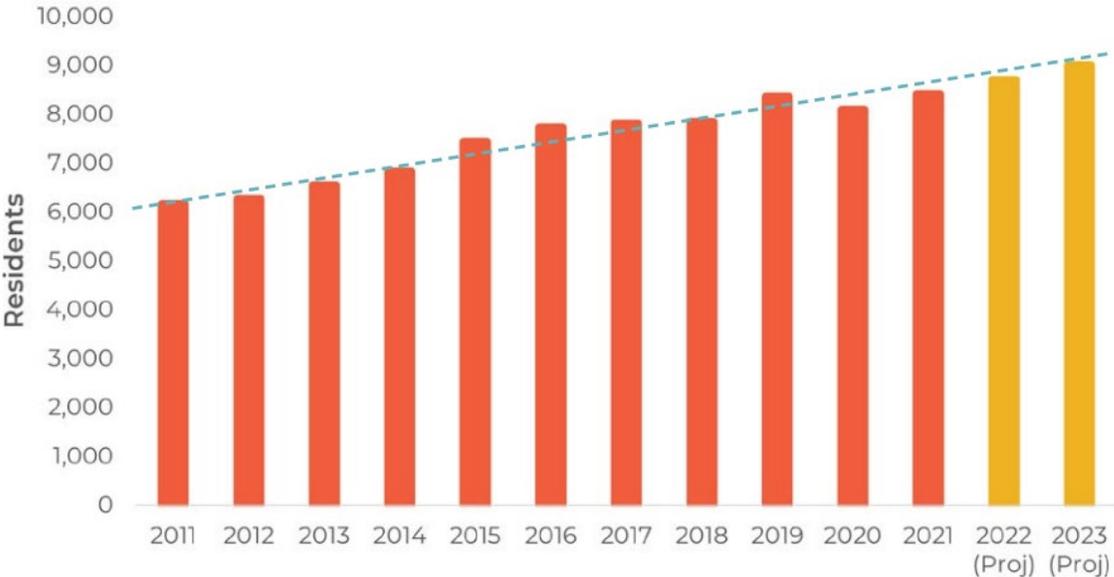
**Catalyze \$6.5 Billion
in Private and Public Investment
Downtown**

Current State of Downtown

Since at least 2016, the total number of jobs in Downtown Saint Paul has been trending down, Intervention is needed to achieve desired growth in downtown employment.



Downtown Core Residents

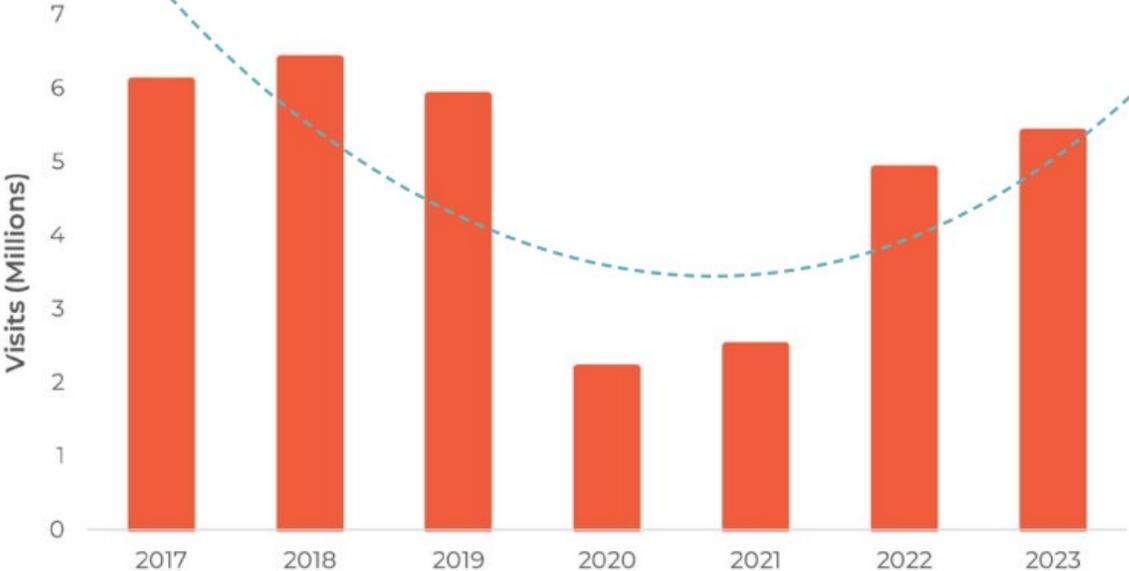


Residential growth downtown is steady over the last decade and could reach residential goals somewhere in the mid-to-late 2050s. Achieving more rapid growth requires policies that encourage the creation of housing opportunities.

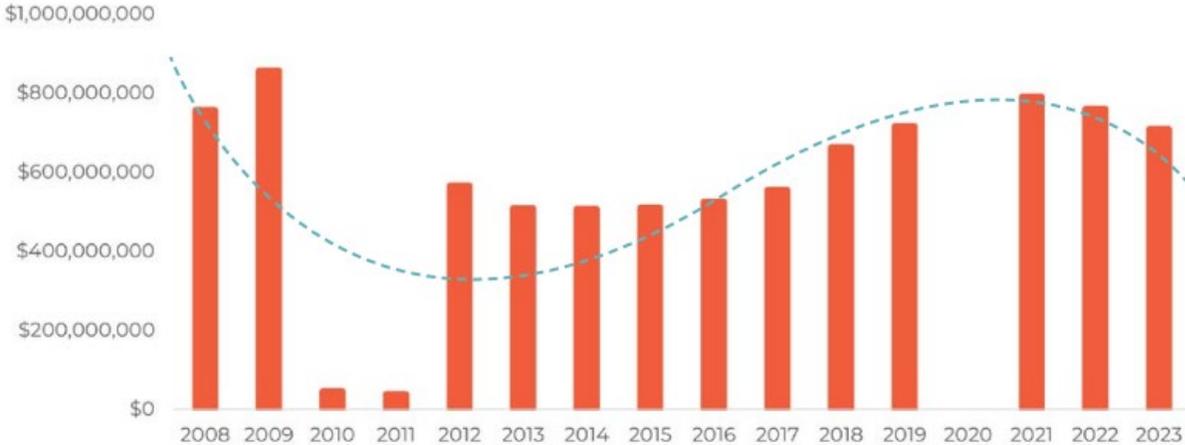
Current State of Downtown

Overall visitation in the area around the Xcel Energy Center remains below pre-COVID averages, which were relatively flat from 2017-2019. Increasing visitation will require investing in existing facilities and attractions in other parts of downtown.

Annual Visits to Entertainment District



Estimated Market Value of Commercial Use Parcels in the Downtown Core



Declining market value and stagnating tax receipts are an emerging issue in the commercial property market. Conversations with local property owners and other stakeholders indicate that this trend is likely to continue.

Process

Step 1

Quantitative Analysis

What are the *economic* conditions of Downtown Saint Paul?

- Demographic/economic benchmarking
- Economic datasets (Co-Star, BOMA, etc.)
- Current projects research
- Scenario testing

Step 2

Existing Conditions

What is the current *experience* of Downtown Saint Paul as a 'place'?

- Street-level data collection
- Asset Mapping
- Review of past Placemaking activities
- Foot-traffic data
- National examples

Step 3

Stakeholder Engagement

What *connections* do stakeholders feel to Downtown Saint Paul?

- Stakeholder interviews
- Community Engagement
- Steering Committee Workshop

Step 4

Findings that inform an Investment Strategy

- Synthesis of Steps 1, 2, & 3 findings
- Recommended metrics to evaluate investment opportunities
- Testing metrics with Steering Committee

| Phase 1 - One-on-One Stakeholder Engagement | | |
|--|---|---|
| One-on-one and small group interviews | <ul style="list-style-type: none"> 18 total interviews • 9 from the public sector • 5 from the private sector • 4 from non-profit organizations | These key stakeholders emphasized the need for downtown to be inclusive and welcoming , especially for communities who have not always had access to downtown amenities (immigrants, people of color, the unhoused). Additionally, they highlighted the importance of safety, especially around Central Station . |
| Phase 2 - Community Event Engagement | | |
| India Fest | 25 adults | India Fest hosted a multigenerational crowd of both residents and visitors of Saint Paul. Conversations revealed visitors and community members visited the downtown area less often than they would prefer . During the mapping activity, members were very intentional about placing stickers in areas they had not visited and noted the type of attractions which would draw them to these areas. |
| 370Sets Osborn Live Music 1 | 27 adults | Osborn Live hosts live music at the Osborn370 building; the event is open to building tenants, surrounding businesses, and the general public. The weekly musical showcase attracts visitors, residents and downtown workers. With a relatively deep understanding of gaps that currently exist in downtown Saint Paul, participants discussed historical context of current trends, changes that have occurred within the last year and noticeable improvements that could be made based on their experiences . The culturally diverse crowd created a unique space for interaction and varied perspectives and opinions. |
| 370Sets Osborn Live Music 2 | 13 Adults | |
| Selby Ave Jazz Fest | 49 Adults | The annual Saint Paul Selby Ave Jazz Fest takes place in the historically Black (African American) Rondo community, and features a multigenerational audience. Feedback was collected primarily from middle-age to elderly adults, whose input suggested that Saint Paul can be a flourishing city by focusing on “regular” people living in the area. Visitorship and housing were top priorities among participants . Discussions centered on the varied experiences that different populations have downtown, whether living or visiting, amplified the need for diverse amenities in the downtown area . Similar to at other events, people highlighted that riverfront visitorship should be a key attraction for downtown Saint Paul. Community members also discussed the increased open drug use and crime in the downtown area , as well as the limited options for affordable grocery and convenience stores . |
| Uniquely Eastside Festival | 45 Adults | The Uniquely Eastside Festival is held on the East Side of Saint Paul on both Payne and Arcade Avenues. It attracts residents from the surrounding neighborhood and showcases local shops, artists, and performances throughout the day. Those who were familiar with the downtown area shared their experience at different entertainment events and highlighted that parking, security, and affordability in the downtown area were challenges . One woman from the Hmong community noted that her family did not often visit downtown because they didn’t know where they could go and it did not always feel welcoming . The community perspective was generally that downtown is not a lively place to work, play, or visit and suggested this could be improved through more restaurants, food trucks, artistic events, and an eco-friendly environment . |
| <i>5 events</i> | <i>159 adults</i> | |
| Phase 3 - Online Survey | | |
| Online Survey | 84 responses | <p>Of the survey respondents, 97% agreed with the SPDA’s vision to increase jobs, housing, and visitorship. Respondents were then asked, “if not housing, jobs, or visitorship, what other variables should be considered?” Safety was the top variable that emerged.</p> <p>When asked about their priorities for further investment in downtown, 45% identified Central Station for targeted investment, followed by Mears Park, Xcel Energy Center, Pedro Park, and the Capitol.</p> <p>To enhance vitality in Downtown Saint Paul, people identified challenges like safety, remote work, downtown not being seen as a destination, parking costs, cleanliness, activating storefronts/skyway and connecting to the river.</p> |

Evaluating and Prioritizing Potential Investments

Evaluation Categories: Alignment with collective goals, values, and project readiness

| Primary Goals: |
|--|
| Increase Downtown Residential Population |
| Increase Downtown Employment |
| Increase Downtown Visitation |

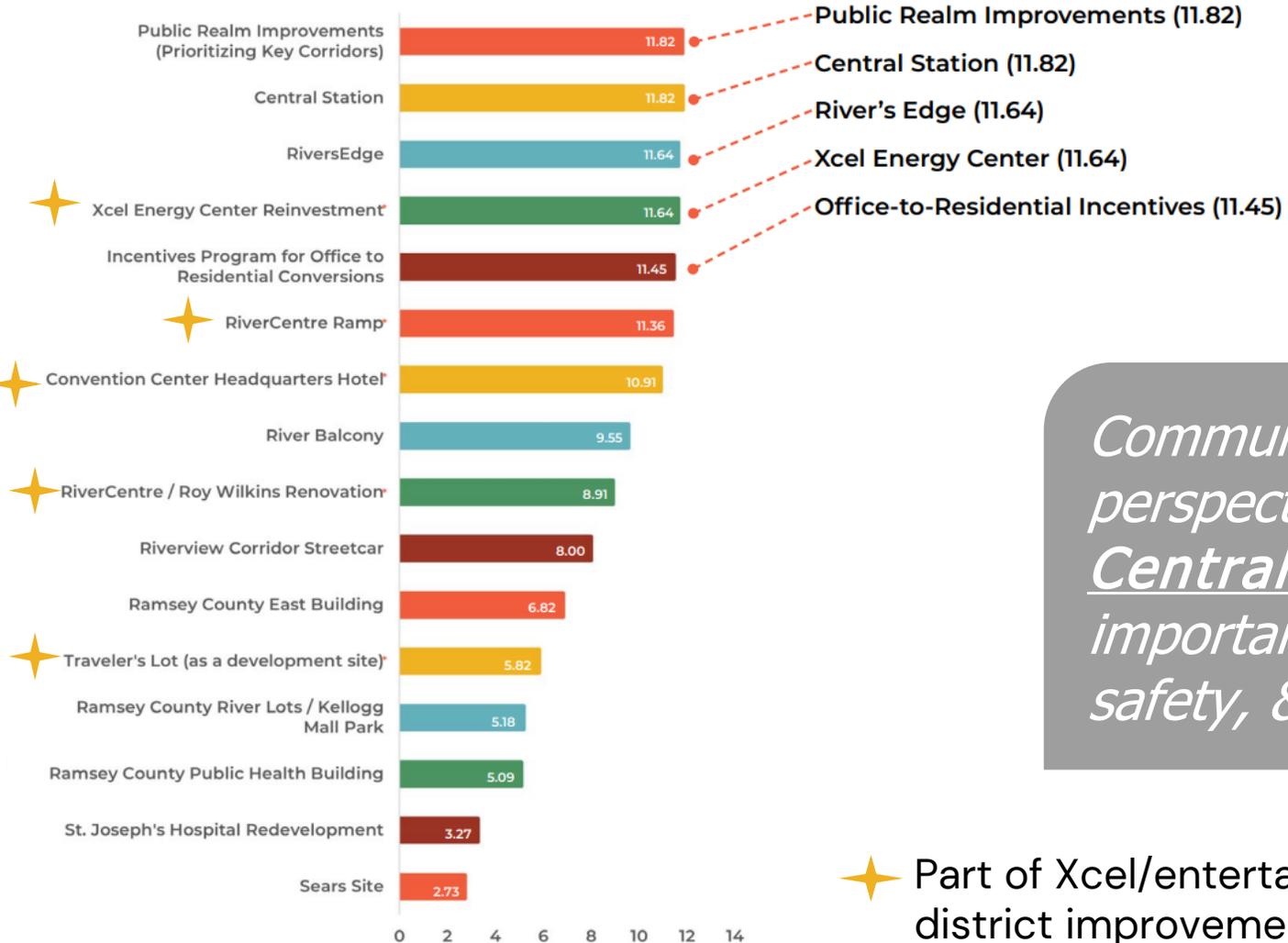
| Organizing Principles: |
|---|
| Increase Diversity, Equity, Accessibility & Inclusion |
| Improve Safety & Perceptions of Safety |
| Align to Public Realm Framework |

| Implementability Metrics: |
|----------------------------------|
| Urgency |
| Readiness |
| Alignment |
| Cost |

| Impact Metrics: |
|---------------------------|
| Potential Economic Impact |
| Catalytic Potential |

Evaluating and Prioritizing Potential Investments

SPDA Investment Strategy Project Ranking



Community and Stakeholder perspectives also reiterated a focus on Central Station and validated the importance of key themes of inclusivity, safety, & the perception of safety.

★ Part of Xcel/entertainment district improvements

*Indicates Projects in the Entertainment District



THE CENTRAL SOCIAL DISTRICT

Position culture, creativity, and joy as new drivers of economic competitiveness



TOP THREE STRATEGIES

Key Strategy #1

Office to Residential Conversions: Implement an office-to-residential conversion incentives program to create housing and density, support downtown businesses, and strengthen the commercial office market.

Drawing upon lessons from other cities in the U.S. and abroad, Saint Paul should create an incentives program that will encourage the conversion of surplus office space (especially in pre-war Class B and C buildings with relatively small floorplates) into much-needed residential housing.

1.6 M SF at \$50/SF = \$80 M

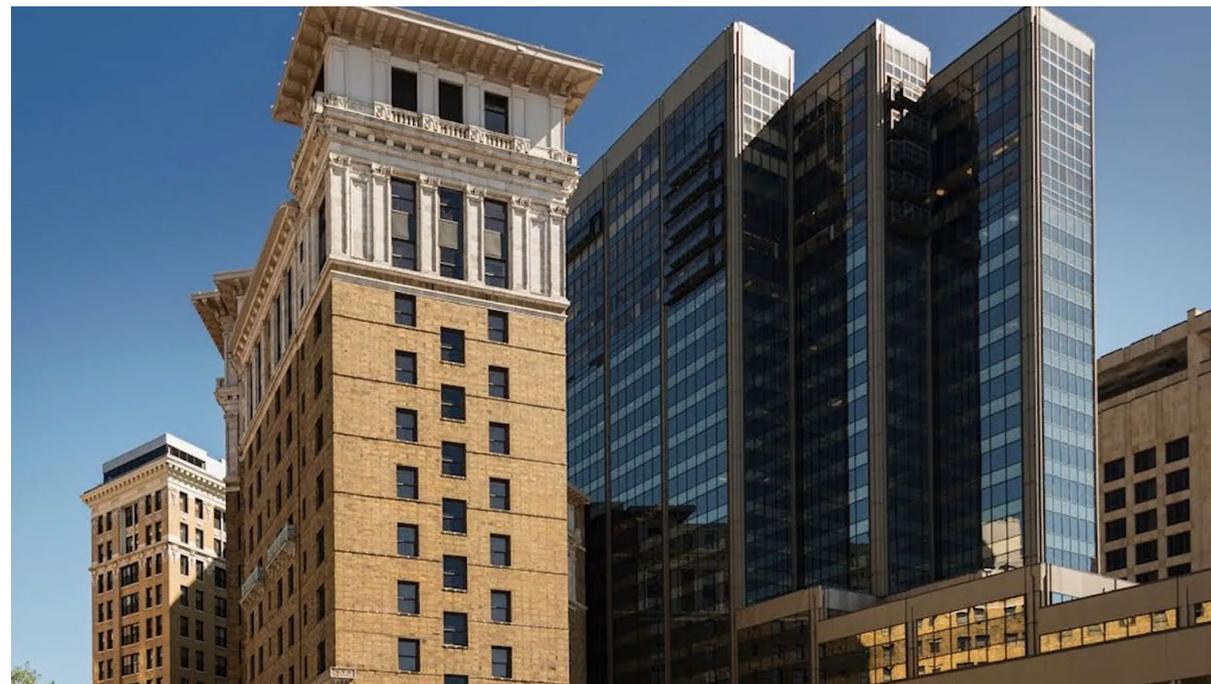


Photo credit: Axios Twin Cities

Key Strategy #1 Office to Residential Conversions

Policy Changes:

Streamline City permitting and approvals

Financing Program:

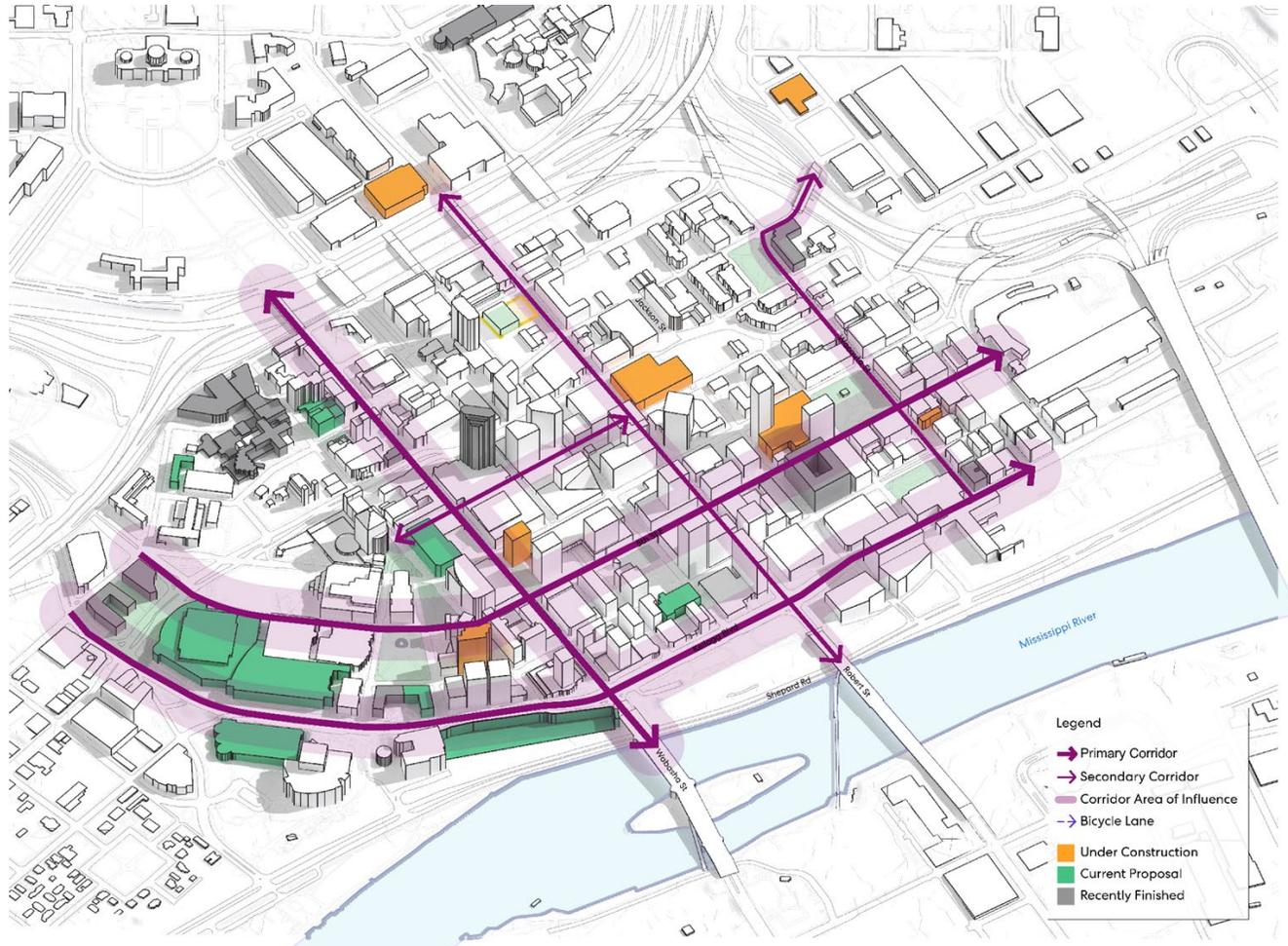
State, County, and City collaborate on conversion incentive program

Acquisition Fund:

Saint Paul Port Authority and City could create an **acquisition fund and strategy** to repurpose strategically located properties contributing to blight

Key Strategy #2

Public Realm Enhancement: Invest in pedestrian-oriented streetscape improvements guided by a public realm framework.



By establishing a hierarchy of streets within a clear framework, Saint Paul can focus its efforts where investments in streetscape improvements, pedestrian facilities, and achievable development projects can have the most agglomerative effects for the area as a whole.

Key Strategy #2 Public Realm Enhancement

Establish Public Realm Framework

City of Saint Paul should adopt a Downtown Public Realm Framework that **prioritizes key pedestrian corridors** and sets a hierarchy for public investment in streetscape infrastructure.

Launch Ambitious Capital Project Expansion

Building on the work done to date and in alignment with the Public Realm Framework, the City of Saint Paul should launch an **even more ambitious** capital effort to continue downtown **streetscape improvement** and street reconstruction.

SPDA Placemaking

Focus

SPDA should, in collaboration with the City, improve the pedestrian experience of downtown with **branding** and enhanced **wayfinding**, and establish a publicly and/or privately funded “enhanced maintenance” program.

Skyway

Rightsizing:

Focus on making one section of the Skyway great. This will require some pruning and rightsizing of other underutilized sections.

Short and
Medium Term

Key Strategy #3

Pre-development Efforts: Keep driving critical planning and pre-development efforts toward funding and project delivery

Central Station

Early Actions to identify funding and spur redevelopment



RiversEdge

Public space connected to the river and additional parking

Ph1: Park at RiversEdge & Underlying Parking Ramp



Entertainment District

Enhancements that better connect an expanded Xcel Energy Center to downtown



Key Strategy #3 Pre-development Efforts

Central Station

Two-Part Procurement Process (underway): Test the market through an RFEI, followed by an RFP

Government Funding: Identify sources of gap financing to attract private investment

Public-Sector Led Alternative:
Possible short term activation

RFEI: Request for Expressions of Interest
RFP: Request for Proposals

RiversEdge*

Ph1: Focus on a financeable phased approach that delivers new parking capacity and a high quality river-oriented public space

Ph2: Structure P3 financing to set the table for private development investment interest

* Park at RiversEdge & Underlying Parking Ramp

Entertainment District

Lively Streets: Resist the urge to internalize entertainment district pedestrian flow with skyways

Better connect to downtown core

Coordinate the District's state funding requests: Public partners, the Minnesota Wild, and other anchor organizations should work in unison to secure state funding for priority investments in downtown's tourist destination.

A few observations...

Focus on Fundamentals

Clean, Safe, and Welcoming

SPDA needs to be well resourced

People and money resources

Placemaking / Activation

Public-private partnerships

Nature City

Make St Paul's **natural assets** legible throughout downtown

Public Realm as High-Quality Front Door Address



West Palm Beach, FL

Clematis Street: Transforming an iconic corridor into a flexible streetscape for pedestrians, vehicles, bicyclists, outdoor dining, and event vendors

Improvements increased pedestrian space, provided shaded outdoor spaces, relocated parking and reduced speeds, elevating the social atmosphere of Downtown West Palm Beach.

The flexible streetscape redesign can be adapted to prioritize vehicle traffic or can close completely to become a venue for special events and other community gatherings, and has spurred a real estate boom.



Photo credit: Kimley Horn

Milwaukee, WI

Milwaukee Public Market: Creating a platform for local artisans and retailers, a gathering place for community, and a new landmark in Milwaukee's historic Third Ward neighborhood

The Milwaukee Public Market, opened in 2005, has become one of the city's most popular downtown destinations and drop-off locations along The Hop streetcar line. The market had 2 million + visitors in 2019, with total vendor sales reaching nearly \$20 million that year.

The Market features local food vendors and is owned and operated by the Historic Third Ward Business Improvement District



Photo credit: Urban Milwaukee

Pittsburgh, PA

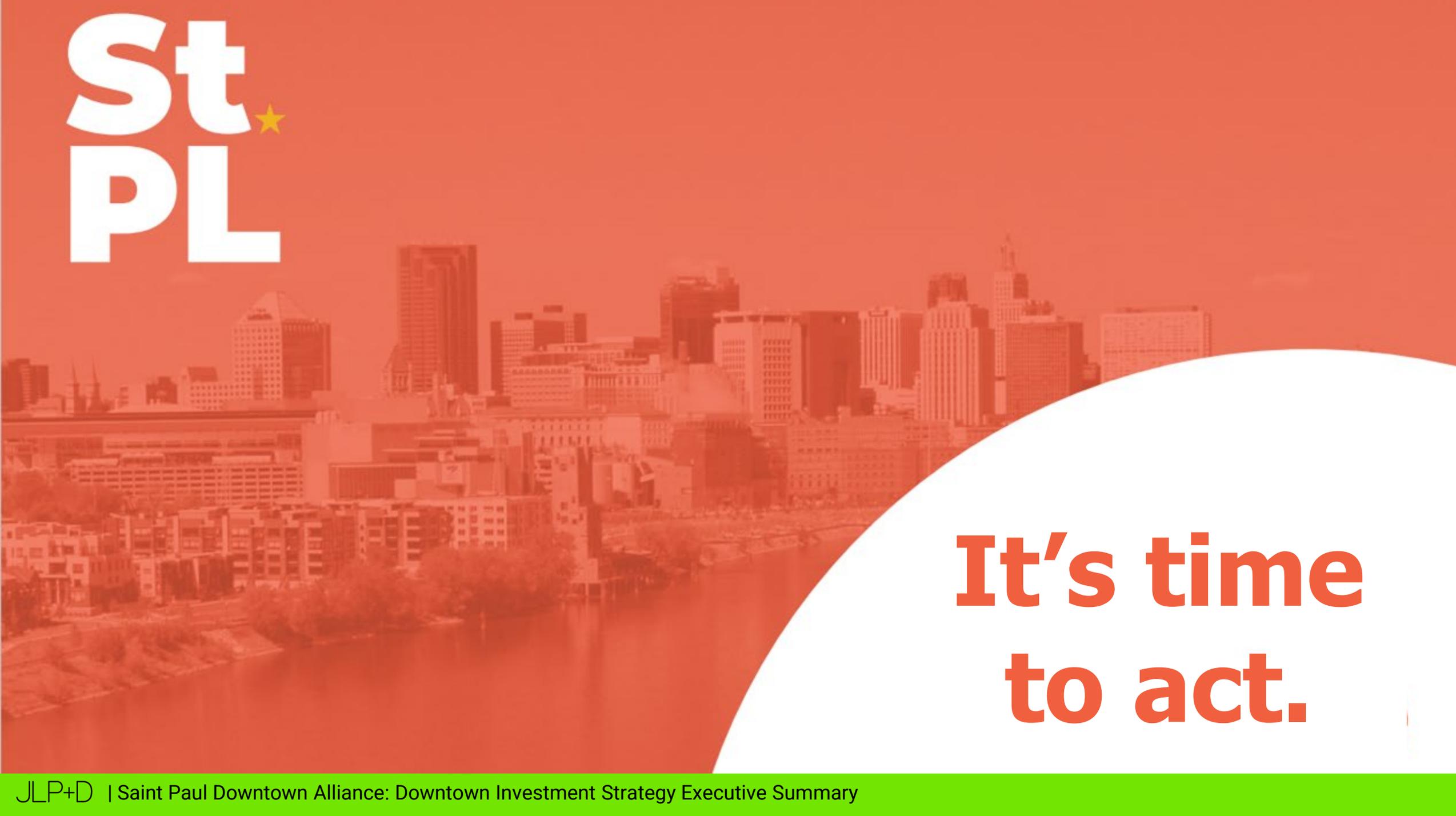
Market Square: Renovating the heart of Downtown Pittsburgh to focus on restaurants, shopping, activities, accommodations and year-round programming

The redevelopment and reimagining of the square in 2009 as part of a public private partnership, respawned a social and cultural hub at the heart of downtown Pittsburgh.

Market Square, which hosts some of the most beloved Christmas traditions in Pittsburgh, attracted nearly 14,000 people on average each day of the holiday season in 2023.



Photo credit: City of Pittsburgh

An aerial photograph of the Saint Paul skyline, featuring various skyscrapers and buildings, with a river in the foreground. The entire image is overlaid with a semi-transparent red color. In the top left corner, the text 'St PL' is written in a bold, white, sans-serif font. A small yellow star is positioned between the 't' and 'P'.

**St
PL**

**It's time
to act.**

Downtown Investment Strategy

+we must remain committed
and **united for the long term**
+implementation will require
major investments and
dedicated resources

We all have a role to play

- Government Relations teams can advocate for the Conversion Tax Credit and key capital requests
- Ecolab is redesigning Hamm Plaza to maximize vitality
- Securian is considering how to prioritize street level activation to balance skyway level uses
- Met Council must find a way to assemble the subsidy needed to attract a development at Central Station
- MN Wild can lead the redevelopment of the entire entertainment district to connect to the downtown core.
- Travelers' surface lot could be transformed to become a gateway with bars and restaurants at the street level
- The Mayor and Council can fund maintenance of our Public Realm at a higher level to create a world class pedestrian experience
- City HRA can increase ED investments in storefronts and larger real estate projects in downtown
- Foundations can support SPDA to lead implementation of the DIS and add placemaking and activations
- SPDA can greatly expand safe and clean programming to improve public safety outcomes and perceptions
- Public safety partners can make it all possible with a strategic focus on livability issues in downtown



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