



Downtown Investment Strategy

Final Report

March 13, 2024

Acknowledgements

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All views expressed in the study do not reflect any official views or recommendations of any contributing people or entities.

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**Executive
Summary**

Executive Summary

The Challenge to Downtown

Cities across the country are grappling with the dilemma of how to attract people back to downtowns, and to attract and retain downtown residents and businesses in both the retail and office sectors. Some of these challenges were introduced by the COVID-19 pandemic, while others long predated the pandemic and were merely exacerbated by the disruptions it caused. Fundamental changes to the way in which many workers – particularly those with office jobs – do their jobs and the locations in which they perform them has created a sea change in central business districts across the country. Conversely, brick-and-mortar retail concepts had been struggling for at least a decade prior to the pandemic and movement towards internet shopping has just been an acceleration in the direction that cities had been working to address for years.

In Saint Paul, current conditions within the market indicate a looming challenge for downtown – the value of the office market has been in decline since before the COVID-19 pandemic, and the reduction in value subsequently creates a challenge for all residents: when less tax revenue is collected from downtown buildings due to reduced market value, other parts of Saint Paul will have to bear a larger portion of the citywide tax levy. In other words, Saint Paulites outside of downtown will be faced with increased taxes or reduced services without timely and strategic intervention to establish a healthier, resilient downtown real estate market.

Setting the Table

Established in 2018, the Saint Paul Downtown Alliance (SPDA) has a stated mission “to create and maintain a vibrant, economically successful, safe, and attractive downtown that benefits the entire city and region.” In service to that mission, the SPDA has established three aspirational benchmarks for the future growth of downtown, as compared to a 2018 baseline:

- To attract 20,000 more residents
- To create 20,000 more jobs
- To generate a 20% increase in visitation

The SPDA is not alone in this effort and does not expect to drive these results alone; rather, the SPDA serves as a convenor and a catalyst, helping to align shared interests amongst the public, private, and civic sectors to work collaboratively towards these shared goals.

Downtown Investment Strategy

The Downtown Investment Strategy is the product of a collaborative public/private effort, led by the SPDA and the City of Saint Paul, the leadership of downtown's corporate citizens, and a range of other public, private, and civic partners. It has also drawn on input from a wide range of other stakeholders with a vested interest in downtown's future, as well as from representatives of the community of residents, workers, and visitors who comprise downtown.

The Downtown Investment Strategy builds upon decades of past planning work and seeks to turn the collective efforts of the interested and invested parties to the pursuit of a collective vision for downtown, through the execution of tactical, collaborative action steps pertinent to the current moment. It aims to be responsive to both long-term trends and those that have emerged in the wake of the COVID-19 pandemic. It does not aim to be a comprehensive list of every possible or necessary action to be taken in downtown, but as a set of implementable next steps, informed by an overarching understanding and vision.

To that end, as outlined further in the following pages, the Downtown Investment Strategy identifies three priorities on which the public, private, and civic sectors can collectively work:

- 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.
- 2. Public Realm Enhancement:** Invest in pedestrian-oriented streetscape improvements guided by a public realm framework.
- 3. Predevelopment Efforts:** Take tactical early-phase actions to advance downtown's most strategic redevelopment projects (Central Station, the Park at RiversEdge and underlying parking ramp, and an entertainment district tying the Xcel Energy Center to the core of downtown).

Taken together, these priorities outline the actions that each group of stakeholders can take to advance an inclusive, welcoming Saint Paul that is more active, more vibrant, and more attractive than ever before.

Purpose of a Downtown Investment Strategy

While a Downtown Investment Strategy is the outcome of this report and work, the purpose of a downtown investment strategy is worth defining.

All downtowns require public services that include the maintenance of public assets, and thus they receive some nominal form of investment. However, downtowns typically have an outsized impact in terms of economic output, residential density, regional employment, and concentration of cultural assets relative to their size. Investments downtown, when done well, also have substantial positive effects for the city as a whole. Studies of downtowns across the country show that successful and healthy downtowns contribute an outsized proportion of citywide tax revenues and subsidize the provision of services citywide.

The intent of this investment strategy is to align stakeholders and limited resources to achieve a shared vision of Downtown Saint Paul that is more vibrant, active, inclusive, sustainable, and economically resilient. This in turn creates greater economic value that supports city, county, and state governments in continuing to strategically invest in an aligned manner in maintenance and delivering high-quality services, while also supporting the private and nonprofit sectors to contribute to these common goals. The investment strategy detailed in this report provides a guide for determining where investment should occur and how investment opportunities compare to each other in terms of priority and urgency to act, considering both current projects and future investment opportunities.

“*Downtown Saint Paul is examining future downtown investments at the right moment – its Downtown Alliance has experienced early successes as a new organization, with growing capacity as a convener of key stakeholders and a voice for downtown quality of life.*”

Priority Strategies

Downtown Saint Paul has a wide range of assets to build upon, including regional visitor anchors, an established residential community, committed corporate leadership, and proximity to Minnesota's State Capitol. It also has a relatively compact geography, with the potential to be an eminently walkable downtown, where residents and workers mix with both first-time visitors and those with season tickets for hockey or theater.

To advance past planning efforts, take advantage of these existing assets, and seize the moment that exists today, a set of tactical actions have emerged throughout the course of a yearlong strategy development process. Based upon national precedents, local data analysis, stakeholder perspectives, and community input, priorities have emerged that include prioritizing downtown residential opportunities, reinvesting in the pedestrian experience, and aligning efforts around a set of key reinvestment opportunities.

The three key strategies identified are:

- 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.
- 2. Public Realm Enhancement:** Invest in pedestrian-oriented streetscape improvements guided by a public realm framework.
- 3. Predevelopment Efforts:** Take tactical early-phase actions to advance downtown's most strategic redevelopment projects (Central Station, the Park at RiversEdge and underlying parking ramp, and an entertainment district tying the Xcel Energy Center to the core of downtown).

Additional detail for each of these strategies is outlined below.

Key Strategy #1

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. This has the potential to simultaneously increase the downtown residential population while also shoring up the commercial office market by consolidating tenants and strengthening the rent rolls of the remaining office buildings, rather than diluting the office market due to inertia driven by where firms have been located in the past.

This might be supplemented by the strategic public- or private-sector acquisition of key properties and portfolios downtown, with the goal of ensuring that the properties well-positioned to benefit from this incentives program are indeed proactively put to their optimal future use.

Early Action Steps

- 1. Policy Changes:** City of Saint Paul puts in place an efficient, programmatic approach to project approvals and permitting for downtown office conversions to streamline the process and mitigate the risk of bringing converted residential space to market.
- 2. Financing Program:** Ramsey County and the City of Saint Paul collaborate with the State of Minnesota to establish a programmatic development incentive program aimed at supporting the conversion of surplus office space to residential spaces to meet the need in downtown.
- 3. Potential Market Move:** If the market proves to require additional public sector leadership to signal next steps, the Saint Paul Port Authority and City of Saint Paul create an acquisition fund and strategy to repurpose critical buildings for which the private market has been unable to generate sufficient interest or commitment.

Key Strategy #2

Invest in pedestrian-oriented streetscape improvements guided by a public realm framework.

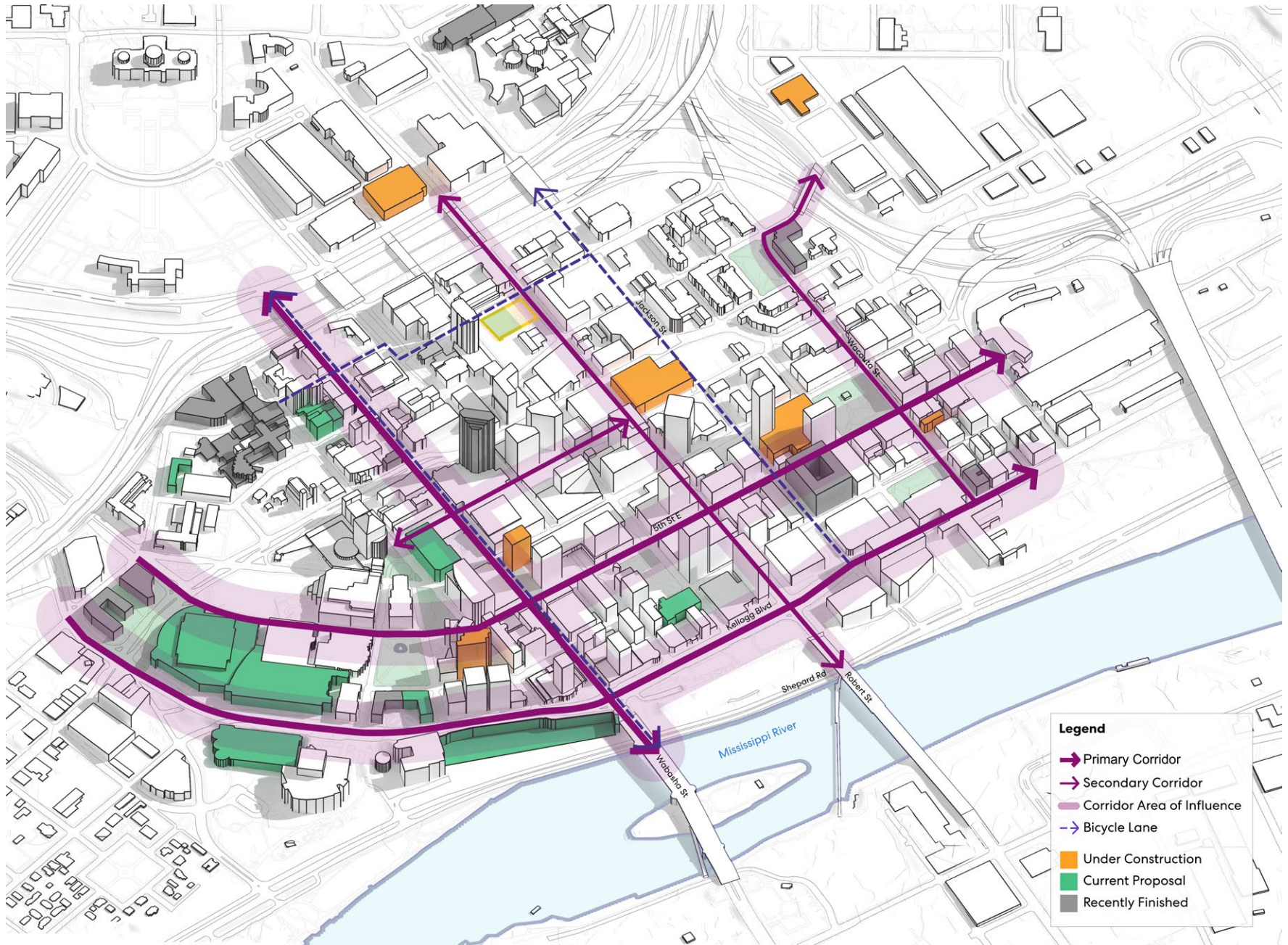
A wide range of stakeholders agree that Saint Paul should establish and implement a Public Realm Framework for downtown that foregrounds the pedestrian experience and prioritizes key walking and multimodal corridors that make downtown more accessible, legible, welcoming, and enjoyable for everyone.

Downtown Saint Paul's streetscape today is characterized by nodes of activity – particularly focused around and near its iconic public spaces at Rice Park and Mears Park – interspersed with many blocks that offer little in terms of activation or reason for a pedestrian to walk them. Conversations with local stakeholders indicate that even distances of just a few blocks are often covered by driving and re-parking at the next destination due to the unappealing nature of blocks in between.

Furthermore, Saint Paul's retail streetscape – the backbone of street-level activation in cities across the country – is complicated by the unusual, though not unique, presence of a second level of pedestrian corridors and retail offerings in the city's skyway system. Skyway traffic and retail takes away from activity on downtown streets, meaning that Saint Paul must thoughtfully balance a two-level pedestrian and retail experience downtown.

To date, Saint Paul has made substantial investments in targeted streetscape improvements in downtown. This includes, for instance, streetscape improvements and the installation of bicycle lanes on Wabasha Street and Jackson Street, as well as reconstruction work on Kellogg Boulevard and elsewhere in the downtown core. This is a great start and should be continued, with the goal of creating a highly effective network that prioritizes pedestrian circulation and ease of use, in alignment with an overall Public Realm Framework.

Given existing retail vacancies, the current commercial landscape, and the realities of a two-level pedestrian ecosystem, downtown Saint Paul cannot expect to make all streets equally vibrant and active in the immediate future. Rather, 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.



A framework for public realm investment, highlighting primary streets that will serve as connectors

Early Action Steps

- 1. Establish Public Realm Framework:** City of Saint Paul should articulate and adopt a Downtown Public Realm Framework that prioritizes key pedestrian corridors and sets a hierarchy for the level of public investment in streetscape infrastructure over the medium term.
- 2. Expand Pedestrian-Oriented Street Reconstruction:** 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. With other partners in the public and private sectors, the City should target its funding towards this effort and seek sources of state and federal funding to supplement the work. This may include collaborating with the State of Minnesota on contextually appropriate reconstruction of state roads.
- 3. Legibility & Maintenance:** SPDA should, in collaboration with the City of Saint Paul, improve the legibility of downtown with subdistrict branding and enhanced wayfinding, while simultaneously establishing a publicly and/or privately funded “enhanced maintenance” program for the prioritized rights-of-way that ensure sidewalk experience meets the expectations of those who do and might use them.
- 4. Skyway Rightsizing:** Saint Paul has a two-level street and skyway public realm, which should reinforce one another, rather than detracting from the overall pedestrian experience. As a part of the implementation of a Public Realm Framework, there are a number of immediate-term actions to take:
 - a.** The City of Saint Paul should work with building owners to close non-passageway portions of the skyway which are currently minimally activated, including largely vacant food courts. As necessary, the SPDA should expand its existing Grow Downtown program to help remaining tenants move into better retail locations.
 - b.** Private building owners should provide for the creation of affordable office space for an innovative, diverse ecosystem of start-up companies at the skyway level and should focus on services at the skyway level, while concentrating retail and food and beverage offerings primarily on the ground floor, with exterior access from the street.
 - c.** The City of Saint Paul should commission a skyway traffic study for key connections to determine the viability of appropriately configuring the skyway to meet current and future needs.

Key Strategy #3

Take tactical early-phase actions to advance downtown's most strategic redevelopment projects.

This report is intended as an action plan. In that spirit, this is about identifying the participants who have a role to play and can take meaningful steps to continue to advance priority redevelopment projects as quickly as possible. Below we identify some of those critical next steps to maintain momentum for priority projects including Central Station, RiversEdge, and the entertainment district focused around the Xcel Energy Center.

Within its relatively compact downtown, Saint Paul has several dozen potential development projects that have been proposed or discussed by various parties and were considered as a long list of prospective projects throughout this process. Of those, a handful of projects – which fall within three broad priority districts – have repeatedly risen to the top in conversations with downtown stakeholders and in qualitative and quantitative evaluation of project opportunities.

Through this process, it has become clear that downtown Saint Paul has three areas of emphasis or priority districts: Central Station, the Mississippi River bluff (beginning with the County-owned RiversEdge site), and the Entertainment District centered around the Xcel Energy Center and the Landmark Center. These three focal areas are critical to enhancing the vibrancy of downtown's various subdistricts, realizing the opportunity of a downtown connected by a pedestrian-oriented public realm framework, and building on strengths and addressing challenges in the rebound from the COVID-19 pandemic.

Within these three focal areas, specific projects that can benefit from collective efforts and should be prioritized for early advancement include taking key steps to revitalizing Central Station, securing support and funding for the Park at RiversEdge and the underlying parking ramp, and reinvesting in an entertainment district tying the Xcel Energy Center to the core of downtown. Collectively, these three projects build on one another and reinforce the downtown reinvestment advanced by Key Strategies #1 and #2. They create and enhance additional nodes of activity, encourage circulation along key thoroughfares such as 5th Street and Kellogg Boulevard, reinforce the connection of the edges of downtown to its core, and create more reasons for people to want to live in, work in, and visit downtown. In Section 3 of this report, development scenarios are laid out for potential projects within each of the focal areas.

Early Action Steps

1. Central Station

- a. Subsidy Identification:** City of Saint Paul and Metropolitan Council (and possibly County and/or State) prepare a level of subsidy that they are willing to commit to the redevelopment of Central Station, and put that forth as an incentive to prospective development teams, provided that they meet certain criteria of public benefit provision.
- b. Two-Part Procurement Process** (underway): City of Saint Paul and Met Council to test the market through a strategic two-part procurement, with a Request for Qualifications or Request for Expressions of Interest, followed by a more detailed Request for Proposals if that first phase (RFQ/RFEI) garners sufficient interest.
- c. Public Sector Led Alternative** (if market dictates): If sufficient market interest does not come to fruition, Central Station remains, nevertheless, a critical node for downtown revitalization and restitching the urban fabric that connects and invites people. If necessary, the Met Council and City of Saint Paul – potentially with other public-sector partners – should be ready to deploy a public sector-led alternative, for either temporary or permanent reactivation and programming of the site.

2. Park at RiversEdge & Underlying Parking Ramp

- a. Riverfront Enhancement:** With substantial County and State support, the public space and civic infrastructure at the RiversEdge site are poised to inaugurate a new era in the relationship between downtown and the Mississippi River, and in the way that pedestrians engage with Kellogg Boulevard. Other public sector partners should support the County's efforts to secure funding to create the public infrastructure here, setting the stage for subsequent private investment.
- b. District Parking Infrastructure Investment:** Given present and future downtown parking needs, the investment in structured parking at RiversEdge can support both future development on the site and the broader needs of downtown. Collaboration between Ramsey County and the City of Saint Paul, as well as other local stakeholders, should ensure that the parking is appropriately sized and timed to serve an additive function in downtown, with the range of prospective parking investments assessed in aggregate.

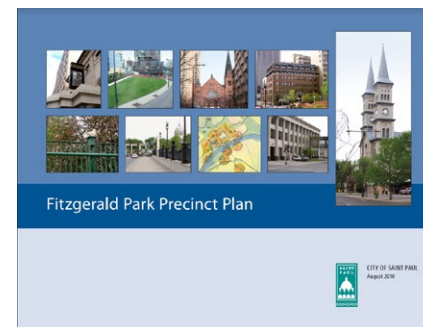
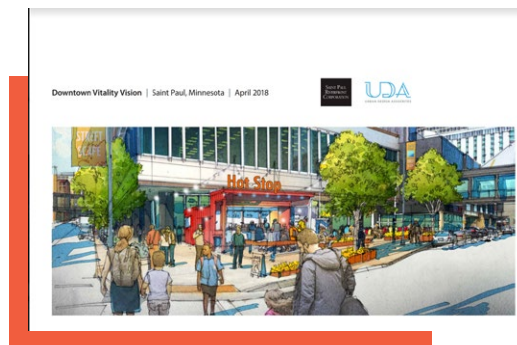
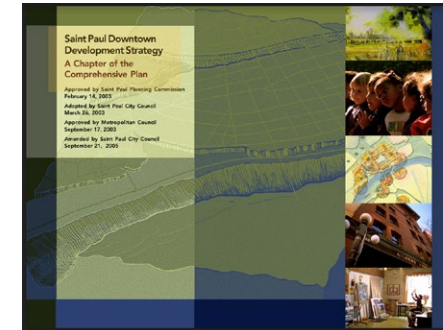
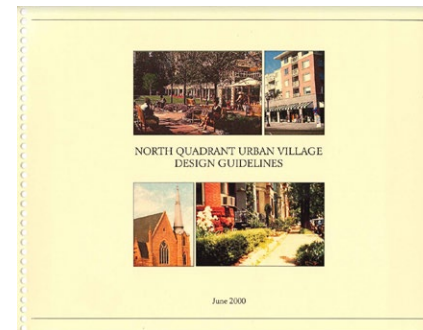
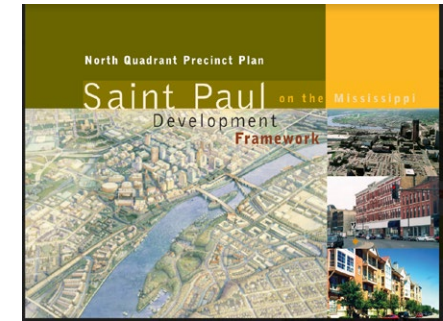
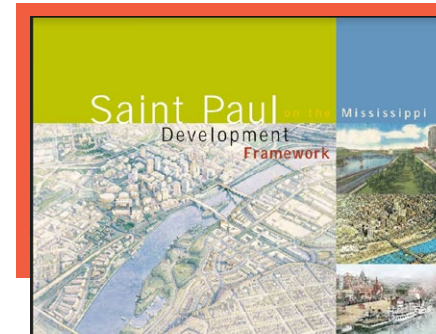
3. Entertainment District Tying the Xcel Energy Center to the Core of Downtown

- a. Define Area for Investment:** Building from its strength as a major visitor draw, downtown’s existing “entertainment district” – which comprises the area around the Landmark Center, the Xcel Energy Center, and other cultural landmarks – should be defined in such a way that new investments orient the district toward the rest of downtown and make the public spaces and amenities relevant for workers, residents, and visitors to destinations other than the core visitor attractors.
- b. Prioritize Entertainment District Investments:** To maximize its positive impact on downtown Saint Paul, this district needs to comprise a coordinated series of investments, including reinvestment in existing assets like the RiverCentre and Xcel Energy Center, creation of catalytic new attractors such as a convention center headquarters hotel, and attraction for people to spend time in the area – potentially including substantial investment in nearby residential development, as has proven successful near other arenas across the country. Public and private stakeholders must sequence these investments to ensure that the most achievable and impactful are prioritized for early implementation.
- c. Coordinate for State Funding:** Public partners, the Minnesota Wild, and other anchor organizations should collectively pursue state funding for priority investments in downtown’s tourist destination in alignment with the prioritization of impactful early implementation efforts. Saint Paul, collectively, must speak with one voice about the way in which the state can invest in the future of the heart of the capital city, to ensure that it is ever more welcoming to all, both day and night

Building Upon Past Efforts

The Saint Paul Downtown Investment Strategy is not a new plan for the area, nor does it attempt to set new priorities based solely upon contemporary work. Rather, the Investment Strategy is the natural next step that builds upon 25 years of planning and strategic vision-setting for downtown Saint Paul. Beginning with the 1997 Development Framework, a series of increasingly focused planning efforts underpin this work, as do past implementation efforts to advance those plans, including the creation of the Saint Paul Downtown Alliance as a public/private partnership focused on the implementation of tactical steps to enhance the offerings in Downtown Saint Paul. The Downtown Investment Strategy is a collective expression of the next steps in that implementation effort.

Additional work also shaped thinking in this report. Analysis from Joe Minicozzi at Urban3 demonstrated the strength of Downtown Saint Paul through the lens of taxable value per acre where downtown occupies 2% of total city land, but provides 9% of its tax revenue, making it a powerful economic center for the City.



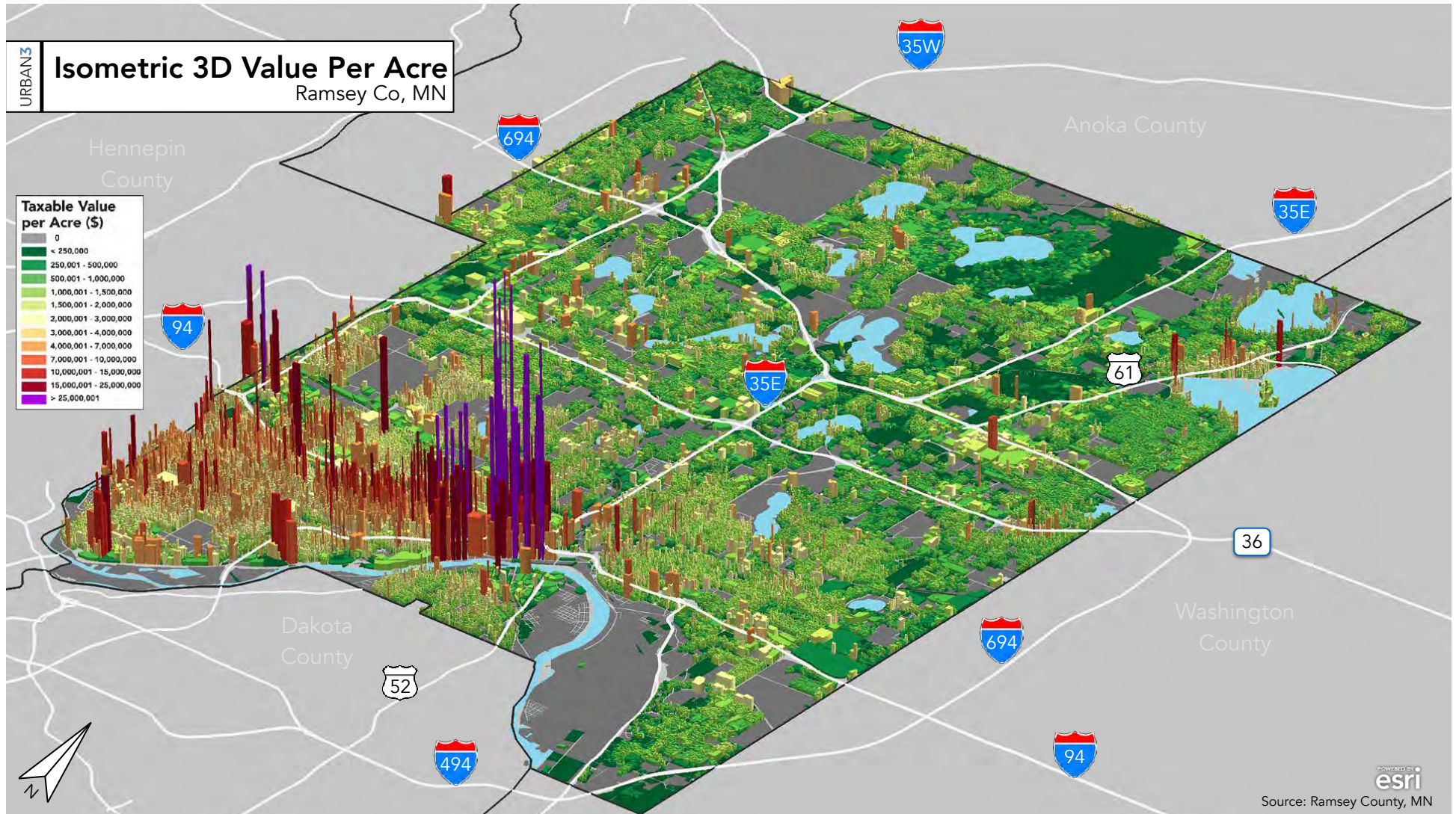
Downtown Benchmarking

Looking at data over the last 5-10 years in Downtown Saint Paul, with a focus on trends for residents, jobs, and visitors downtown, provides a picture of downtown’s trajectory towards these goals. Thus, in the following sections, references to the baseline reflect the 2018 data, as well as trends that are visible by analyzing data from years preceding 2018. This allows for an acknowledgement of fluctuations created by COVID-19 while also accounting for the longer-term trends in downtown.

In a scenario where no out-of-the-ordinary investments or interventions are created in downtown Saint Paul and trends continue as they have been, downtown can expect to see modest growth in residents, relatively stable or slightly positive growth in total visitors, and substantial continued decline in office jobs and office real estate development over the coming years. This baseline – which can be thought of as the scenario with no market intervention – is used as a point of comparison to understand what impact any intervention could have and highlights areas where lack of strategic steps taken by public, private, and civic stakeholders will have a calculably negative impact on downtown’s economic stability.



Image courtesy of Visit Saint Paul

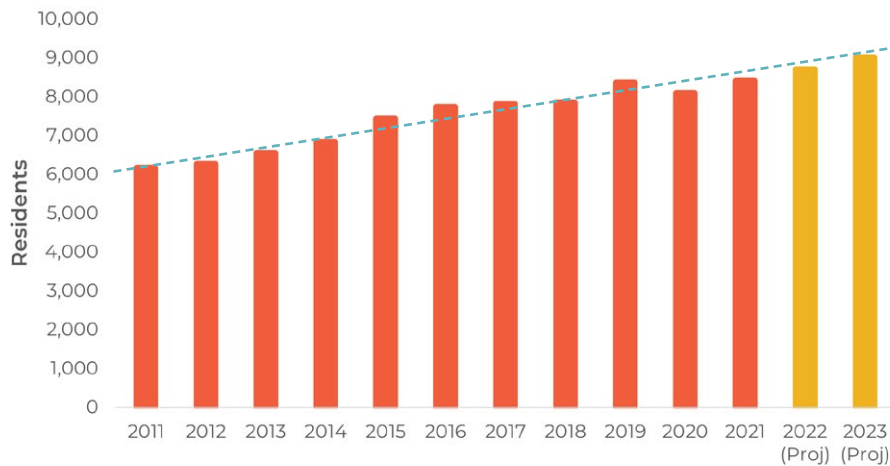


Source: Urban3, Economic MRI (copyright) case study of Ramsey County, MN, 2020.

Residential Baseline

Based on trends since 2011, residential population in Downtown Saint Paul continues to grow and could reach an increase of 20,000 residents over a 2018 baseline somewhere in the mid-to-late 2050s¹. Achieving more rapid residential growth requires policies that encourage the creation of housing opportunities.

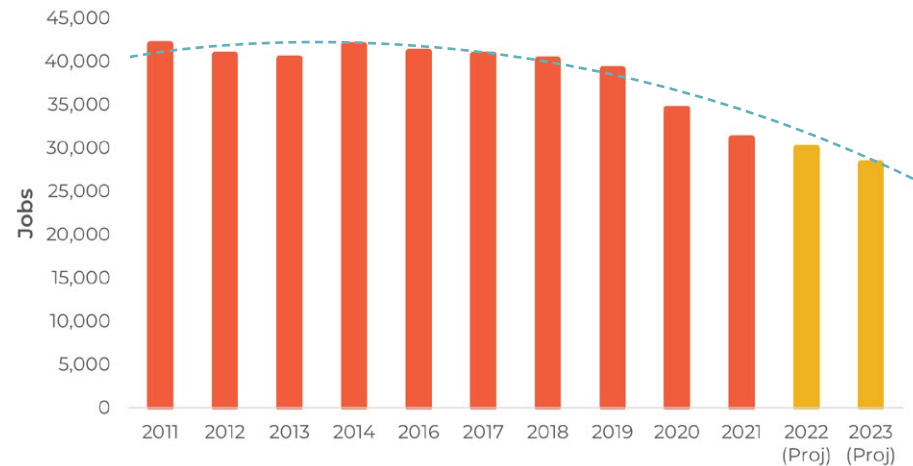
Downtown Core Residents



Employment Baseline

Since at least 2016, the total number of jobs in Downtown Saint Paul has been trending down, after a few years of minor fluctuation.² While this was exacerbated by the pandemic, the issues appear to predate that by several years. Intervention is needed to achieve desired growth in downtown employment.

Jobs in Saint Paul Downtown Core



1. Data source: U.S. Census Bureau and Esri Business Analyst. Accessed 8/2023.

2. Data source: U.S. Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics. On The Map. Accessed 1/24. Anomalous data from 2015 has been excluded.

Visitor Baseline

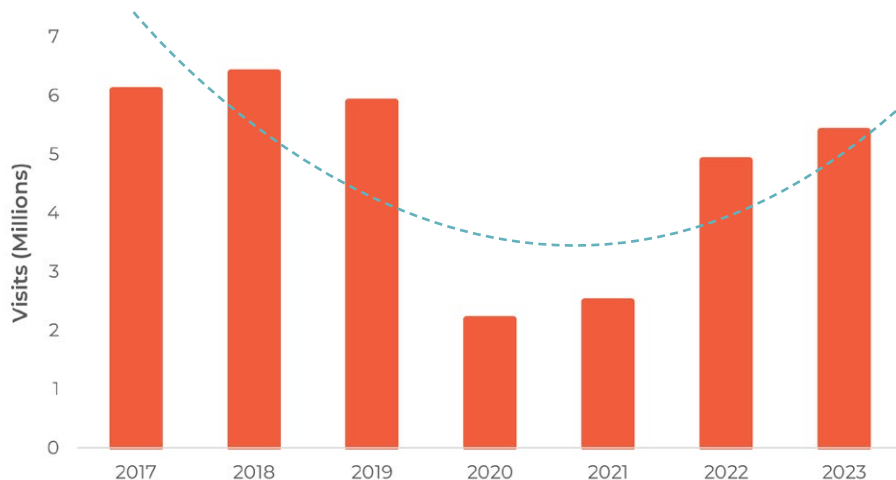
Visitation trends remain in flux following COVID-19, but overall visitation in the area around the Xcel Energy Center remains below pre-COVID averages, which were relatively flat from 2017-2019.³ The Xcel Energy Center itself has rebounded to its pre-pandemic visitation of around 3 million people in 2023, but the broader district remains about 1 million visitors below the high of 2018.

In its current incarnation, this area cannot deliver the desired visitation growth on its own. Increasing the overall visitation will require efforts to both (1) invest in and better leverage the facilities the district has and (2) invest in attractions in other parts of downtown.

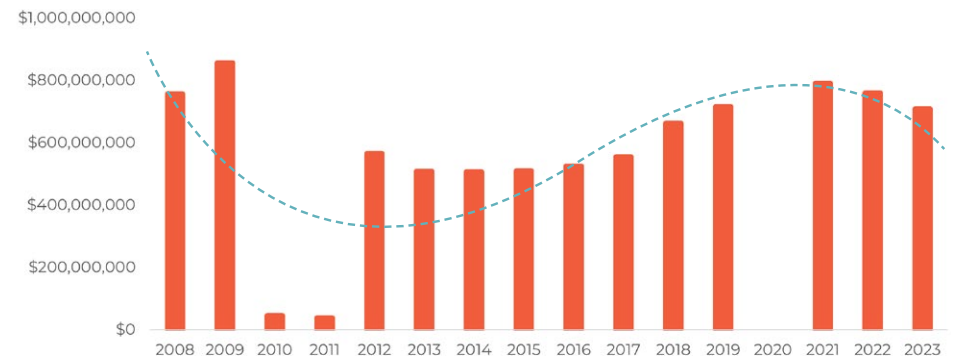
Tax Receipt Baseline

Declining market value and stagnating tax receipts are an emerging issue in the commercial property market. The estimated market value of commercial properties in the downtown core has fallen roughly 10% since its peak in 2021⁴ and conversations with local property owners and other stakeholders indicate that this trend is likely to continue, with substantial numbers of buildings currently contesting their valuation. Property values did not substantially rebound until more than eight years after the 2008 financial crisis, indicating that there are likely to be more years of challenging conditions ahead.

Annual Visits to Entertainment District



Estimated Market Value of Commercial Use Parcels in the Downtown Core



3. Data source: Placer.ai. Accessed 8/2023.

4. Data source: Metro Regional Parcel Dataset, years 2012-2023. Data accessed: 11/2023. https://resources.gisdata.mn.gov/pub/gdrs/data/pub/us_mn_state_metro-gis/plan_regional_parcel/metadata/metadata.html

Tax Assessment Petitions

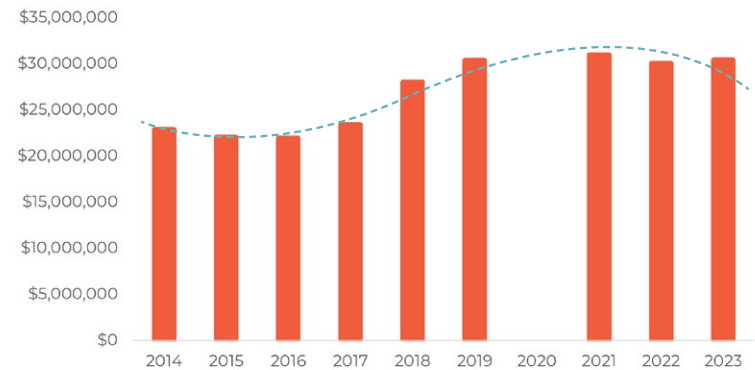
Between Assessment Year 2010 and Assessment Year 2023, there have been a total of 1,522 petitions to the Ramsey County Assessor’s Office to adjust the assessed value of a property located in the greater downtown area (including the Capitol, West 7th, and the West Side Flats), out of a total of 47,237 properties assessed over that time. The highest year of petitions is for Assessment Year 2018, for which 263 petitions were filed, amounting to 7.6% of the 3,471 properties assessed. In the core of downtown, that value is 4.5% of properties.⁵

Currently, there are a total of 104 open petitions for real properties in greater downtown, primarily from tax years 2021-2023 (there is one open petition from 2019 and one from 2020). Of these, 15 have a settled value recorded and are in the late stages of the process.

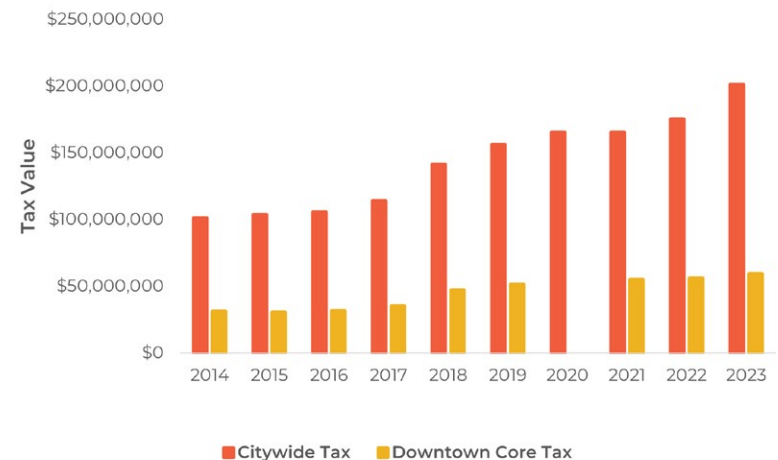
Of properties that have been petitioned since 2010 and for which a settled value has been determined, the aggregate market value (summing all years’ assessments) has been adjusted from \$7.9 billion to \$6.9 billion, an average reduction of 12.7%. Applying the same average reduction to the \$844 million in outstanding petitions would result in an estimated further reduction of \$107 million in assessed value, spread across those years. It is still possible that additional petitions will be filed for this time period. In particular, Assessment Year 2023 has seen only 36 petitions so far, compared to 127 in Assessment Year 2022, so additional petitions may be filed as past year petitions are resolved.

Further, property taxes paid by commercial properties downtown have stayed largely stable over that same time period⁶, due to increases in the tax levy, but that is unlikely to continue, as an increasingly higher levy on a lower value of property will quickly become unsustainable.

Tax Total of Commercial Use Parcels in the Downtown Core



Tax Levy, Citywide and the Downtown Core



5. Data source: Ramsey County Assessor’s Office, years 2010-2023. Data accessed: 02/06/2024.

6. Data source: Metro Regional Parcel Dataset, years 2012-2023. Data accessed: 11/2023. https://resources.gisdata.mn.gov/pub/gdrs/data/pub/us_mn_state_metrogis/plan_regional_parcel/metadata/metadata.html

Prioritization of Potential Downtown Investments

A long list of potential projects and other investments was considered. A full list of potential investments can be found in the Appendix and a short list of those prioritized for further evaluation, along with descriptions of each, can be found in Section 2.

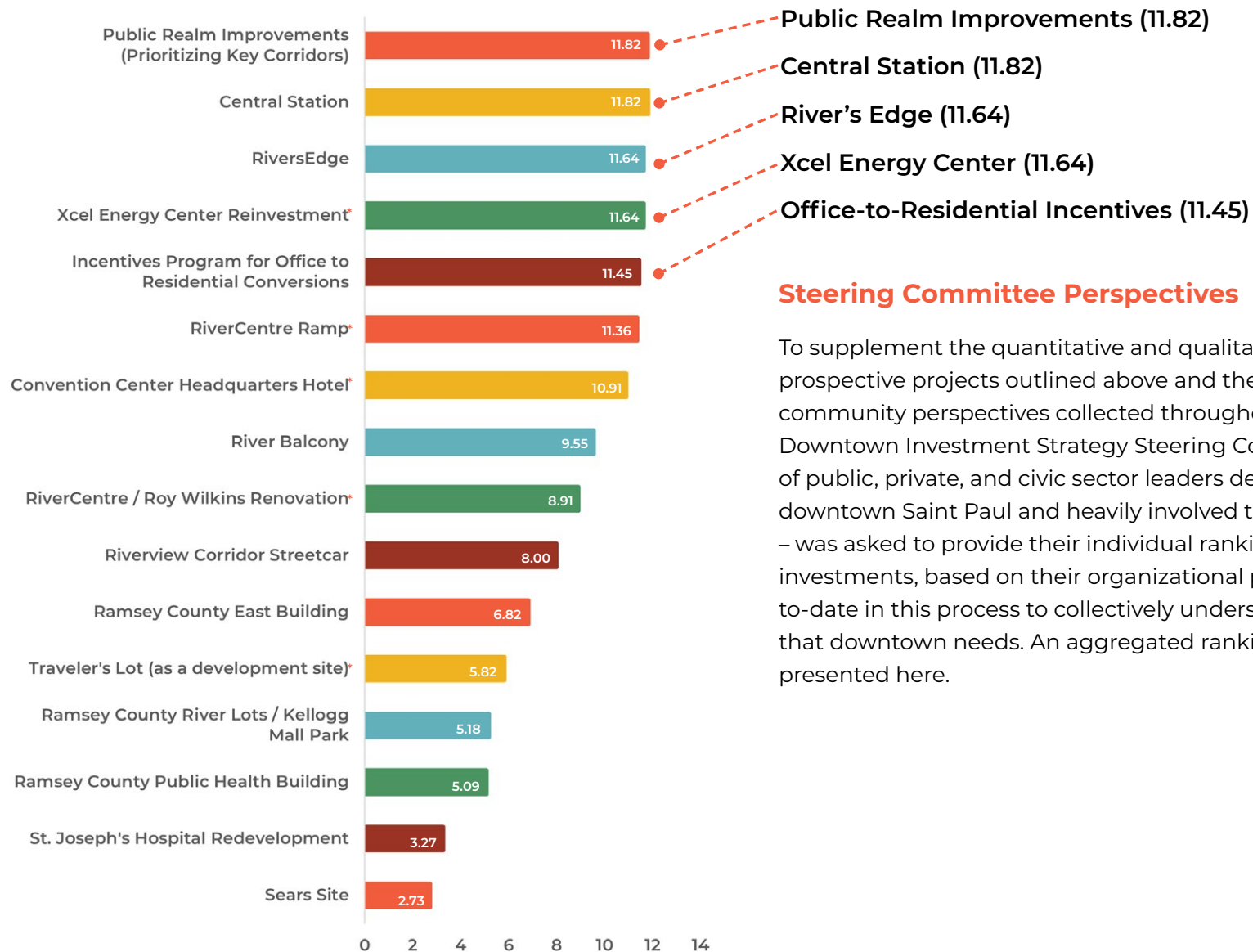
After initial evaluation of the feasibility and relevance of the projects to the Downtown Investment Strategy goals, an evaluation tool was developed with four main categories: primary goals, organizing principles, implementability measures, and impact measures. Metrics within each category were combined into a scoring rubric which is meant to serve as a living tool for the current and future evaluation of prospective investments. This Excel-based tool is designed to serve the SPDA and others in their evaluation of new opportunities as they arise. While a numerical snapshot cannot capture all of the decision-making nuance that should accompany the collective prioritization of investments, it can serve as one input among several, as outlined in the following section.

Preliminary Evaluation

These projects were initially scored on alignment with three primary goals: 1) increasing downtown residents; 2) increasing downtown workers; and 3) increasing downtown visitors, and three additional organizing principles: 4) increasing diversity, equity, accessibility, and inclusion; 5) improving safety and perceptions of safety; and 6) aligning to a public realm framework. In addition, scores were produced for the urgency and potential for catalytic impact of the proposed projects. Assessment of implementability and impact was reserved for analysis following the ranking survey.

The preliminary scoring provided several insights. Most encouragingly, the top scoring opportunities tended to be well-aligned to the primary goals, and they also tended to enhance the public realm. Lower scoring opportunities tended to focus on adding amenities to only a single sub-district of downtown rather than multiple sub-districts, and they mainly supported only one of the three primary goals. The process revealed areas of opportunity to enhance projects to best reflect the collective values of the Downtown Investment Strategy Steering Committee, and the preliminary scoring insights were shared with committee members before asking them to independently rank the projects via a survey.

SPDA Investment Strategy Project Ranking



Steering Committee Perspectives

To supplement the quantitative and qualitative evaluation of prospective projects outlined above and the stakeholder and community perspectives collected throughout the process, the Downtown Investment Strategy Steering Committee – a group of public, private, and civic sector leaders deeply committed to downtown Saint Paul and heavily involved throughout this process – was asked to provide their individual ranking of prospective investments, based on their organizational priorities and the work to-date in this process to collectively understand the critical steps that downtown needs. An aggregated ranking of those priorities is presented here.

*Indicates Projects in the Entertainment District

The top scoring project for the steering committee members was Central Station, a project that would align with investment in the public realm (a metric within the organizing principles category). Similarly, the third and fourth highest scoring projects, Xcel Energy Center and RiversEdge, are all single-site developments. All three included a public realm component as well as alignment with at least one of the three primary goals. Collectively a group of projects all related to the enhancement of the entertainment district all scored relatively highly.

Conversely, two projects that were not site-specific also scored highly by the steering committee members: the second highest scoring project was the public realm improvements, which draws from insights found in the placemaking audit, while an office-to-residential conversion scored fifth highest. The lowest scoring projects were located away from the core of downtown, and had less urgency or clarity to the projects.

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

Stakeholder & Community Perspectives

Providing opportunities for stakeholders to collaborate during the engagement and analysis process is crucial to developing outcomes that are generative and equitable, as well as for developing solutions and outcomes for which there is broad support and buy-in. Through our public engagement efforts, we provided intentional opportunities for stakeholders across the downtown ecosystem and beyond to provide their input in the development of strategies related to downtown priorities, commercial real estate, land use, housing, sustainable development, and other subjects of interest.

Key themes that came to the forefront included:

- A reiterated focus on improvement of Central Station and investment along the Mississippi riverfront.
- Validated the importance of key themes of inclusivity, safety, and the perception of safety.
- Other areas of interest noted included concern about underutilized office space, uneven management of properties, and lack of nighttime activation, along with interest in a variety of housing options.



St.
PL

SECTION 01.

Grounding & Discovery

Grounding & Discovery

Central Social Districts and the Economics of Relevance

Across the country, leadership in cities of all sizes is reconsidering the 20th century paradigm of the “Central Business District” and is pivoting instead toward a more expansive, inclusive and vibrant construct of the “Central Social District”. At a time when the disruptive forces of the recent pandemic including the adoption of better meeting technology allow for work location flexibility, many workers, students and others have never had more choices for where to work, live, play, study, and visit. And so, downtown district managers, government and business and civic leaders today are doubling-down on efforts to make the downtown experience increasingly relevant to the daily lives of more people in their cities, regions and beyond. They are thinking more in terms of expanding the types of activities that bring people together – commercial, cultural, educational and recreational – to meet people where they are, that is, in proximity to where they live. Today, there is a critical need to focus on the “economics of relevance” of struggling central business districts: what about our individual and collective experience of these unique dense urban places will make people want to visit, stay, spend money, and (most importantly) return? The city centers that are successfully adapting and answering these questions for all people – residents and workers, local and national tourists, from across the demographic spectrum – are the places that are poised to succeed in the coming years. Saint Paul has made clear its intent to create a downtown that does exactly that, which guided this work.

Process Overview

The Saint Paul Downtown Investment Strategy is the result of a year-long process which began with an understanding of Saint Paul as a place of community and connection. Initial research and analysis was focused on the demographic and economic conditions of the downtown, including both long-term trends and those that have emerged in the wake of the COVID-19 pandemic. The effort assessed downtown’s current strengths and opportunities for growth in terms of the “experience of place” that it provides to residents, workers, and visitors. These investigations were complemented by stakeholder and community engagement conversations throughout this process.

As a next step, the findings informed deeper engagement with members of the Downtown Investment Strategy steering committee in the development of a more complete investment strategy. The committee participated in workshops, both in-person and virtually, that were used to reach consensus around current barriers to downtown growth, confirm placemaking opportunities, test the evaluation and prioritization of individual investment opportunities, and discuss roles that members might play in the implementation of high-priority investments collectively and in some cases, individually.

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

Building Upon Past Efforts

The Saint Paul Downtown Investment Strategy is not a new comprehensive master plan for the area, but rather it is developed from the key ideas of recent and (and less recent) planning work, and grounded in the impacts of this unique post-pandemic period. The Investment Strategy is the natural next step that builds upon 25 years of planning and strategic vision-setting for downtown Saint Paul, and provides guidance on actions that leaders should take today.

Past Downtown Plans

Beginning with the 1997 Development Framework, a series of increasingly-focused planning efforts underpin this work, as do past implementation efforts to advance those plans, including the creation of the Saint Paul Downtown Alliance as a public/private partnership focused on the implementation of tactical steps to enhance the offerings in Downtown Saint Paul. The Downtown Investment Strategy is a collective expression of the next steps in that implementation effort.

International Downtown Association: The Value of Downtowns



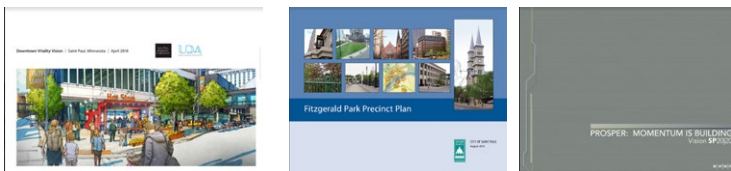
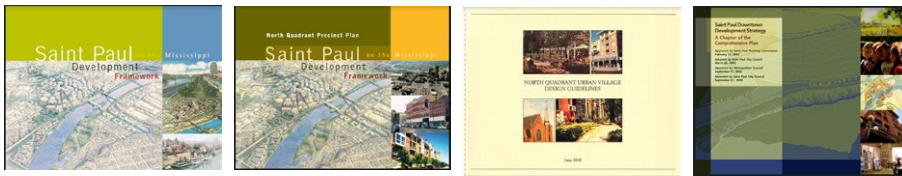
The Value of Downtowns: Comparisons

A COMPARATIVE ANALYSIS OF DOWNTOWN SAINT PAUL, MINNESOTA
A 2021 IDA STUDY



In 2021, the International Downtown Association released a comparative analysis report focused on Saint Paul, through its series titled, “The Value of Downtowns: Comparisons.” The report presents an analysis of Downtown Saint Paul compared to identified peer cities, and insights from the report influenced work in this project.

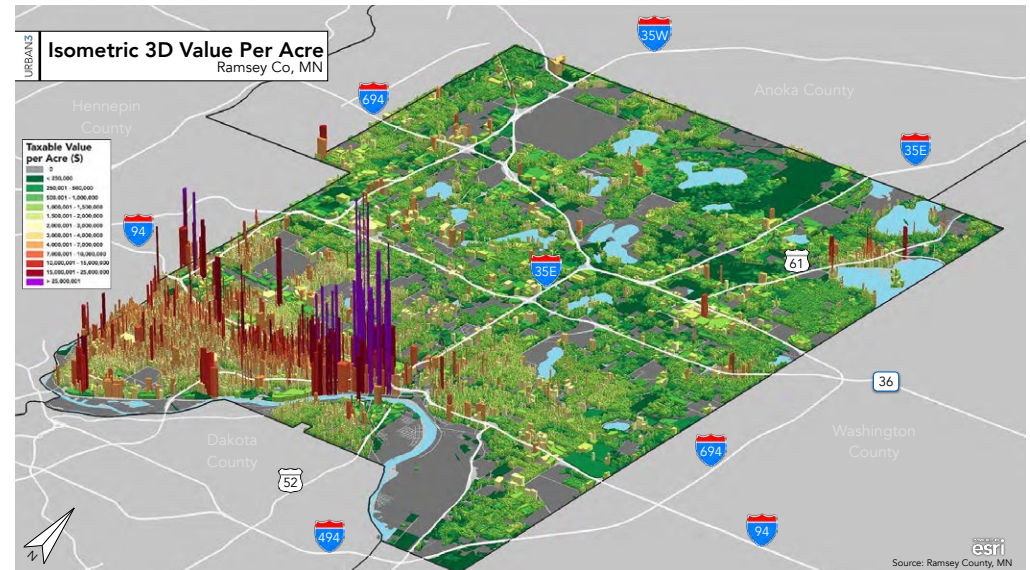
Specifically, the principles of economy, vibrancy, and resilience were useful in understanding what is “working” in Saint Paul today, and what could be enhanced through an investment strategy. The IDA report shows that Saint Paul has many of the pieces needed to draw people back downtown post-pandemic. First, its economy plays a central role regionally; through IDA’s methodology, Saint Paul is classified as a “Growing Tier” city, which indicates that Saint Paul has medium-high density in its downtown district with noticeable growth in multiple real estate categories. Saint Paul’s vibrancy is supported by a strong concentration of creative jobs downtown, in line with the cultural destinations clustered together there, however the majority of jobs are in healthcare, insurance, and finance in the private sector, and public administration (state, county, city) on the local government side. While these knowledge jobs are well paying, stable, and generally fast-growing, they differ in how they might impact downtown; Public administration jobs more often have limited remote opportunities, while the other knowledge jobs have



high potential for remote work, leaving downtown feeling less vibrant. The report notes that these jobs “tend to require more office time,” which could be a strength if downtown were to attract workers back to the office. Lastly, regarding resilience, the report noted a very real impact of its Twin City, Minneapolis, bringing attention to the region but at times outcompeting Saint Paul for tourist traffic and certain industries, and even so, Saint Paul holds its own; when compared to peers, Saint Paul is lower cost than similar medium-sized cities in housing, retail, and office space, potentially making it an attractive place to start and develop new businesses.

Taxable Land Value Analysis

In 2021, Urban3 was commissioned by Ramsey County to analyze property values at the County, City, and Downtown scales. The firm’s work revealed the overwhelming economic significance of downtown Saint Paul relative to the region. Downtown is highly productive; downtown is roughly just 2% of the city land area, but it produces 9% of the citywide tax revenue. This is true despite the fact that 52% of downtown’s land area is non-taxable. When compared against Ramsey County, the land area of Downtown Saint Paul produces 9 times greater tax value than the county average. Across residential, retail and office uses, land value per acre is nearly double in Saint Paul compared to Ramsey County. Urban3’s analysis demonstrates downtown’s strength of dense land use and indicates the benefit of an economically vibrant, active district that is distributed countywide.⁷



7. Source: Urban3, Economic MRI (copyright) case study of Ramsey County, MN 2020.

Community Engagement Approach

An important component of developing the Downtown Investment Strategy involved hearing from those who live, work, or visit downtown, as well as nearby neighbors for whom downtown is not a significant draw today, to understand what contributes to downtown’s relevance – or lack thereof – for each of those groups. Engagement for this project included three distinct approaches:

1. One-on-one and small group engagement with stakeholders identified by the steering committee and the SPDA. In total, 19 interviews were conducted, including 10 with public sector stakeholders, 5 with private sector stakeholders (primarily real estate developers), and 4 with non-profit organizations. In total, these interviews engaged more than 40 key stakeholders.
2. Informational tabling at local community-based events both within downtown and in nearby neighborhoods (5 tabling events, reached over 265 individuals).
3. A digital survey translated into Spanish, Somali, and Lao which was distributed through social media and partner newsletters (with a total of 84 responses).

These strategies were outlined as a part of a community engagement plan (led by team member NEOO Partners) designed to ensure involvement from community members, key stakeholders, and a range of organizations with insights or perspectives on key priorities for the downtown built environment. The variety of tools used were selected with the intention of reaching these different audiences, such as a survey tool for broad engagement and pop-up tabling events for direct community engagement. Careful consideration was

given for ensuring representation for a range of stakeholders, such as by holding two pop-up events in neighborhoods just outside of the downtown geography to include voices from those communities.

With the objective to identify and evaluate large-scale investment opportunities, targeted engagement was conducted with key voices from the public, private, and nonprofit sectors. Broad engagement focused on the three pillars identified by the SPDA – increasing jobs, housing, and visitation – as well as on a variety of geographic areas to understand where to prioritize investment.

“ *Downtown is beautiful and has lots to offer. It will be even easier to enjoy if the street-level experience is improved. Walking in the city is a hodgepodge of experiences from striking architectural beauty and lush parks to weird emptiness and littered dark alcoves that look like the set on a post-apocalyptic movie. Continue to invest in changes that calm traffic, encourage walking and biking, display warm and inviting interiors of shops and restaurants, and add trees and planters wherever they can possibly fit.* ”

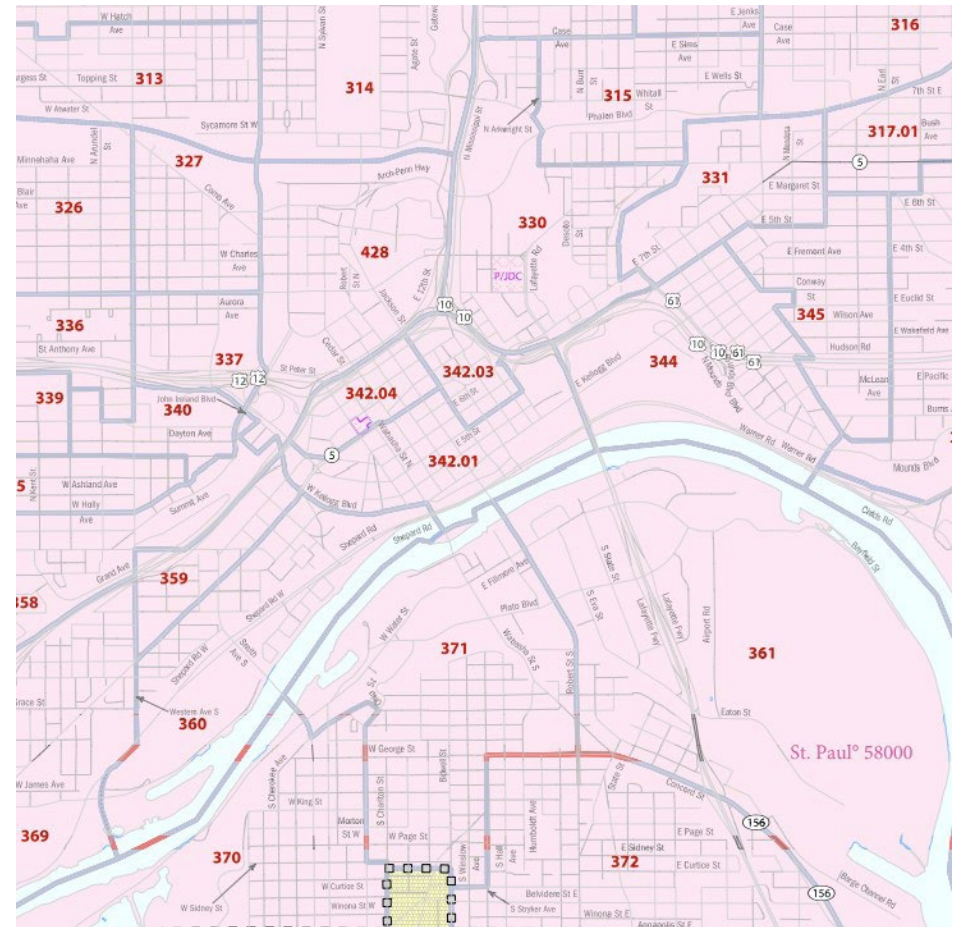
-DOWNTOWN RESIDENT

Existing Conditions

As a foundation for the development of the Downtown Investment Strategy, a range of existing conditions were assessed, using both data analysis and on-the-ground assessment of the district. An excerpt of those analyses are included here. The current conditions of Saint Paul, both citywide and unique to the downtown core, were used as a foundation for developing the three proposed Key Strategies.

Demographic Conditions and Change

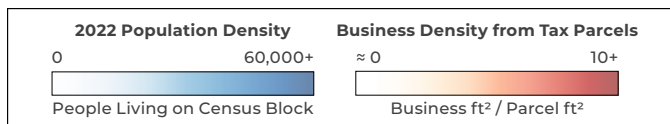
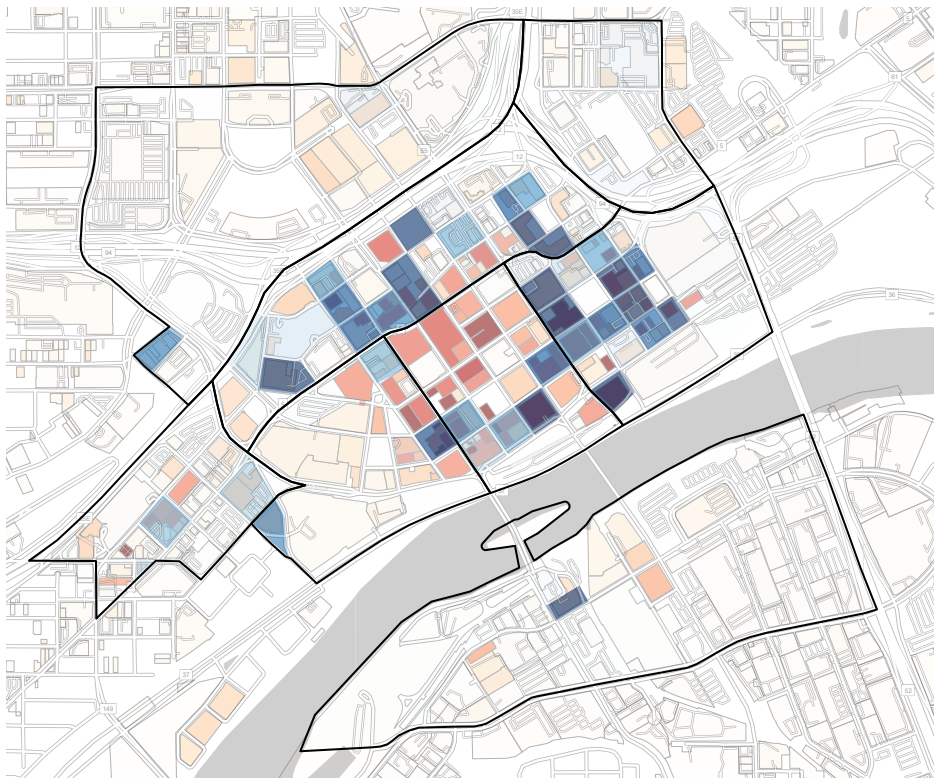
Saint Paul's population is growing and, though small, the Downtown core has shown strong performance. For demographic review, the analysis defined Downtown Saint Paul as census tracts 342.01, 342.03, 342.04. The total population of Downtown Saint Paul is just over 8,400 people – 2.7 percent of the total population of the city's 309,751.⁸ Note that this estimate of the population of the Downtown Core is slightly different from other estimates of downtown population published elsewhere, which have included varying geographies, including portions of the West 7th subdistrict. The population of the downtown core grew approximately 36% between 2011 and 2021.



Census tracts near downtown Saint Paul. Tracts 342.01, 342.03, 342.04 were used for this analysis.

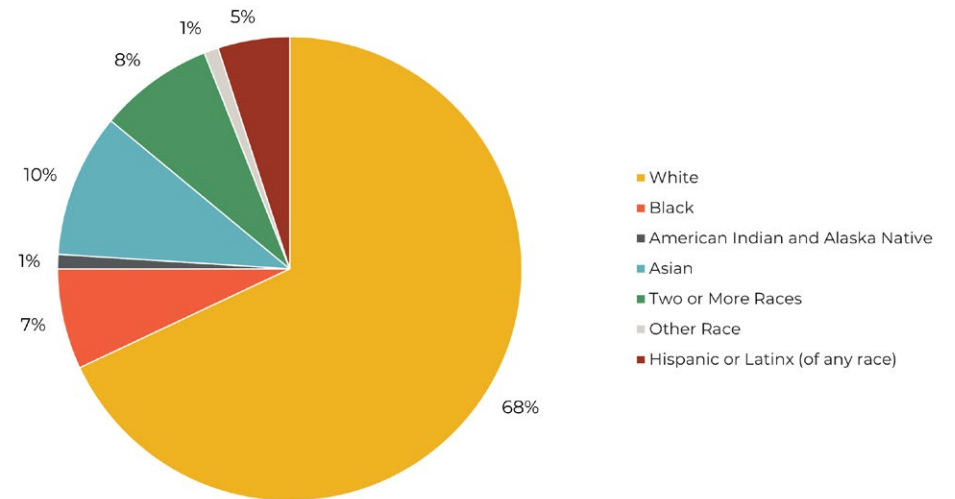
⁸ 2021 American Community Survey 5-year Estimate.

Population & business density has little overlap. Overlaying the population and business density illustrates the different roles each district plays in contributing to the activity taking place in the Greater Downtown. The colors of these scales are lighter as they move away from the downtown core as there is less density of built environment to be given to these two uses.

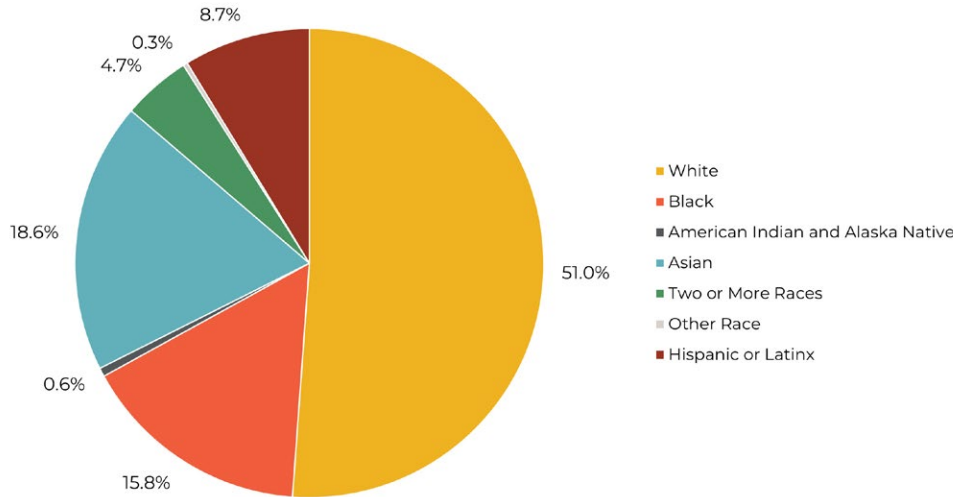


Downtown Saint Paul residents are less racially and ethnically diverse than Saint Paul as a whole. Saint Paul is relatively racially and ethnically diverse and getting more so, with more than 1/4 of residents speaking a language other than English at home, yet over 70 percent of Downtown residents are White, compared to approximately 55 percent in the city of Saint Paul. The City’s Black population is also nearly double that of the Black population in Downtown, with similar percentage differences among Asian and Hispanic or Latinx residents.

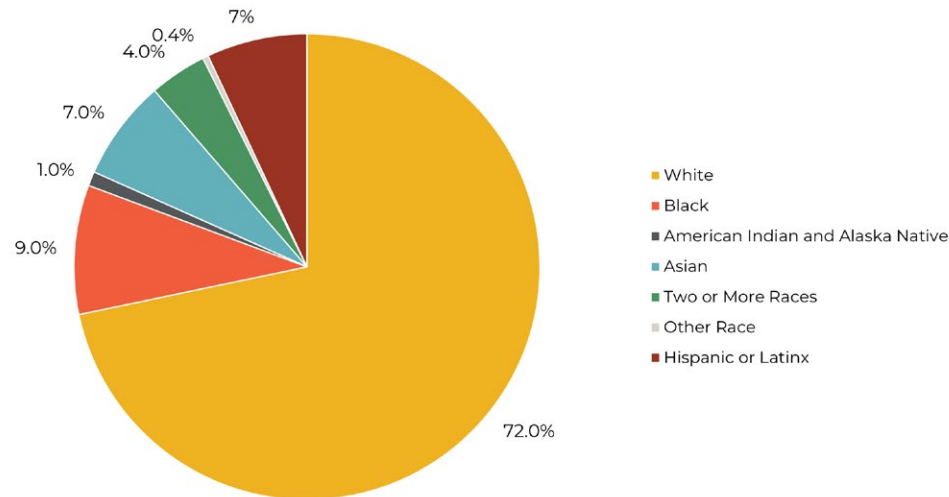
Population by Race in Downtown Saint Paul



Population by Race in Saint Paul



Population by Race in the Region (Minneapolis-Saint Paul-Bloomington MSA)



Source: 2020 Census

Educational disparities across racial groups are visible across Saint Paul and the region. In Saint Paul, less than 20 percent of Black residents have a Bachelor Degree or higher – the lowest rate among any racial group. These educational disparities are linked to economic inequality, something that is further exacerbated by gender inequalities in income as well.

	Downtown Saint Paul	Saint Paul	Minneapolis	Minneapolis-Saint Paul-Bloomington, MN-WI MSA
Educational attainment by Race - High School Degree	NA	White - 95.8% Black - 79.8% Asian - 63.8% American Indian or Alaska Native - 86.7% Hispanic or Latino - 72.9%	White - 96.7% Black - 74.7% Asian - 84.7% American Indian or Alaska Native - 82.5% Hispanic or Latino Origin - 66.1%	White - 96.6% Black - 82.8% Asian - 82.7% American Indian or Alaska Native - 83.7% Hispanic or Latino Origin - 73.9%
Educational attainment by Race - Bachelor Degree or Higher	NA	White - 53.7% Black - 18.6% American Indian or Alaska Native - 26.4% Asian - 21.6% Hispanic or Latino Origin - 21.9%	White - 63.7% Black - 17.2% American Indian or Alaska Native - 17.1% Asian - 57.3% Hispanic or Latino Origin - 25.6%	White - 46.1% Black - 23.6% American Indian or Alaska Native - 19.7% Asian - 46% Hispanic or Latino Origin - 24.1%
What is the median hourly wage by race/ethnicity?	NA	White: \$24 POC: \$16	White: \$27 POC: \$19	White: \$27 POC: \$19
What is women's earnings as a percentage of men's earnings?	86.8%	86.1%	85.3%	74.1%
Percent of households without a vehicle by race/ethnicity	NA	White - 10% Black - 32% Asian - 11% Latinx - 13%	White - 12% Black - 36% Asian - 25% Latinx - 19%	White - 5% Black - 23% Asian - 9% Latinx - 9%

(National Equity Atlas 2010-2019; ACS 2021 5-Year Estimates Data Profiles)

Economic Conditions

Downtown Saint Paul has a higher unemployment rate but lower poverty rate than the city as a whole. The median income across all occupations is lower than both Minneapolis and the MSA at just over \$40,000. Education levels among the Saint Paul workforce is generally in line with its Minneapolis and MSA counterparts. Among residents who are 25 years or older, 1 in 5 have a high school diploma and 1 in 4 have a bachelor’s degree.

	Downtown Saint Paul	Saint Paul	Minneapolis	Minneapolis-Saint Paul-Bloomington, MN-WI MSA
What is the unemployment rate?	6.2%	5.1%	5.6%	4%
Median earnings across occupations (full-time and part-time)	\$51,566	\$36,900	\$40,862	\$46,564
What is the share of people age 25+ with a high school degree or higher?	97.8%	96.5%	90.7%	94%
What is the share of people age 25+ with a bachelor's degree or higher?	37.0%	41.3%	52.6%	43.5%
Mean Travel Time to Work	NA	23.7 mins	23.2 mins	25.2 mins
Class of Worker				
Percentage of private wage and salary workers		81.3%	81.6%	83.6%
Percentage of government workers		14.1%	13.6%	11.7%
Percentage of self-employed workers		4.4%	4.7%	4.5%
Percentage of unpaid family workers		0.2%	0.1%	0.1%

Downtown jobs are more concentrated in white collar (knowledge and public administration) than the region as a whole. It is common for downtowns to have more professional and service jobs, and Saint Paul is in line with its peer cities on this front.

	Downtown Saint Paul	Saint Paul	Minneapolis	Minneapolis-Saint Paul-Bloomington, MN-WI MSA
Occupations				
What percentage of workers in management, business, science, and arts occupations?	62.3%	44.9%	56.2%	48.7%
What percentage of workers in service occupations?	13.5%	17.2%	13.9%	13.5%
What percentage of workers in sales and office occupations?	17.6%	17.3%	17.4%	19.3%
What percentage of workers in production, transportation, and material moving occupations?	4.1%	16%	8.5%	12%
What percentage of workers in natural resources, construction, and maintenance occupations?	2.5%	4.6%	3.9%	6.4%

(ACS 2021 5-Year Estimates Data Profiles)

Like many downtowns, Downtown Saint Paul has a high share of renters and high cost of living relative to income. Cost of living is a concern for many Saint Paul residents, in and outside of the Downtown. Nearly 45 percent of Downtown Saint Paul residents are considered rent burdened, meaning they are paying more than 30 percent of their income on rent.

	Downtown Saint Paul	Saint Paul	Minneapolis	Minneapolis-Saint Paul-Bloomington, MN-WI MSA
Average household size for renter-occupied unit	1.4	2.3	2.1	2.2
Average household size for owner-occupied unit	1.6	2.7	2.4	2.7
What is the share of households who rent?	72.8%	48.5%	51.9%	29.2%
What is the share of households who own their home?	27.2%	51.5%	48.1%	70.8%
What is the share of renter households who are rent burdened? (Paying more than 30 percent of income on rent)	44.6%	49.3%	46%	46.1%
Percent of households who do not own a car	25.9%	13.6%	15.8%	6.7%

(ACS 2021 5-Year Estimates Data Profiles)

Real Estate Market Conditions

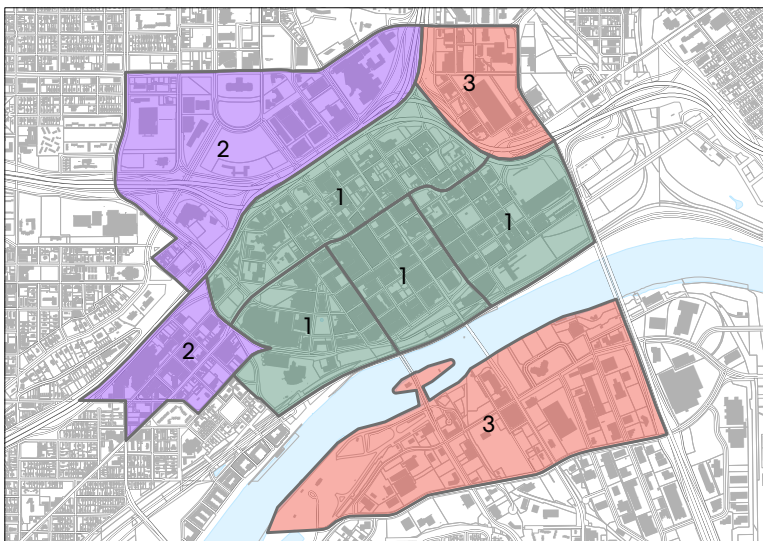
For the purposes of developing the Downtown Investment Strategy, downtown was analyzed at three scales. This map shows shows three concentric areas that, for analysis, are viewed cumulatively:

Area 1 is considered the **Downtown Core** for the purposes of this review

Areas 1 & 2 together are **Downtown Extended**

Areas 1, 2, & 3 as a group comprise what we have termed **Greater Downtown**.

For the most part, this report does not analyze Area 2 or Area 3 independently, but considers them in relation to Area 1 and for the way in which they do or could extend and enhance Downtown’s role in Saint Paul. Additionally, when necessary, these three scales are broken into smaller areas for data collection and data review purposes, as shown in the map and described later in this report.



Residential

Across all scales of downtown, rents and sales prices are well above Saint Paul averages. Given the steady increase in population, and the lower vacancy rates than in office and retail markets, the residential market appears stronger than office and retail markets for downtown. CoStar Data projects modest continued Greater Downtown rent growth along with absorption of units in the next two years.

	Downtown Core	Downtown Extended	Greater Downtown	Citywide
Unit Inventory	5,344	5,966	6,367	52,229
Units Under Construction	387	387	849	1,529
12 Month Absorption Units	26	71	74	1,606
Vacancy Rate	7.7%	7.6%	7.7%	5.9%
Market Rent/Unit	\$1,407	\$1,392	\$1,400	\$1,277
Market Sale Price	\$201,000	\$199,000	\$201,000	\$144,000
Market Cap Rate	6.4%	6.4%	6.4%	6.7%

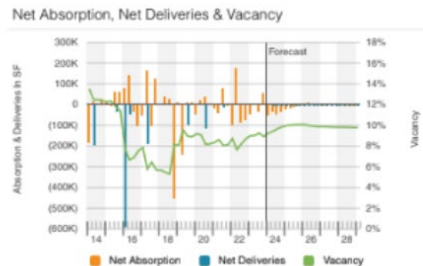
However, the housing supply downtown may not be meeting current or future needs. There are currently just 6,300 housing units downtown and a stated population goal of 30,000 residents; more housing is needed. Though rents are higher downtown, vacancy is elevated as well, suggesting a shortage of the right housing options for current and incoming residents. More affordable and market rate development, either through new construction or adaptation of existing buildings will be required.

Office

The state of the office market is less optimistic. Total office square footage in Downtown has declined since 2008, and the downtown core holds 36% of citywide office square footage. Downtown has higher vacancy and greater negative net absorption than the city as a whole.

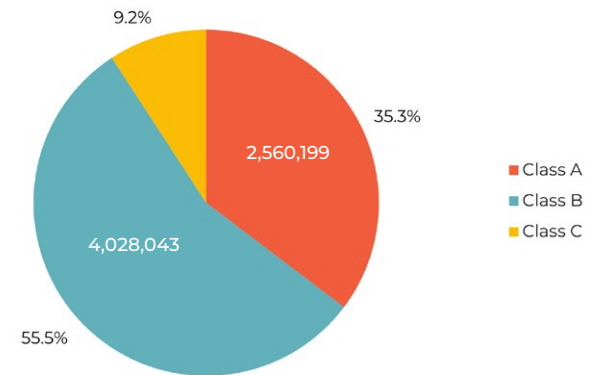
	Downtown Core (Area 1)	Downtown Extended (Area 1,2)	Greater Downtown (Area 1,2,3)	Citywide
Inventory SF	11,800,000	15,200,000	16,200,000	33,000,000
Under Construction SF	0	0	0	0
12 Month Absorption SF	-56,200	-70,600	-21,700	6,900
Vacancy Rate	11.9%	9.6%	8.9%	6.3%
Market Rent/SF	\$23.46	\$23.90	\$23.99	\$24.09
Market Sale Price/ SF	\$159	\$154	\$154	\$138
Market Cap Rate	8.4%	8.5%	8.5%	9.0%

CoStar data projects rents and vacancy to remain largely stable in Greater Downtown over the next few years.

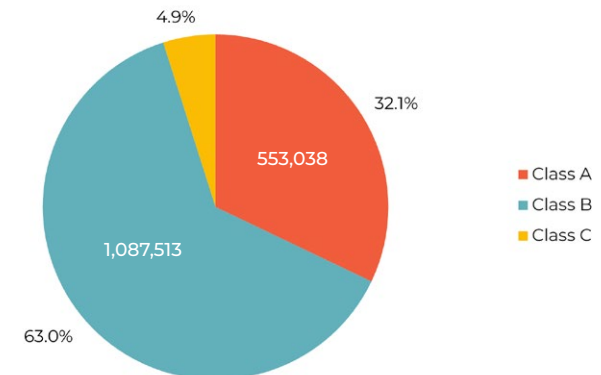


Like most downtowns, this reflects the changing nature of office use following the Covid-19 pandemic, however, the decline predates the pandemic, and Downtown Saint Paul shows variation among Class A, B, and C markets. Specifically, the breakdown is 35% Class A, 56% Class B, and 9% Class C office space, yet the vacancy rates are 22% for Class A, 27% for Class B, and 13% for Class C. Class B space has a disproportionately high share of the vacant square footage while Class C has a disproportionately low share of the vacant square footage.

Total SF by Office Class in Downtown Core, 2023



Available SF by Office Class



Similar to the office market, retail market indicators for downtown retail lag citywide averages, reflecting both pre-pandemic and post-pandemic challenges. Even before the COVID-19 pandemic, long-term trends have changed the way we think about accessing goods and services, with particular challenges showing up in the traditional bricks and mortar retail sector. Traditional retail has been challenged by factors such as the rise of Direct-To-Customer business models, e-commerce giants, and the vast improvements in logistics and distribution. Small businesses with insufficient liquidity and insufficient access to credit may continue to close their doors for good, while telecommuting is likely to persist, shaping not just our office and residential sectors, but also the food & beverage establishments reliant upon downtown workers.

Nationwide, there are signs of optimism in the retail sector as a whole, despite a slowdown. According to Collier's, retail spending (excluding gasoline, food services, and automotive sales) is up 6.5% and major retailers opened more stores than they closed for the first time since 2016.⁹

In Saint Paul, approximately 11% of all retail square footage in the city is located in the greater downtown area. However, while CoStar projects retail vacancy to gradually fall in Greater Downtown, the retail vacancy rate downtown is 50% higher than the rate citywide. Both downtown and the city have negative net absorption meaning that more commercial tenants are leaving than entering retail space. CoStar data predicts a modest decline in the vacancy rate over the next two years.

	Downtown Core (Area 1)	Downtown Extended (Area 1,2)	Greater Downtown (Area 1,2,3)	Citywide
Inventory SF	1,700,000	2,000,000	2,000,000	15,900,000
Under Construction SF	0	0	0	0
12 Month Absorption SF	-32,200	-30,600	-31,900	36,200
Vacancy Rate	6.8%	6.6%	6.5%	3.4%
Market Rent/SF	\$19.38	\$20.32	\$20.28	\$20.54
Market Sale Price/ SF	\$137	\$139	\$140	\$168
Market Cap Rate	7.2%	7.2	7.3%	7.3%

Saint Paul's retail business density (retail businesses per square mile) is 32% lower than that of similar cities, but downtown retail sales as a percentage of citywide retail sales are on par with comparable cities.

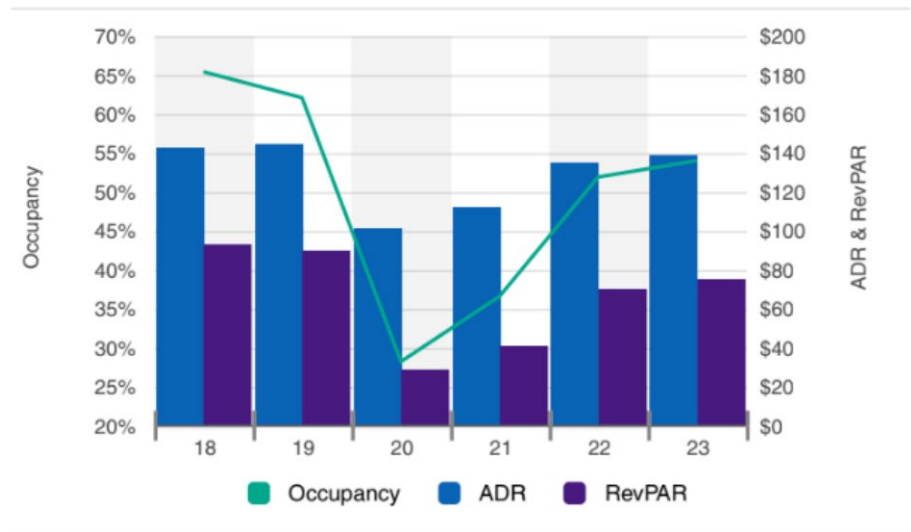
Colliers. Spring 2023 U.S. Retail Report: U.S. Consumers Cautiously Confident: A breakdown of retail shopping trends, 2023, page 6.

Hospitality

Average Daily Rate (ADR) approaches pre-pandemic levels, though occupancy rates, which are an important indicator of the health of the hospitality industry, continue to lag.

The Greater Downtown area makes up a large percentage of hospitality units for the city of Saint Paul – nearly 70 percent – demonstrating the value it plays in ensuring a vibrant and diversified hospitality industry. The Downtown Core alone accounts for half of the hospitality units in all of Saint Paul, with a 12 month occupancy rate rounding out at 55 percent city wide. This is lower than the national occupancy rate of 67 percent in 2022, and 57.6 percent in 2021.¹⁰ Occupancy rates are important indicators of the health of an area’s hospitality industry, for which the ideal rate is between 70 and 95 percent.¹¹

Occupancy, ADR & RevPAR Annualized vs YTD



	Downtown Core	Downtown Extended	Greater Downtown	Citywide
Unit Inventory	1,745	2,287	2,187	3,302
Units Under Construction	0	0	0	0
12 Month Occupation Rate	54%	51.8%	51.7%	55.3%
12 Month ADR*	\$139	\$136	\$136	\$126
12 Month REVPAR*	\$75	\$74	\$74	\$70
Market Sale Price/ Room	\$118,000	\$115,000	\$113,000	\$97,400
Market Cap Rate	9%	9.3%	9.3%	9.7%

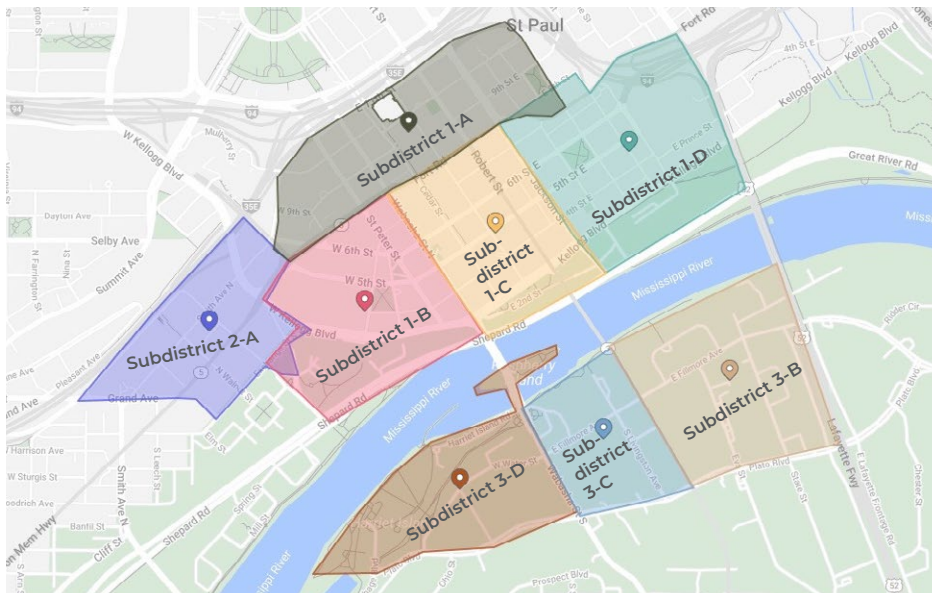
As shown in the foot traffic analysis on the following page Saint Paul consistently draws visitors from outside the city to its entertainment district, and strategies to increase visitorship could align with growing the hospitality industry downtown.

10. “Monthly occupancy rate of hotels in the United States from 2020 to 2022,” Statista 2023. <https://www.statista.com/statistics/206546/us-hotels-occupancy-rate-by-month/>
 11. Hollander, J. “What is an Occupancy Rate? [+Free Live Calculator]” Hotel Tech Report. May 3, 2023. <https://hoteltechreport.com/news/occupancy-rate>

Downtown Visitation

As a part of the development of the Downtown Investment Strategy, visitor patterns were analyzed using Placer.ai data available from anonymized cell phone location sharing. The powerful platform shares visitor data dating back to Jan 1, 2017. This process analyzed visitor data in general and did not disaggregate employees from visitors or residents. Placer.ai uses an algorithm to determine whether the phone is spending time at “work” or “home” rather than visiting a destination, and the analysis is able to reflect visits to destinations that are not “work” or “home.”

The sub-districts, shown in the map here, varied significantly in visitor characteristics. In particular, sub-district 1-B concentrates several entertainment and event spaces together and consequently has the highest visitorship in downtown Saint Paul.



As of May 2023, an examination of the time of day that visitors were arriving and the blended duration of time for each district showed that, on average, people are dwelling for 60 to 90 minutes in each sub-district except sub-district 1-B which sees approximately a 130-minute dwell time. The 2-hour-plus dwell time is heavily influenced by the event center spaces within the district. As such, both Friday and Saturday are consistently the busiest days in aggregate since 2017. Analysis revealed two opportunities:

- First, visitors to sub-district 1-B visitors can be drawn into other sub-districts downtown.
- Second, Xcel Energy Center is nearly at capacity, so nearby assets need to be enhanced to increase visitorship.

As of December 2023, data shows that the Xcel Energy Center itself has essentially returned to its pre-pandemic level of visitation, though the surrounding district remains about 1 million visitors behind pre-pandemic levels. The remainder of downtown is not performing as strongly.

Experience of Place Audit

A street-level review of the overall experience of ‘place’ offered in Downtown Saint Paul allowed for on-the-ground data collection about current ground floor uses, wayfinding, open spaces, pedestrian experience, and natural assets as well as barriers to pleasing pedestrian flow, and other gaps in the urban fabric.

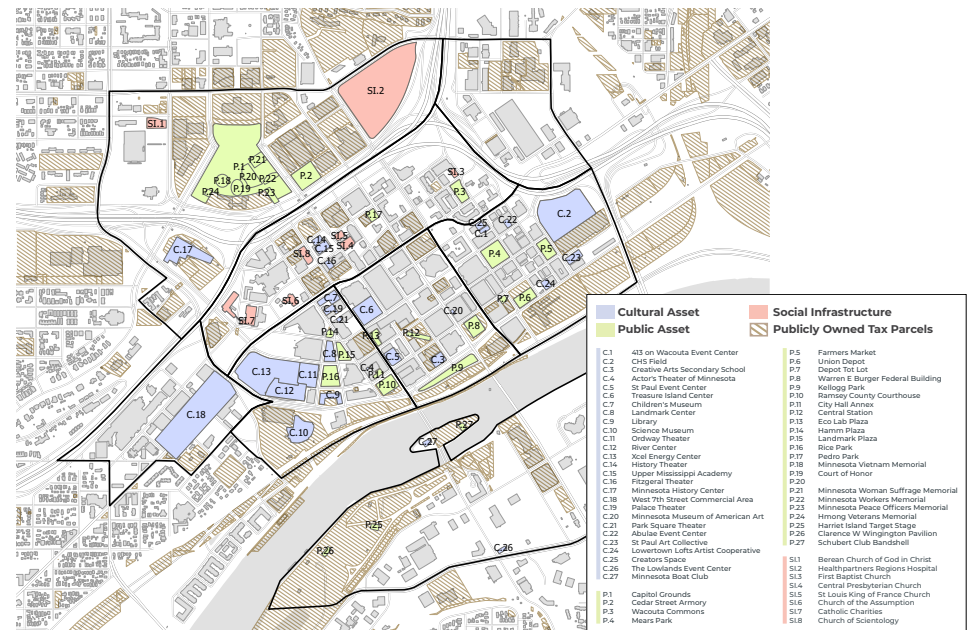
The audit was conducted with an eye toward best practices in placemaking; identifying those already present in Saint Paul, areas warranting focused attention, and other high-impact place interventions to consider. These practices often focus on what is visible to pedestrians, as that is where the urban experience is principally received. Recent national trends in successful placemaking have included:

- Incorporating a river or natural body of water into the network of pathways for bikes and pedestrians.
- Supporting small business growth, especially ground floor businesses.
- Enhancing art and cultural assets.
- Promoting alternative ground floor uses, in place of traditional retail.
- Considering office-to-residential conversions and its potential impact on the street-level experience.

Downtown Saint Paul exhibits several of these, with the Downtown Investment Strategy showing alignment on enhancing and pursuing them further.

Downtown Saint Paul’s Experience of Place

The audit identified several trends. Downtown has a largely concentrated commercial core, with residential uses surrounding the traditional central business district, and municipal uses on the outskirts. Entertainment and culture are primarily clustered together in the southwestern quadrant of the downtown core. Parking is also a major downtown land use, in the form of both surface lots and structured parking garages (both within buildings and as stand-alone structures). Residential population is minimal in the central business district between Saint Peter and Jackson streets, a trend that is repeated in the location of tree canopy, bike routes, active store fronts, and leased retail spaces. Retail spaces are clustered on specific streets including Wabasha, Saint Peter, and East 7th near Wacouta.



Downtown Saint Paul Existing Asset Map

In terms of strengths, downtown Saint Paul already demonstrates many best practices. Saint Paul Downtown Alliance (SPDA) supports small businesses to obtain retail space through its Grow Downtown program. SPDA also successfully leverages Rice and Mears Parks as social spaces and outdoor event spaces by collaborating with other organizations. The city is also invested in improving bicycle and sidewalk design, as seen by several recent streetscape improvements.

The placemaking audit also highlights attention needed in the central business district of downtown. This area has a high concentration of buildings without ground floor storefronts (it is also near the highest concentration of skyways, which appear to compete with viable ground floor retail), is described as feeling unsafe, and is heavily office use, rather than a strong mix of residential, office, and retail uses. The findings from this audit led the Consulting team to develop a framework to guide investment decisions in the experience of place in downtown Saint Paul.





Economic Value of Nurturing the Public Realm

Studies have shown that the economic return on great open spaces far exceeds the investment put into them. Open spaces are relatively low-cost to build (compared to vertical development), yet they attract people to spend time in them, boosting the vibrancy and value of everything nearby. Capital follows people, and people will repeatedly come back to places that are engaging and produce memorable, positive experiences. These are the places that benefit most from investment. When they don't exist in a downtown, leaders and downtown stakeholders hold incredible opportunities to create them.

Great public spaces are developed by inviting and encouraging people to spend more time in them. In particular, downtowns offer activities for workers, visitors, and residents with varying goals for their experience of place (i.e. “I want to work with other talented minds everyday”, or “I want to jog along the Mississippi river every morning”) that overlap geographically with each other. Downtown Saint Paul has a number of assets downtown, yet a quick walk from one to another is often an unappealing experience, according to residents, workers, and visitors. These routes of connection – or in other words, the public realm between destinations – have an enormous impact on the overall experience of downtown.

A public realm framework provides guidance on how to prioritize and coordinate investment in the public spaces of downtown. Where will investment have the largest catalytic impact on nearby businesses? Where will it have the biggest impact on visitation to less visited parts of downtown? Where can it increase a sense of safety?

Below, the public realm framework highlights key corridors to consider for early public realm investment, building upon recent municipal investments in some of these corridors.

Primary Corridors

Kellogg Boulevard, with spectacular views of the Mississippi River stretching from West 7th to Union Depot and Lowertown, should be a world-class promenade that invites locals and visitors alike to engage with public spaces and cultural activities overlooking the Mississippi. The City has made recent investments along a portion of its length and should continue to focus on pursuing the goal of making this a true pedestrian-friendly boulevard experience, enhanced with vibrant street-level uses, that people are naturally drawn to.

5th Street should be Downtown Saint Paul's busiest pedestrian thoroughfare. Instead, it currently has little appeal to pedestrians along much of its length, despite the fact that it uniquely connects nearly all of the primary civic spaces in downtown, from the Xcel Energy Center to CHS Field, with Rice Park and Mears Park in between. As this stakeholder engagement process made very clear, people avoid 5th Street because of the current intimidating conditions surrounding the Central Station area. Similar to Kellogg Boulevard, 5th Street needs to become a vibrant mixed-use pedestrian corridor that is one of the most important connector streets between the east and west sides of downtown.

Wabasha Street has seen recent City infrastructure upgrades to install a grade-separated cycle track along what is already one of the better retail streets in downtown. With targeted further investment and support for a variety of retail and cultural attractions in ground

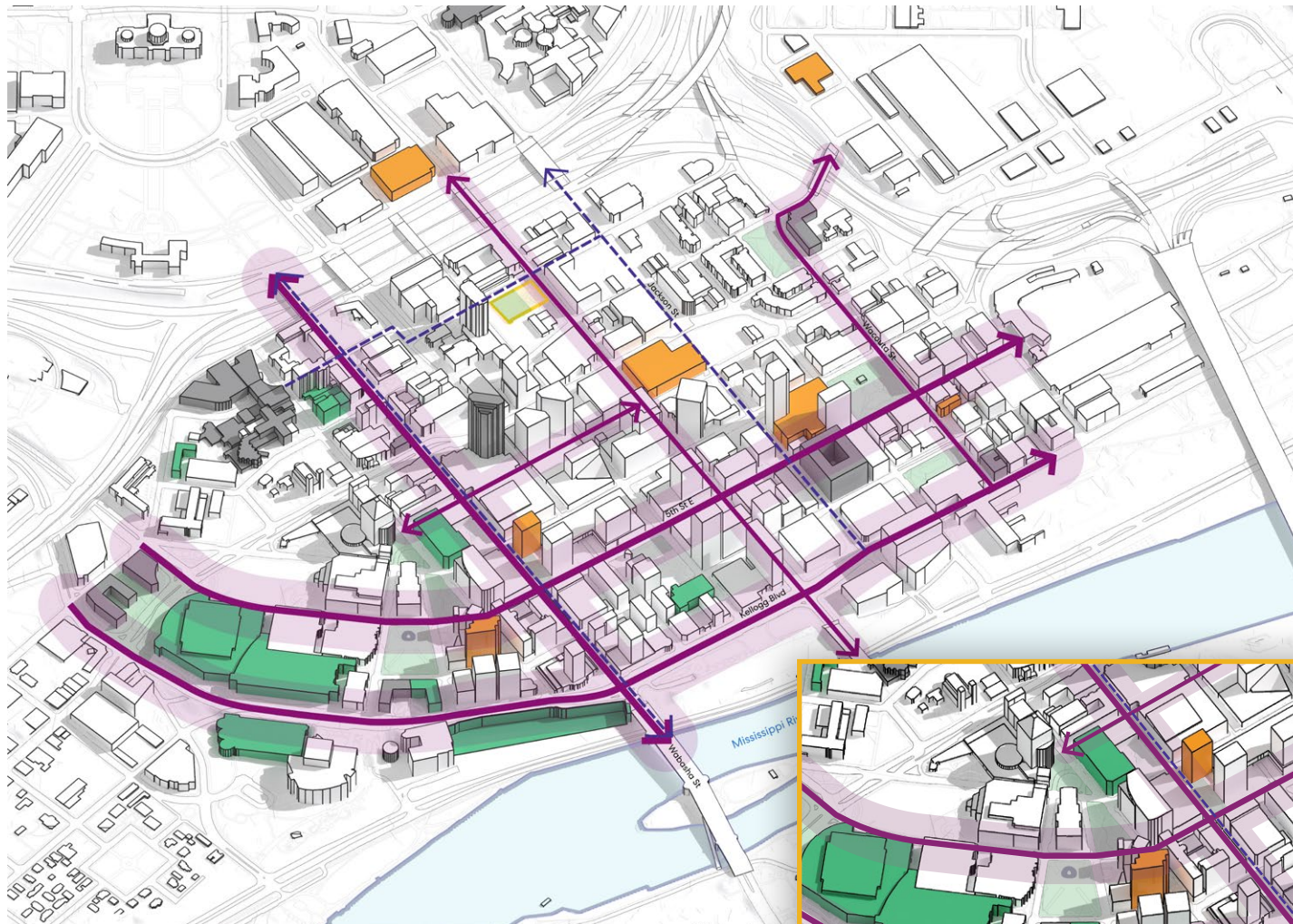
floor space, it has the capacity to be a primary retail corridor for Saint Paul as a whole, serving residents, workers, and visitors while providing a key multimodal connection to the Capitol and the West Side Flats.

Secondary Corridors

Robert Street, like Wabasha, offers connection to the West Side Flats and serves as a major street for existing public transportation routes. Robert Street also adds value by pulling people toward the riverfront or upland through the core, encouraging more foot traffic that will help support local retail and other neighborhood amenities.

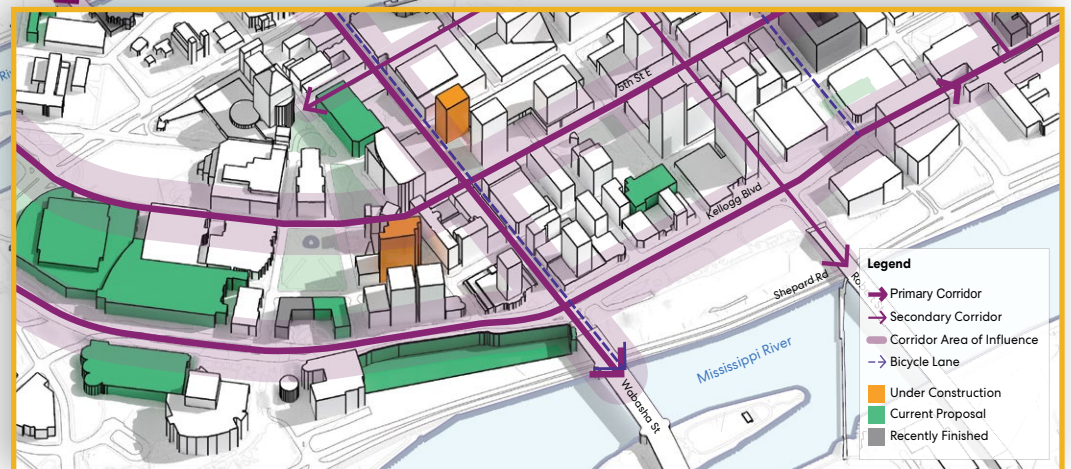
Wacouta Street abuts Mears Park and Wacouta Commons, and connects Lowertown with the developing neighborhood being established by residents around Wacouta Commons. As development occurs east of the highway on Lafayette Street, Wacouta serves as a connector into downtown. These assets need to be connected to one another by great streets, which are of comparable high quality and encourage people to explore downtown on foot.

7th Place, from Saint Peter to Robert Streets, currently appears disjointed, but it has potential to provide enhanced placemaking by connecting its current "segments" including the pedestrian only section, 7th Place West; the skyway through Wells Fargo that connects 7th Place West to 7th Place East, and 7th Place East's narrower street widths that present opportunities for pedestrian-friendly streetscape redesign.



Along these corridors, investments in pedestrian infrastructure should be accompanied by encouragement for private property owners to focus retail and food & beverage offerings on the street level of these key connections. These corridors also align with many of the best opportunities for further investment in downtown, and can serve an organizing purpose for the next phase of downtown reinvestment.

A framework for public realm investment, highlighting primary streets that will serve as connectors



Stakeholder & Community Engagement Insights

As noted in the Process Overview, engagement included a range of techniques, including one-on-one interviews, pop-up tabling at events, and an online survey available in several languages.

The multipronged engagement effort highlighted key themes which underscore the importance of addressing safety concerns, prioritizing inclusivity, and recognizing that priorities about where and what to invest in varies among stakeholders. Stakeholders emphasize the need for a downtown that is safe and inclusive, particularly in addressing issues related to homelessness and drug abuse. The variation in prioritization of focal areas – with different groups emphasizing visitorship, housing, and jobs – emphasizes the need for tailored approaches. The underutilization of office space, disinvestment in properties, and the perceived disconnection of the Capitol from the downtown core further underscore the challenges. To revitalize downtown, stakeholders suggest activating existing spaces, managing properties effectively, and fostering a vibrant nighttime environment. The call for affordability in housing and parking resonates as a critical consideration for the future development of the downtown area. This report notes that across national standards, a high share of downtown Saint Paul housing is already affordable (26%), however the desire for affordability was expressed by the community and is included here as a community insight. It remains true that more housing options are needed at a variety of price points that is responsive to market demand.

Key takeaways from that engagement are highlighted here.

Geographic Areas of Emphasis:

Central Station arose as a key area for improvement. Reasons included safety concerns and current underutilization space in a prime downtown location.

The Riverfront was highlighted as an opportunity to invest in Downtown Saint Paul's greatest natural resource: the Mississippi Riverfront. Commenters continually emphasized the proximity of the river to the downtown, but the lack of access to the river itself.

Mears and Rice Parks. Key stakeholders consistently referenced Mears and Rice Park as key destinations and gems of downtown.

Key Themes:

Safety and Perceived Safety. Participants raised concerns about safety and the perception of safety in the public realm (including streets, bus shelters, and parks). Safety concerns were associated with the presence of individuals experiencing homelessness as well as instances of observed drug abuse near or on public transit. There seems to be unanimity across demographic groups in recognizing the real and/or perceived lack of safety as a problem.

Inclusivity. Survey respondents, pop-up participants, and stakeholders interviewed in nonprofit leadership highlighted the importance of designing a downtown to be more inclusive towards BIPOC communities, youth (with a particular emphasis on youth-oriented programming), and elders.

- Note that greater than 70% of one-on-one stakeholder and survey participants were White/of European American descent. Given these response statistics, NEOO held pop-up events in communities that are not typically engaged in decisions surrounding the downtown.

Activating existing office space. Many stakeholders identified the underutilized office space in downtown as a problem.

Management of properties. Several stakeholders spoke about the varying levels of engagement from existing property owners and, in particular, disinvestment in existing properties impacting the overall economic health of downtown.

The Capitol is an island. Key stakeholders stated that the Capitol feels disconnected from the downtown core.

Activation. Many survey respondents commented on how downtown could feel “dead” at night and wanted increased activation of storefront, skyway and green spaces.

Affordability. Pop-up event attendees and survey respondents remarked on the need for affordable housing and affordable parking.

Overall, prioritization varied amongst stakeholders. In the downtown core, participants identified visitorship as the highest investment priority, while participants in neighborhoods outside of Downtown identified housing and jobs as the highest investment priorities. The need for inclusivity was a high priority among nonprofit stakeholders. Those who worked downtown spoke about needing more activity, such as a variety of dining options. Stakeholders repeatedly cited Osborn370 as a demonstration of downtown-based entrepreneurial energy, and expressed interest in furthering such entrepreneurship-oriented efforts. Other potential priorities referenced included a focus on greenspace, more or less parking (perspectives varied on this topic), affordable housing, and investment in safety.

Phase 1: One-on-One Stakeholder Engagement

Between May 2023 and September 2023 the consulting team carried out 18 one-on-one and small group interviews with a list of key stakeholders intensified in tandem with the Saint Paul Downtown Alliance and other project stakeholders. These included:

- Nine from the public sector
- Five from the private sector (primarily real estate developers)
- Four from non-profit organizations

Stakeholders were chosen for their role in representing, investing in, and/or advocating for downtown Saint Paul. Stakeholders prioritized the most viable development opportunities and other resolutions) within the next five years.

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. Non-profit leaders emphasized that investments should be directed in a way to benefit those most in need and not solely focused on real estate transactions. Stakeholders highlighted opportunities to create a sense of place or a destination by activating storefronts and skyway spaces. Additionally, they spoke about the new entrepreneurial energy (especially at Osborn370) in downtown.

However, they also referenced the fact that some properties are not managed at all, resulting in some streets looking relatively dilapidated. Additionally, private sector stakeholders spoke about the need for more Class A office space. Stakeholders cited Mears and Rice Park as destinations for both downtown visitors and residents. Additionally, Central Station and the Riverfront were commonly mentioned as key locations. Finally, public sector employees mentioned the Capitol area as an island, which is disconnected from the rest of the downtown core.

Phase 2: Pop-Up Events

For all of the pop-up events, NEOO set up a table and guided participants through an exercise to vote on topics that they thought should be of highest priority for downtown Saint Paul. Each participant was allotted either eight marbles or four stickers to disperse amongst the topic choices: housing, jobs, visitorship, and “other”.

India Fest

8/12/2023 from 11am to 9pm; staff attended from 12pm-3pm

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.

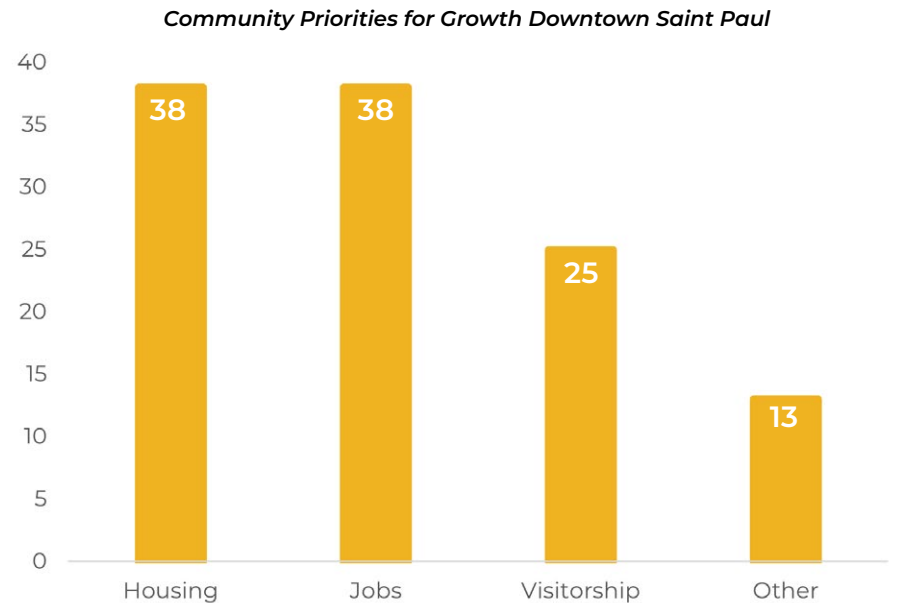
Engagement Data

- Direct Engagement: 25 adults / 12 children
- Passive Engagement: 60 community members

Synthesized Comments

- More affordable housing and spaces for people to get housing and job resources that are accessible to them.
- Would visit if there were more places oriented towards daily needs and necessities.
- A desire to use the riverfront more.
- Some participants did not realize the Capital area was considered part of downtown.
- “Other” priorities identified by community members included adding more green space and opportunities for entertainment for all ages.

Scoring Activity Data



370Sets Osborn Live Music

8/31/2023 from 3:30pm to 6pm
9/13/2023 from 3:30pm to 6pm

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.

August 31, 2023

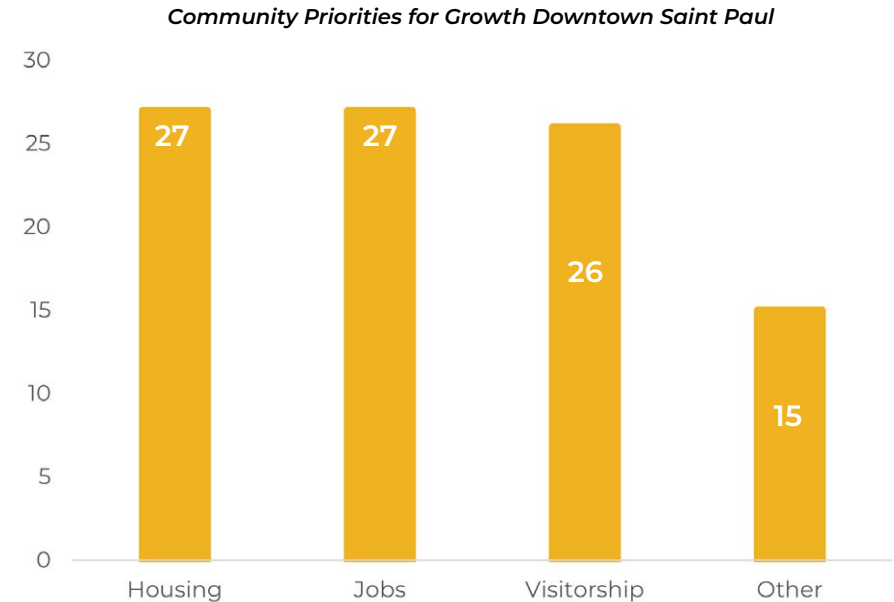
Engagement Data

- Direct Engagement: 27 adults
- Passive Engagement: 60 community members

Synthesized Comments

- The housing category should include affordable housing to incorporate some economic diversity downtown. Participants suggested adding affordable housing near major bus stations to provide easy access to potential public transit users.
- With changes to traffic flow infrastructure, a lot of the metered parking was taken away, which changes how long people can stay downtown and access spaces they want to visit easily. For people working downtown, it still feels like there are not many parking options.
- “Other” priorities identified by community members included transportation, safety, grocery stores and cleanliness.

Scoring Activity Data



September 13, 2023

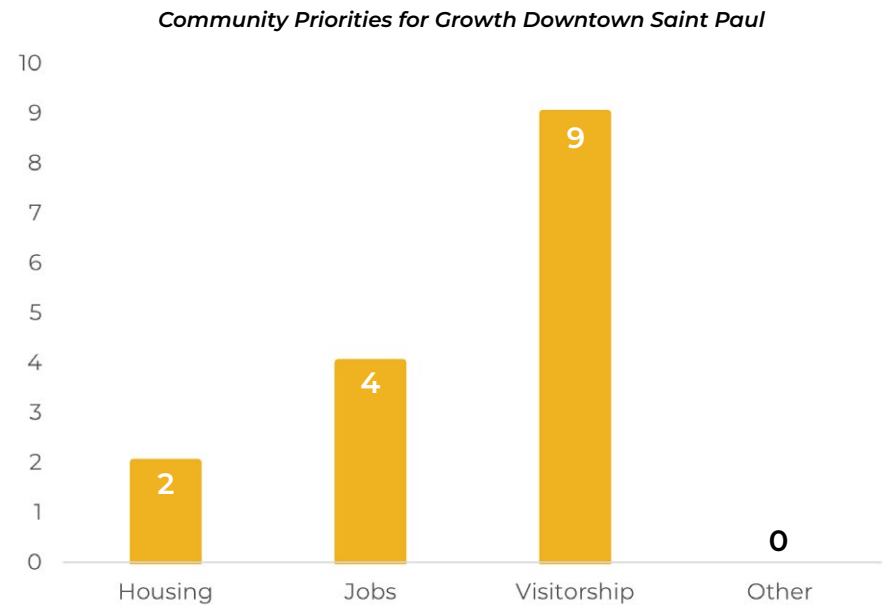
Engagement Data

- Direct Engagement: 13 Adults
- Passive Engagement: 40 community members

Synthesized Comments

- Programs and services are a necessity for the unhoused, jobless, and youth population
- Riverfront is beautiful and in other countries, they utilize their waterways optimally; it becomes the centerpiece for the community-we should do the same in downtown Saint Paul.
- Parking prices have skyrocketed making the downtown area avoidable or “risky” on public transportation
- “Other” priorities identified by community members included more opportunities for remote work, safety, need for increased cleanliness and the youth population's needs for programming and services.

Scoring Activity Data



Selby Ave Jazz Fest

9/9/2023 from 11am to 4pm

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.

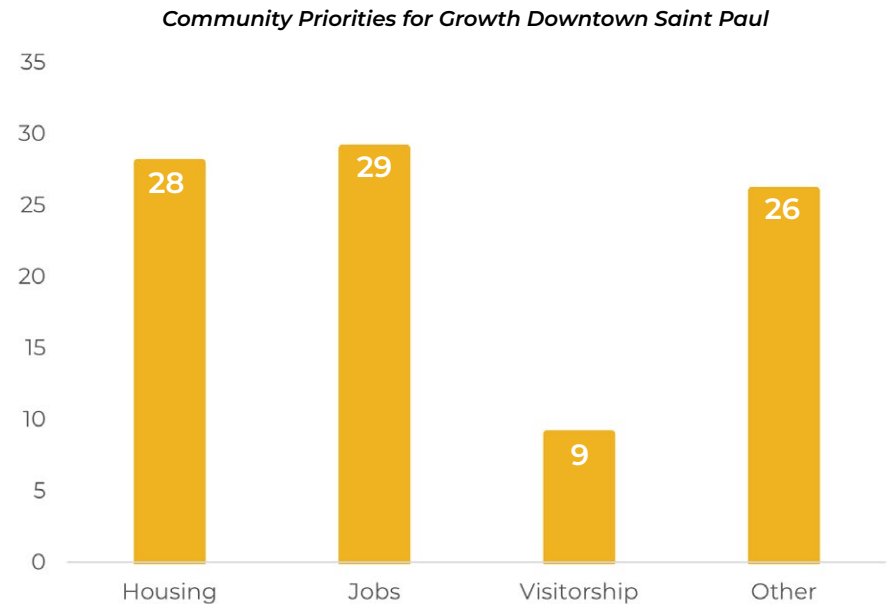
Engagement Data

- Direct Engagement: 49 Adults (2 Teenagers, 9 children)
- Passive Engagement: 65 community members or visitors

Synthesized Comments

- Riverfront visitorship should be considered a big attraction for the downtown area.
- Increased open drug use and crime reported in the downtown area.
- Lack of variety/affordable grocery stores and convenience stores.

Scoring Activity Data



Uniquely Eastside Festival

9/9/2023 from 11am to 7pm

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.

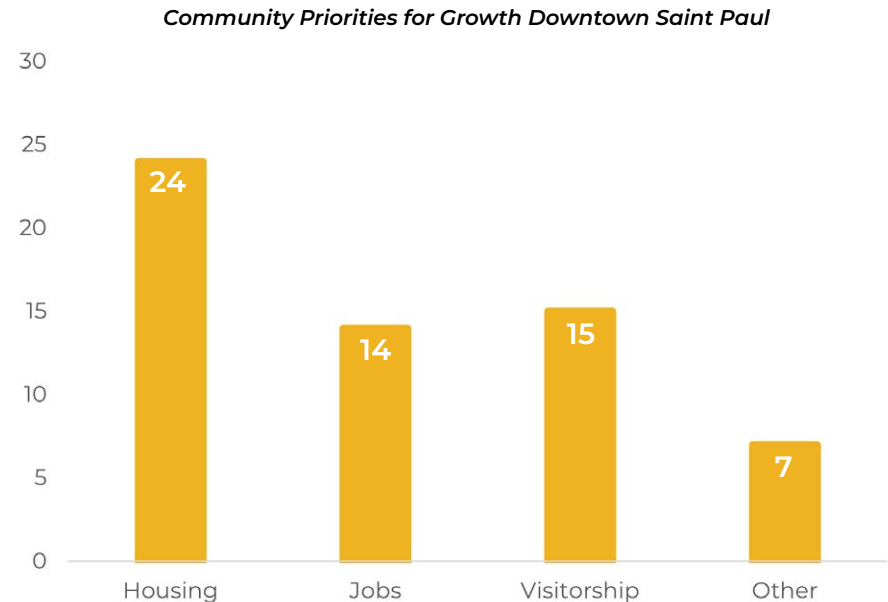
Engagement Data

- Direct Engagement: 45 Adults / 5 children
- Passive Engagement: 70 community members

Synthesized Comments

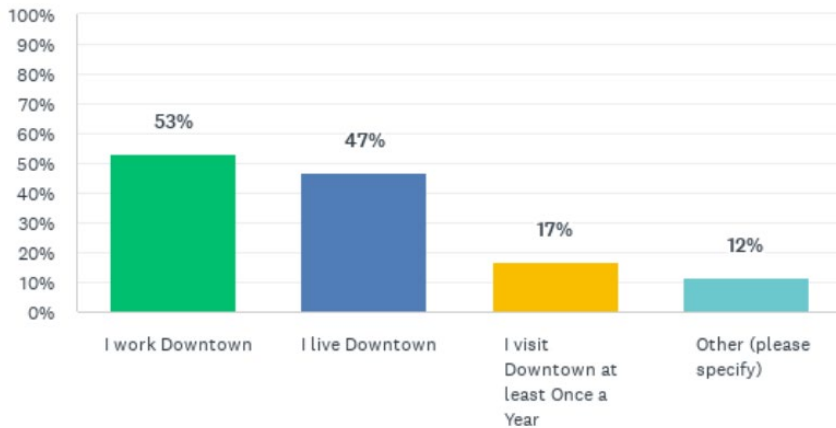
- People were passionate about affordable housing (with an emphasis on liveable rent and renovation of older buildings) and the provision of various types of affordable housing near the downtown area.
- A range of issues related to ensuring safer streets arose, including concerns about pollution & emissions, drug dealing & pen drug usage, and the prevalence of trash.
- Attendees suggested that more arts events and parties would be a way to connect and build a stronger downtown community.

Scoring Activity Data



Phase 3: Online Survey

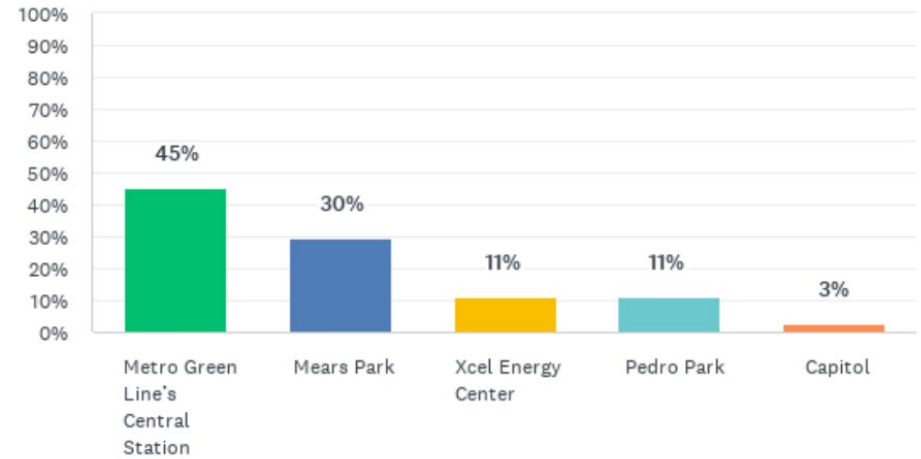
A total of 84 individuals participated in the online survey. The majority identified as white (78%) and were older (53% were over the age of 51). Over 50% of survey participants identified as working downtown and nearly 50% live downtown (with overlap between the groups); other responses included attending events or volunteering, and over 93% consider themselves to be a part of the downtown community.



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.



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.



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.

Strengths, Weaknesses, Opportunities & Threats

Building upon the existing conditions analysis conducted, Downtown Saint Paul’s Strengths, Weaknesses, Opportunities, and Threats have been assessed across six key sectors.

Towards the goal of achieving a vibrant downtown Saint Paul, strengths are identified as helpful or positive factors that are internal to Saint Paul and its stakeholders. Weaknesses are factors that are potentially harmful to Saint Paul but which are also internal to Saint Paul and within the realm of influence by its stakeholders. Opportunities are factors that are externally driven but which should be incorporated to help Saint Paul achieve its vibrancy goals. Threats are external factors that could harm Saint Paul and its stakeholders in achieving stated goals; these should be mitigated to the extent possible.

Public Realm The public realm in Saint Paul is the fundamental experience of downtown. Where it is pleasant and rewarding, downtown will flourish. A great Public Realm, properly stewarded, provides the framework around which the other components of downtown are organized, creates sustainable market demand, and connects downtown’s assets and informs their relationship to one another.

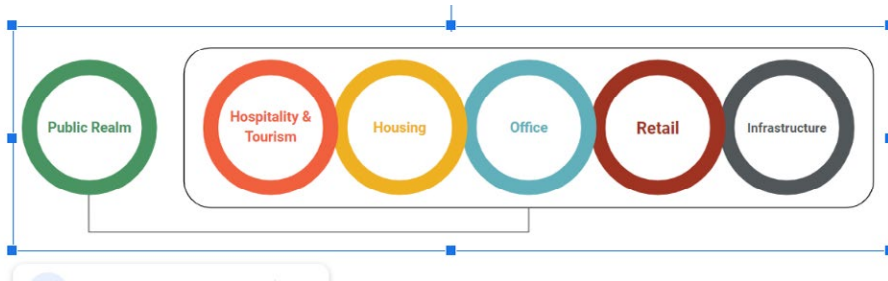
Hospitality & Tourism Saint Paul’s cultural and entertainment anchors draw visitors downtown year-round. Capitalizing on these is key to supporting the area’s vibrancy.

Housing SPDA set a key goal of increasing downtown residents, and downtown will be shaped by who lives there and where they choose to live.

Office Office space relates directly to downtown workers, another key goal of the SPDA. As uses of office buildings shift, Saint Paul has a large stock ready for reimagining.

Retail Retail businesses are the front doors of a downtown, the way locals and visitors interact with a city. Experiential retail is a chance to reimagine downtown as a central social district.

Infrastructure Underlying the success of any downtown is a system of supportive infrastructure. Readily-accessible transportation options, green energy, and future-ready telecommunications are key to future competitiveness.



Strengths

1. Downtown is walkable in scale with short blocks, is architecturally significant, and has relatively level topography.

An easily walkable downtown with short blocks and an architecturally historic context is proven to facilitate more foot traffic and provide an inviting sense of place.

2. Several downtown parks are activated year-round through efforts by the Saint Paul Downtown Alliance, the City of Saint Paul, and a few non-profit organizations.

Saint Paul ranks 2nd highest in the country for park space per capita, and downtown's most active parks are recognized assets by the Saint Paul community for spending time and attending events.

3. Xcel Energy Center is a regional draw and the city's strongest attraction

Analysis of cell phone location data show that visitors to Xcel Energy Center outnumber all other attractions downtown, and that visitors come from Saint Paul, the surrounding region, and further to attend events.

4. Arts and Cultural assets are located in proximity to each other

The concentration of arts and cultural assets downtown can be identified as a district that Saint Paul can promote to residents and visitors alike. When such assets are close together, they can invite visitors to explore more of downtown.

5. High residential growth; 36% increase in downtown residents 2011-2021

The strong residential growth downtown is also steady over the last 10 years, suggesting that it can continue, so long as housing remains available and affordable. More residents downtown supports the mix of uses downtown and adds to its vibrancy.

6. Affordable office rents and below average vacancy compared to peer cities

Affordable prices make downtown Saint Paul an attractive choice for businesses to locate their workers, which can strengthen the economic resilience of the city.

7. District Energy provides sustainable, efficient heating to 80% and cooling to 60% of downtown buildings

Very few cities nationwide can boast a combined heat and energy plant that recovers thermal energy to heat 80% of their downtowns. With its flexible fuel sources, District Energy is positioned to be a major component to future green energy use and carbon emissions reductions for the City of Saint Paul.

Weaknesses

- 1. Lack of clear connections between assets, particularly an east-west pedestrian corridor** Downtown is built at an easily walkable scale, but there are currently no clear routes to connect the assets on the east and west sides of Downtown. Kellogg Boulevard, a major potential east-west connector, also fails to draw in the Mississippi River (which briefly runs east-west through Saint Paul) as part of the corridor.
- 2. Pedestrian routes are disrupted by sense of discomfort and perceived lack of safety** Workers and visitors cite discomfort and lowered perception of safety along 5th and 6th streets near Central Station, which is great enough to shift behavior towards avoiding the area altogether. This is compounded by a lack of activation from day to night with the downtown interior.
- 3. Not enough wayfinding downtown** Wayfinding serves to indicate where people are downtown, invites them to explore new destinations, and drives visitors towards intended districts. Without wayfinding, visitors are less likely to enjoy exploring downtown.
- 4. Visitors often spend time at only one destination, followed by going home, rather than frequenting other locations** By visiting a second destination, downtown Saint Paul offers visitors, residents, and workers more opportunities to have positive experiences that will draw them back downtown in the future making downtown less exposed to economic volatility.
- 5. Underrepresentation of non-white communities among downtown residents** A downtown that does not attract the diversity of residents living in greater Saint Paul will struggle to feel relevant to those non-white communities and thus will struggle to be economically relevant.
- 6. No new office under construction** Lack of construction for office space indicates low demand and could predict declining quality of the overall portfolio of office space.
- 7. Falling office occupancy and workers** For years, downtown has had a higher daytime population than nighttime population, and a decline in workers downtown will likely decrease the vibrancy of downtown and the amenities available to residents and remaining workers. Lowered vacancy can also lead to decreased tax revenue.
- 8. High retail vacancies** High retail vacancies suggest downtown is not hospitable to new retail development nor national chain development.
- 9. Low demand for retail** While relatively low retail rents, like Saint Paul has, can be beneficial, low demand also indicates that risk is too high for businesses to get started or operate downtown.
- 10. Insufficient small business environment** Similarly, a strong small business environment can support new and starting businesses to get established. Without such support, the impacts are likely high retail vacancy and low demand.
- 11. Parking is a major downtown land use** Parking is a revenue-generating use that disrupts the linking together of higher revenue-generating uses. It can inhibit uses that multiply their impact when close together, such as residential uses near existing office buildings.
- 12. Bike amenity gaps exist; bike lanes have disjointed continuity** Disjointed bike lanes risk decreased use until the network is complete; bike lane infrastructure is most effective when cyclists consider it safe and continuous. (Noting that some enhancements are planned or in progress.)

Opportunities

- 1. Connect current and potential river bluff destinations such as Kellogg Mall Park and RiversEdge** The Mississippi River is a natural asset that has shaped the layout of Downtown since its founding, but the river bluff has a big opportunity to become a series of destination points that reorient downtown towards the river itself. The existing Kellogg Mall Park and the proposed RiversEdge are two opportunities to establish inviting destinations along the bluff.
- 2. Identify foot traffic patterns between parking “destinations” and final destinations** Though data indicates that workers and visitors in Saint Paul often visit only one destination, there is an opportunity to consider parking as its own destination to take advantage of existing foot traffic patterns between these two locations and consider experiences that can be created along the way.
- 3. Increase visitorship by enhancing existing subdistrict identities and destinations** Two main factors support this opportunity: visitors are not often spending time in multiple sub-districts when visiting Saint Paul, and little wayfinding exists to direct them toward more areas to discover. Introducing subdistrict identities can support higher visitorship to those districts.
- 4. Enhance downtown relevance for new residents of Saint Paul and the region** Downtown Saint Paul is less diverse than the city as a whole, and anecdotal evidence shows that some Saint Paulites feel that “downtown is not for them.” Rewriting this narrative through events and business opportunities for new residents would bring more ownership of and character to Saint Paul.

5. Promote office to residential conversions (where achievable)

To maintain its residential growth trajectory, more housing is needed in downtown Saint Paul, while market data indicates that office space is in oversupply. Office-to-residential conversions can provide increased housing while reducing office supply and rebalancing the mix of uses downtown.

6. Strengthen relationships with diverse & engaged owners and developers

Saint Paul has strong examples of successful new developments that are financially viable and simultaneously support positive downtown growth. Elevating the voices and skills of diverse owners and developers that are interested in a common vision for downtown’s future will have a transformative impact.

7. Encourage experiential retail to increase street-level activity in place of skyway-level activity

Downtown needs a stronger identity of “place” to draw people in and create memorable, return-worthy experiences. Developing experiential retail is a place-based strategy to increase economic resilience downtown in the short- and long-term. Bringing small food and other retail businesses into storefronts on downtown streets will bring people down to the street level.

8. Highlight District Energy and other climate-change related initiatives

As climate issues escalate, downtowns that have established, reliable means of producing cleaner energy will stand out. Saint Paul can promote this facet of its identity with very little initial investment required.

Threats

- 1. Lack of long-term skyway strategy** The skyways are part of the pedestrian network, yet several conflicts have been identified; the decreased sense of safety, the discontinuity of parts of the system, the competition created between ground floor and skyway-level retail, and maintenance costs. Without a clear strategy in place, these conflicts will persist and they will impact other public realm improvement efforts.
- 2. Too heavy of a focus on tourism can be volatile for downtown's resilience** Though the entertainment district is currently the largest draw of visitors to Saint Paul, a strategy focused on growth through visitation to downtown can be volatile, as demonstrated so acutely for the entertainment industry nationwide during the Covid-19 pandemic shutdowns.
- 3. Tourism anchors (Xcel Energy Center) will need investment to maintain long-term appeal** As stated by Xcel Energy stakeholders, the Xcel is in need of investments to remain competitive with similarly scaled and well-attended sports facilities. As the largest draw of visitors to downtown, the Xcel has positive spillover effects, while disinvestment would likely have negative ones.
- 4. Decrease in residential development** Saint Paul will need more housing units downtown to continue its residential population growth, yet it is impacted by national trends in construction starts. Homebuilding is forecast to return to growth of 4.4% in 2024, following a 21.9% decline in 2023. The decline is largely attributed to interest rate hikes by the Federal Reserve, however, Saint Paul is also impacted by its recently passed Rent Stabilization Ordinance, which has complicated the feasibility of downtown residential development projects.
- 5. Decrease in residential growth** While many factors can decrease residential growth, the largest one will be the affordability and availability of housing, influenced by market conditions for residential development and policy tools to encourage the right options for residential development downtown. Amendments to the recent Rent Stabilization Ordinance that provide exemptions for new construction are a step in the right direction, but more may be needed to ensure sufficient levels of new housing enter the market.
- 6. Spatial mismatch between sites of commercial and residential development** A vibrant downtown mixes retail, office and residential uses with open spaces and other destinations. The current pattern of office space concentrated in the central business district inhibits the development of an inviting street-level at more varied hours of the day.
- 7. Major employers could leave downtown** Nearly one quarter of employment in the downtown core of Saint Paul is public administration workers, a rate that is higher if the capitol area is included. While these jobs are stable, another quarter of employment comes from financial services.
- 8. Risk of negative atmosphere at Central Station spreading nearby** Negative perceptions of an area are a risk that has economic impacts. While the area around Central Station is identified by stakeholders as having a concentration of anti-social behaviors and low perceptions of safety, there is also evidence of negative effects to adjacent businesses and residences that could continue or worsen.

9. National retail trends National trends toward e-commerce continue to pose challenges for the brick and mortar retail recommended as an opportunity. Small and local businesses are a key approach to building retail that is place-based and experiential.

10. Skyway system competes with street activity As mentioned above regarding a long-term skyway strategy, there is low -demand for retail in Downtown Saint Paul, and duplicative levels of retail at the street and skyway is negative for both.

11. Degradation of existing infrastructure Like all downtowns, Saint Paul must continue to invest in existing infrastructure with limited resources. If it shifts resources away from downtown's needs, degraded infrastructure could have a negative impact on other investments in downtown's vibrancy.

The analysis of strengths, weaknesses, threats, and opportunities revealed several ways for Saint Paul to build on its strengths. The six sectors used to structure the analysis provided a framework for understanding current economic, physical, and social conditions that led to deeper analysis and recommended strategies in subsequent sections of this report.



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SECTION 02.

A Framework for Downtown Investment

A Framework for Downtown Investment

Purpose of a Downtown Investment Strategy

All downtowns require public services that include the maintenance of public assets, and thus they receive some nominal form of investment. However, downtowns typically have an outsized impact in terms of economic output, residential density, regional employment, and concentration of cultural assets relative to their size. Investments downtown, when done well, also have substantial positive effects for the city as a whole.

The intent of this investment strategy is to align stakeholders and limited resources to achieve a shared vision of Downtown Saint Paul that is more vibrant, active, inclusive, sustainable, & economically resilient. This in turn creates greater economic value that supports City, County, and State governments in continuing to strategically invest in an aligned manner in maintenance and delivering high quality services, while also supporting the private and nonprofit sectors to contribute to these common goals. The investment strategy detailed in this report provides a guide for determining where investment should occur and how investment opportunities compare to each other in terms of priority and urgency to act, considering both current projects and future investment opportunities.

Downtown Benchmarking

Established in 2018, the Saint Paul Downtown Alliance (SPDA) has a stated mission “to create and maintain a vibrant, economically successful, safe, and attractive downtown that benefits the entire city and region.” In service to that mission, the SPDA has established three aspirational benchmarks for the future growth of downtown, as compared to a 2018 baseline:

- To attract 20,000 more residents
- To create 20,000 more jobs
- To generate a 20% increase in visitation

The SPDA is not alone in this effort and does not expect to drive these results alone; rather, the SPDA serves as a connector and a catalyst, helping to align shared interests amongst the public, private, and civic sectors to work collaboratively towards these shared goals.

Looking at data over the last 5-10 years in Downtown Saint Paul, with a focus on trends for residents, jobs, and visitors downtown, provides a picture of downtown’s trajectory towards these goals. Thus, in the following sections, references to the baseline reflect the 2018 data, as well as trends that are visible by analyzing data from years preceding 2018. This allows for an acknowledgement of fluctuations created by COVID-19 while also accounting for the longer term trends in downtown.

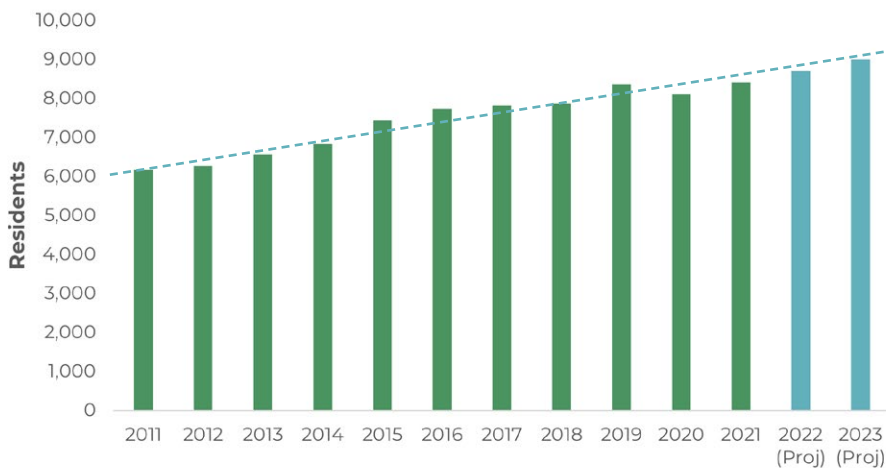
In a scenario where no out-of-the-ordinary investments or interventions are created in downtown Saint Paul, and trends continue as they have been, downtown can expect to see modest

growth in residents, relatively stable or slightly positive growth in total visitors, and substantial continued decline in office jobs and office real estate development over the coming years. This baseline – which can be thought of as the scenario with “no market intervention” – is used as a point of comparison to understand what impact any intervention could have, and highlights areas where lack of strategic steps taken by public, private, and civic stakeholders will have a calculably negative impact on downtown’s economic stability.

Residential Baseline

Based on trends since 2011, residential population in Downtown Saint Paul continues to grow and could reach an increase of 20,000 residents over a 2018 baseline somewhere between the late 2030s and the late 2050s.¹² Achieving more rapid residential growth requires policies that encourage the creation of housing opportunities.

Downtown Core Residents

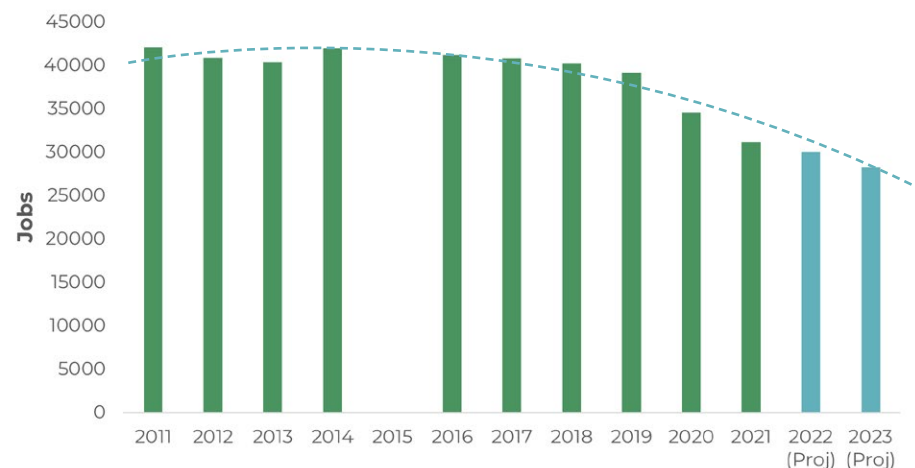


¹² Data source: United States Census Bureau and Esri Business Analyst. Accessed 8/2023.

Employment Baseline

Since at least 2016, the total number of jobs in Downtown Saint Paul has been trending down, after a few years of minor fluctuation.¹³ While this was exacerbated by the pandemic, the issues appear to predate that by several years. Intervention is needed to achieve desired growth in downtown employment.

Jobs in Saint Paul Downtown Core



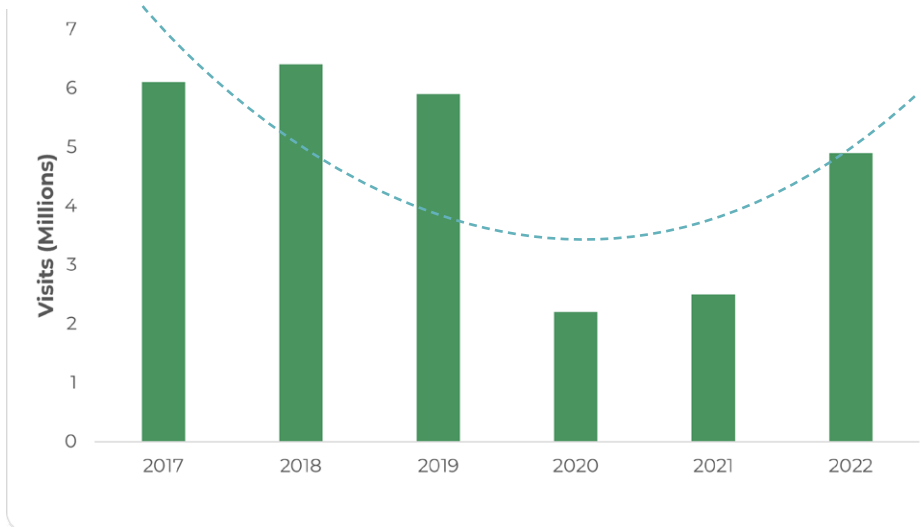
¹³ Employer-Household Dynamics.. On The Map. Accessed 8/23. Anomalous data from 2015 has been excluded.

Visitor Baseline

Visitation trends remain in flux following COVID-19, but overall visitation in the area around the Xcel Energy Center remains below pre-COVID averages, which were relatively flat from 2017-2019.¹⁴ The Xcel Energy Center itself has rebounded to its pre-pandemic visitation of around 3 million people in 2023, but the broader district remains about 1 million visitors below the high of 2018.

In its current incarnation, this area cannot deliver the desired visitation growth on its own. Increasing the overall visitation will require efforts to both (1) invest in and better leverage the facilities you have and (2) invest in attractions in other parts of downtown.

Annual Visits to Entertainment District



Data source: Placer.ai. Accessed 8/2023.

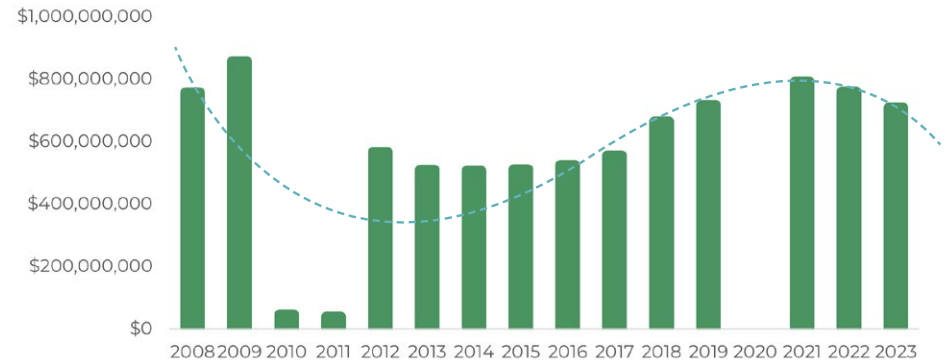
Tax Receipt Baseline

Related to the trends above – less literally tied to the SPDA’s stated objections, but no less important to the future of downtown and the future of Saint Paul as a whole – are the trends seen in property values and property taxes downtown, which underpin so many of the services that residents, workers, and visitors rely upon.

Total Tax in the Downtown Core has risen over the last 10 years, but trends following COVID-19 make projections on future tax revenue challenging. The estimated market value of property in the downtown core has remained roughly stable (falling marginally) from 2021 to 2023.¹⁵ Downtown property tax revenue has risen modestly during that time, due to increases in the tax levy.

Declining market value and stagnating tax receipts are an emerging issue in the commercial property market. The estimated market value of commercial properties in the downtown core has fallen roughly 10% since its peak in 2021¹⁶ and conversations with local property owners and other stakeholders indicate that this trend is likely to continue, with substantial numbers of buildings currently contesting their valuation. Property values did not substantially rebound until 8+ years after the 2008 financial crisis, indicating that there are likely to be more years of challenging conditions ahead. Furthermore, other conditions indicate property value challenges including the persistence of remote work that cause long-term demand for downtown office space to remain significantly below pre-pandemic levels.

Estimated Market Value of Commercial Use Parcels in the Downtown Core



15. Data source: Metro Regional Parcel Dataset, years 2012-2023. Data accessed: 11/2023. https://resources.gisdata.mn.gov/pub/gdrs/data/pub/us_mn_state_metrogis/plan_regional_parcels/metadata/metadata.html

16. Data source: Metro Regional Parcel Dataset, years 2012-2023. Data accessed: 11/2023. https://resources.gisdata.mn.gov/pub/gdrs/data/pub/us_mn_state_metrogis/plan_regional_parcels/metadata/metadata.html

Tax Assessment Petitions

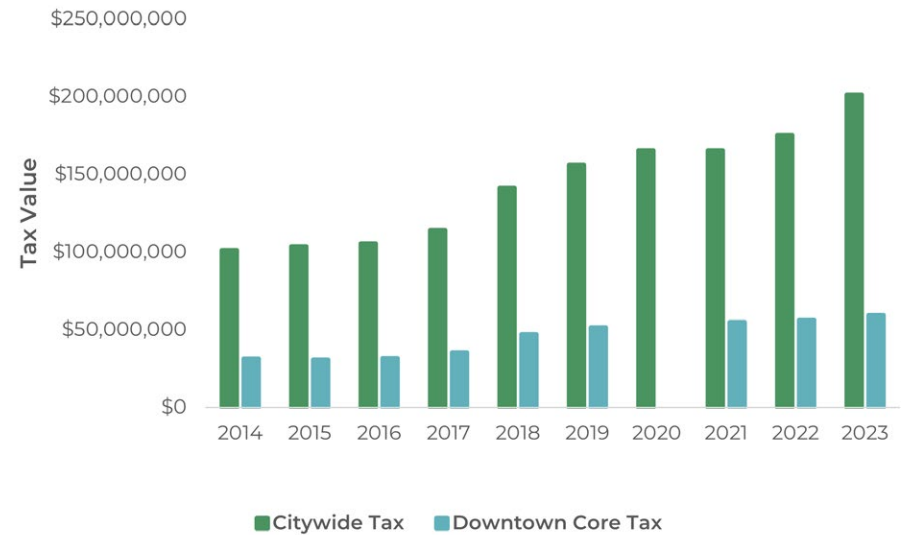
Between Assessment Year 2010 and Assessment Year 2023, there have been a total of 1,522 petitions to the Ramsey County Assessor’s Office to adjust the assessed value of a property located in the greater downtown area (including the Capitol, West 7th, and the West Side Flats), out of a total of 47,237 properties assessed over that time. The highest year of petitions is for Assessment Year 2018, for which 263 petitions were filed, amounting to 7.6% of the 3,471 properties assessed. In the core of downtown, that value is 4.5% of properties.

Currently, there are a total of 104 open petitions for real properties in greater downtown, primarily from tax years 2021-2023 (there is one open petition from 2019 and one from 2020). Of these, 15 have a settled value recorded and are in the late stages of the process.

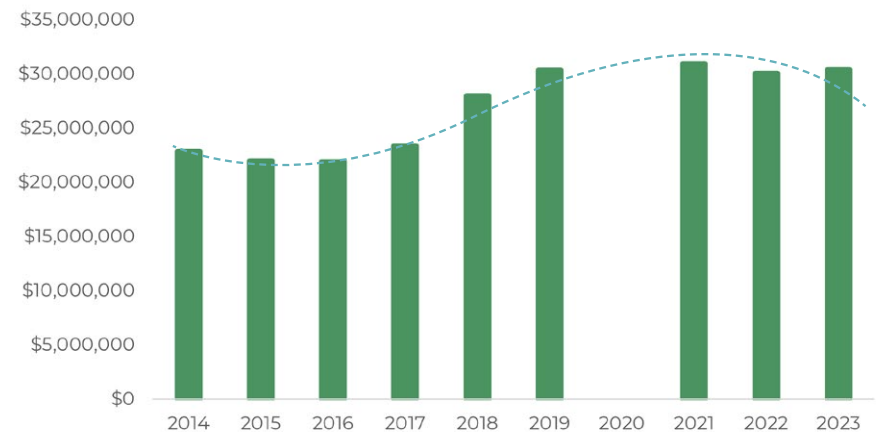
Of properties that have been petitioned since 2010 and for which a settled value has been determined, the aggregate market value (summing all years’ assessments) has been adjusted from \$7.9 billion to \$6.9 billion, an average reduction of 12.7%. Applying the same average reduction to the \$844 million in outstanding petitions would result in an estimated further reduction of \$107 million in assessed value, spread across those years. It is still possible that additional petitions will be filed for this time period. In particular, Assessment Year 2023 has seen only 36 petitions so far, compared to 127 in Assessment Year 2022, so additional petitions may be filed as past year petitions are resolved.

Further, property taxes paid by commercial properties downtown have stayed largely stable over that same time period¹⁷, due to increases in the tax levy, but that is unlikely to continue, as a continually higher levy on a lower value of property will quickly become unsustainable.

Tax Levy, Citywide and the Downtown Core



Tax Total of Commercial Use Parcels in the Downtown Core



17. Data source: Metro Regional Parcel Dataset, years 2012-2023. Data accessed: 11/2023. https://resources.gisdata.mn.gov/pub/gdrs/data/pub/us_mn_state_metro-gis/plan_regional_parcel/metadata/metadata.html

A Shared Framework for Investment Prioritization

Based upon the mission of the SPDA and the stated objectives of the cross-sectoral steering committee assembled to develop this Downtown Investment Strategy, as well as the perspectives shared by community members and other stakeholders throughout the course of the strategy development process, a framework has been developed to enable current decision makers, as well as future leaders, to evaluate potential projects and other investments against one another, to determine whether perspective investments are in line with the collective vision of achieving a Downtown Saint Paul that is more **vibrant, active, inclusive, sustainable, & economically resilient**.

To that end, prospective investments can be evaluated for their alignment with the primary goals of increasing downtown residential population, employment, and visitation, as well as their alignment with additional overarching principles, implementability, and impact. The ways in which a prospective investment might be determined to help advance these goals are numerous, and a single project or policy certainly does not need to touch on all of these areas to be deemed worthy of investment – of money, time, or collective advocacy. Yet the most promising investments are likely to contribute to a wide range of these desired outcomes while also performing well on measures of the realistic likelihood for implementation and creating the envisioned impact.

Achieving Shared Outcomes Aligned to Primary Goals

In accordance with the primary objectives of the SPDA and the impetus for the development of a Downtown Investment Strategy, and based upon stakeholder conversations, past precedents, and additional analysis, the three goals of **increasing residents, increasing employment, and increasing visitation** have each been further developed into a set of constituent parts that allow for the comparison of both projects that directly provide one or more of these values, as well as policies and other efforts that can support them.

These measures represent an understanding of both the direct needs of downtown, as well as the path required to get there. For instance, downtown residential growth will require new amenities supporting those residents as surely as it will require homes for them to live in, and the growth of downtown visitation will likely require both reinvestment in the heart of today’s “entertainment district” as well as the creation of new attractions that will attract a wider diversity of visitors to a larger number of downtown destinations.

Increase Downtown Residential Population

- **Directly contributes to increase in residential population**, either as a development project or by enabling projects to be undertaken
- **Supports increased residential population at a range of affordability levels**, geographically dispersed across downtown (i.e. preserves affordable housing or includes an affordable component in new development)
- **Provides amenities that support attractiveness of downtown living** (i.e. resident-oriented retail that serves appropriate income levels or accessible gym options)

Increase Downtown Employment

- **Supports stability and/or growth in the office market**, including attracting new employers or enabling more employees to return to office
- **Provides support for a vibrant, diverse retail ecosystem, with a focus on small-business and entrepreneurship opportunities**, including resources for entrepreneurs, spaces for retail, or incentives to increase hiring
- **Provides employment opportunities, with a particular focus on opportunities for diverse communities** (i.e. jobs in the office, retail, or institutional sectors; affirmative hiring programs targeting diverse communities)

Increase Downtown Visitation

- **Increases the visitation capacity of the Entertainment District** (current anchor) by increasing the capacity of the area to handle visitors
- **Increases the attractions for visitation to portions of downtown** aside from the Entertainment District

Achieving Shared Outcome Objectives Aligned to Organizing Principles

In addition to the primary goals underpinning the Downtown Investment Strategy, a set of core organizing principles emerged throughout the research, analysis, and engagement processes which deserve equal consideration in the evaluation of prospective investments. These emphasize the need for downtown to feel welcoming to everyone, to ensure that it is reflective of the city as a whole, and to enhance the experience of spending time downtown.

Increase Diversity, Equity, Accessibility & Inclusion

- **Likely to attract residents across a range of demographic and socioeconomic levels that is reflective of Saint Paul as a whole**
- **Provides entrepreneurship and/or job opportunities likely to enhance wealth-building in historically disadvantaged communities**
- **Provides visitation attractions that are relevant and welcoming to all Saint Paul residents across demographic and cultural lines**, especially those for whom downtown has not recently felt like a relevant destination, and more so, things that are designed by and programmed by historically marginalized communities

Improve Safety & Perceptions of Safety

- **Includes design component(s) that increase safety for pedestrians** (i.e. a downtown lighting strategy)
- **Includes provision for enhanced operations that improve cleanliness and promote a sense of safety downtown** (i.e. funding for maintenance staffing, incentives or penalties encouraging exterior property and/or skyway maintenance, etc.)
- **Adds "feet on the ground,"** recognizing that people are core to the primary goals and will influence this goal. A vibrant downtown is inclusive of all members of society, so this is not intended to promote displacement of existing street users (either via projects or programming / activation)

Align to Public Realm Framework

- **Creates public spaces, routes, and/or destinations that clarify a legible public realm which encourages locals and visitors to circulate and spend time downtown** (i.e. adds to a logical framework of welcoming public routes and places that prioritizes key streets and intersections downtown)
- **Creates or enhances priority residential nodes,** including an emphasis on those that are transit-accessible and/or adjacent to key blocks and intersections identified for increased investment
- **Reinforces priority retail corridor(s) that encourage active use by local residents, downtown workers, and visitors**
- **Creates or enhances a distinct and legible set of sub-districts that encourages visitation in a range of downtown locations** (including framing moments for social media and other methods to further expand the brand of downtown)

Implementability and Impact Metrics

Evaluating a prospective investment in terms of the Primary Goals and Organizing Principles provides clarity on whether a project would align with shared objectives if realized. Additional metrics around implementability and impact provide insight into whether an effort is likely to be realized and, if it is, whether it would be effective in strengthening downtown and Saint Paul as a whole if it were to come to fruition. These measures also help to highlight the importance that outside considerations, which may sit beyond the direct control of a single project, should have on the prioritization of specific projects.

Implementability Metrics

Urgency

- **Addresses a clear and present threat to Downtown Saint Paul** (i.e. there is risk of negative externalities if the project or program is not enacted)
- **Takes advantage of a time-limited opportunity** (i.e. a specific state or federal funding source that is available at the moment)

Readiness

- **Project readiness** (i.e. site control, design sufficiently advanced, prerequisite projects or infrastructure is in place, etc.)
- **Financial readiness** (funding sources in place, project is financially viable, etc.)

Alignment

- **Property owners and any other parties with a vested interest are in alignment on the direction of the project** (any owners or other parties that need to make a stake in the project are aligned. Varies in complexity. One owner is relatively simple. Joint owners: more complex, they need alignment)
- **Necessary policies are in place or parties are aligned in the pursuit and/or enactment of those policies** (i.e. TIF, bonding pursuit, incentives needed, etc.)

Cost

Cost and Value are interrelated for downtown investments. A project may be more expensive, but also create greater economic impact and have greater catalytic impact, thus it would have higher value than a lower cost project with lower impact. This section shows the direct cost, but cost should be considered in the context of the impact metrics in the following section.

- **Total cost of project or policy** (all else equal, an initiative with a lower cost will be easier to implement; see "Impact Metrics: Potential Economic Impact" for evaluation of the great impact that might accompany higher cost)
- **Public investment required** (all else equal, projects with lower need for public gap funding are preferable)

Impact Metrics

Potential Economic Impact

The intensity of the economic impact. A large positive impact gets a high score but so, too, might a large negative impact.

- **Investment in downtown / economic output** (using project as a positive proxy for general economic stimulus; this could be done through IMPLAN in the future)
- **Expected increase in tax revenue** (approximation of the increase in property values and additional tax revenue generated via either property and/or sales tax due to the project, allowing for reductions due to any tax incentives provided)
- **Jobs created** (this is distinct from and more specific than strengthening the office market or moving existing jobs back to the office; spec office space less useful, but creating the project which enables a large employer to put an office downtown is huge)

Potential Catalytic Impact

- **Potential positive impact on the viability of other nearby projects** (either projects under consideration or other vacant or underutilized properties)
- **Potential positive impact on the overall perception of Downtown Saint Paul as a place to live, work, visit, and invest** (by creating a narrative)

Saint Paul Downtown Investment Scoring Rubric

The preceding metrics have been combined into a scoring rubric which is meant to serve as a living tool for the current and future evaluation of prospective investments. This Excel-based tool should continue to serve the SPDA and others in their evaluation of new

opportunities as they arise. While a numerical snapshot cannot capture all of the decision-making nuance that should accompany the collective prioritization of investments, it can serve as one input among several, as outlined in the following section.

		Primary Goal: Increase Downtown Residential Population				Primary Goal: Increase Downtown Employment			Primary Goal: Increase Downtown Visitation			
Project ID	Project Name	Directly contributes to increase in residential population, either as a development project or by enabling projects to be undertaken	Supports increased residential population at a range of affordability levels, geographically dispersed across downtown (i.e. preserves affordable housing or includes an affordable component in new development)	Provides amenities that support attractiveness of downtown living (i.e. resident-oriented retail that serves appropriate income levels or accessible gym options)	Resident Rating Rollup (weighted 60% to overall residential growth & 20% each to preserving or increasing affordability and to providing amenities supportive of downtown residential)	Supports stability and/or growth in the office market, including attracting new employers or enabling more employees to return to office	Provides support for a vibrant, diverse retail ecosystem, with a focus on small business and entrepreneurship opportunities, including resources for entrepreneurs, spaces for retail, or initiatives to increase ability	Provides employment opportunities, with a particular focus on opportunities for diverse communities (i.e. jobs in the office, retail, or institutional sectors; affirmative hiring programs targeting diverse communities)	Employment Rating Rollup (weighted 40% each to supporting office employment stability and to supporting small business ecosystem, and 20% to providing employment opportunities, with a focus on diversity)	Increases the visitation capacity of the Entertainment District (current anchor) by increasing the capacity of the area to handle visitors	Increases the attractions for visitation to other areas of downtown aside from the Entertainment District	Visitation Rating Rollup (weighted 60% to supporting Entertainment District and 40% to supporting other areas of downtown)
Weighting (by section)		60%	20%	20%	0.00	40%	40%	20%	0.00	60%	40%	0.00
001	[Project 1]				0.00				0.00			0.00
002	[Project 2]				0.00				0.00			0.00
003	[Project 3]				0.00				0.00			0.00

		Organizing Principle: Increase Diversity, Equity, Accessibility & Inclusion				Organizing Principle: Improve Safety & Perceptions of Safety				Organizing Principle: Align to Public Realm Framework				
Project ID	Project Name	Likely to attract residents across a range of demographics and socioeconomic levels that is reflective of Saint Paul as a whole	Provides entrepreneurship and/or job opportunities likely to enhance wealth-building in historically disadvantaged communities	Provides visitation attractions that are relevant and welcoming to all Saint Paul residents across demographic and cultural lines, especially those for whom downtown has not recently felt like a relevant destination, and more so, things that are designed by and programmed by historically marginalized communities	DEAI Rollup (weighted 33% to each category)	Includes design component(s) that increase safety for pedestrians (i.e. a downtown lighting strategy)	Includes provision for enhanced operations that improve cleanliness and promote a sense of safety downtown (i.e. funding for maintenance staffing, incentives or penalties encouraging outdoor property and/or sidewalk maintenance, etc.)	Adds "heat on the ground", recognizing that people are core to the primary goals and will influence the goal. A vibrant downtown is inclusive of all members of society, so this is not intended to promote displacement of existing street users (either via projects or programming / activation)	Safety Rollup (weighted 33% to each category)	Creates public spaces, routes, and/or destinations that clarify a legible public realm which encourages locals and visitors to circulate and spend time downtown (i.e. odds to a logical framework of reinforcing public routes and places that prioritizes key streets and intersections downtown)	Creates or enhances priority residential nodes, including an emphasis on those that are transit-accessible and/or adjacent to key nodes and intersections identified for increased investment	Reinforces priority retail corridor(s) that encourage active use by local residents, downtown workers, and visitors	Creates or enhances a distinct and legible set of subdistricts that encourages visitation in a range of downtown locations (including forming moments for social media and other methods to further expand the brand of downtown)	Public Realm Rollup (weighted 25% to each of the four categories)
Weighting (by section)		30%	30%	30%	0.00	30%	30%	30%	0.00	25%	25%	25%	25%	0.00
001	[Project 1]				0.00				0.00					0.00
002	[Project 2]				0.00				0.00					0.00
003	[Project 3]				0.00				0.00					0.00

		Implementability Metrics: Urgency			Implementability Metrics: Readiness			Implementability Metrics: Alignment			Implementability Metrics: Cost		
Project ID	Project Name	Addresses a clear and present threat to Downtown Saint Paul (i.e. there is risk of negative externalities if the project or program is not executed)	Takes advantage of a time-limited opportunity (i.e. a specific state or federal funding source that is available at the moment)	Urgency Rollup (weighted 67% to addressing current threats and 33% to taking advantage of unique opportunities)	Project readiness (i.e. site control, design sufficiently advanced, prerequisite projects or infrastructure in place, etc.)	Financial readiness (funding sources in place, project is financially viable, etc.)	Readiness Rollup (weighted 50% to project readiness and 50% to financial readiness)	Property owners and any other parties with a vested interest are in alignment on the direction of the project (any owners or other parties that need to make a stake in the project are aligned. Veritas in complexity. One owner is relatively simple. Joint owners more complex, they need alignment)	Necessary policies are in place or parties are aligned in the pursuit and/or enactment of those policies (i.e. TIF, bonding pursuit, incentives needed, etc.)	Alignment Rollup (weighted 67% to owner/stakeholder alignment and 33% to policy alignment)	Total cost of project or policy (all also equal), an initiative with a lower cost will be greater to implement; see "Impact Metrics: Impact" for evaluation of the great impact that might accompany higher cost)	Public investment required (all also equal), projects with lower need for public gap funding are preferable)	Cost Rollup (weighted 67% to total project cost and 33% to public investment needs)
Weighting (by section)		67%	33%		60%	60%		67%	33%		67%	33%	
001	[Project 1]			0.00			0.00			0.00			0.00
002	[Project 2]			0.00			0.00			0.00			0.00
003	[Project 3]			0.00			0.00			0.00			0.00

		Impact Metrics: Potential Economic Impact				Impact Metrics: Catalytic Potential		
Project ID	Project Name	Investment in downtown / economic output (Using project as a positive proxy for general economic stimulus; this could be done through IMPLAN in the future)	Expected increase in tax revenues (Aggravation of the increase in property values and additional tax revenue generated via either property and/or sales tax due to the project, allowing for reductions due to any tax incentives provided)	Jobs created (this is distinct from and more specific than strengthening the office market or moving existing jobs back to the office; spec office space lease use/UX, but creating the project which enables a large employer to put an office downtown is huge)	Economic Impact Rollup (weighted 40% each to investment in downtown and to expected tax revenues, and 20% to attributable job creation expected)	Potential positive impact on the visibility of other nearby projects (either projects under consideration or other vacant or underutilized properties)	Potential positive impact on the overall perception of Downtown Saint Paul as a place to live, work, visit, and invest (by creating a narrative)	Catalytic Potential Rollup (weighted 50% to supporting visibility of other projects and 50% to improving the perception of downtown)
Weighting (by section)		40%	40%	20%		50%	50%	
001	[Project 1]				0.00			0.00
002	[Project 2]				0.00			0.00
003	[Project 3]				0.00			0.00

Prioritization of Potential Downtown Investments

A long list of potential projects and other investments was considered. After initial evaluation of the feasibility and relevance of the projects to the Downtown Investment Strategy goals, an evaluation tool was developed with four main categories: primary goals, organizing principles, implementability measures, and impact measures. Metrics within each category were combined into a scoring rubric which is meant to serve as a living tool for the current and future evaluation of prospective investments. This Excel-based tool (as shown in the previous section) is designed to serve the SPDA and others in their evaluation of new opportunities as they arise. While a numerical snapshot cannot capture all of the decision-making nuance that should accompany the collective prioritization of investments, it can serve as one input among several, as outlined in the following section.

For the purposes of prioritizing potential actions for downtown, these 'projects,' ranging from real estate development to infrastructure investments to policy changes, each have a short description below.

Central Station

Redevelopment of the publicly-owned property on the Central Station block, potentially with the incorporation of some adjacent buildings into the project.

Convention Center Headquarters Hotel

Construction of a convention center headquarters-grade hotel of approximately 600 rooms adjacent to or connected to the RiverCentre (potentially on one of the other sites under consideration, including the Travelers Lot or on the top of a reconstructed RiverCentre Ramp, among other options).

Incentives Program for Office to Residential Conversions

Creation of a financial incentive program to encourage the conversion of well-suited office buildings to residential use.

Public Realm Improvements Prioritizing Key Corridors

A comprehensive framework for the public realm with initial focus on connector streets between existing downtown destinations.

Ramsey County East Building

Adaptive reuse of the Ramsey County East building on the Mississippi River bluff on Kellogg Boulevard between Robert Street and Jackson Street.

Ramsey County Public Health Building

Redevelopment of the site that currently houses the Ramsey County Public Health Center on the corner of Cedar Street and East 11th Street, adjacent to I-94 / 35E.

Ramsey County River Lots / Kellogg Mall Park

Prospective river bluff infrastructure investments to allow for development on the south side of Kellogg Boulevard that better activates public park space and rights-of-way.

River Balcony

An open space investment along the Mississippi River to connect downtown to its waterfront.

RiverCentre / Roy Wilkins Renovation

Improvements to the RiverCentre conference facility and renovation of the Roy Wilkins Auditorium, to enhance events capacity and attraction.

RiverCentre Ramp

Stabilization and/or reconstruction of the RiverCentre ramp to restore capacity, potentially combined with vertical development on top of the ramp.

RiversEdge

Development of river-oriented public open space and up to four towers (residential and/or commercial) featuring some combination of office, residential, and/or hotel on the former West Publishing site currently owned by Ramsey County.

Riverview Corridor Streetcar

Construction of a streetcar transit line from MSP Airport to Downtown Saint Paul along West Seventh Street.

Sears Site

Redevelopment of the former Sears site near the State Capitol for mixed use, in context with the surrounding area.

Saint Joseph’s Hospital Redevelopment

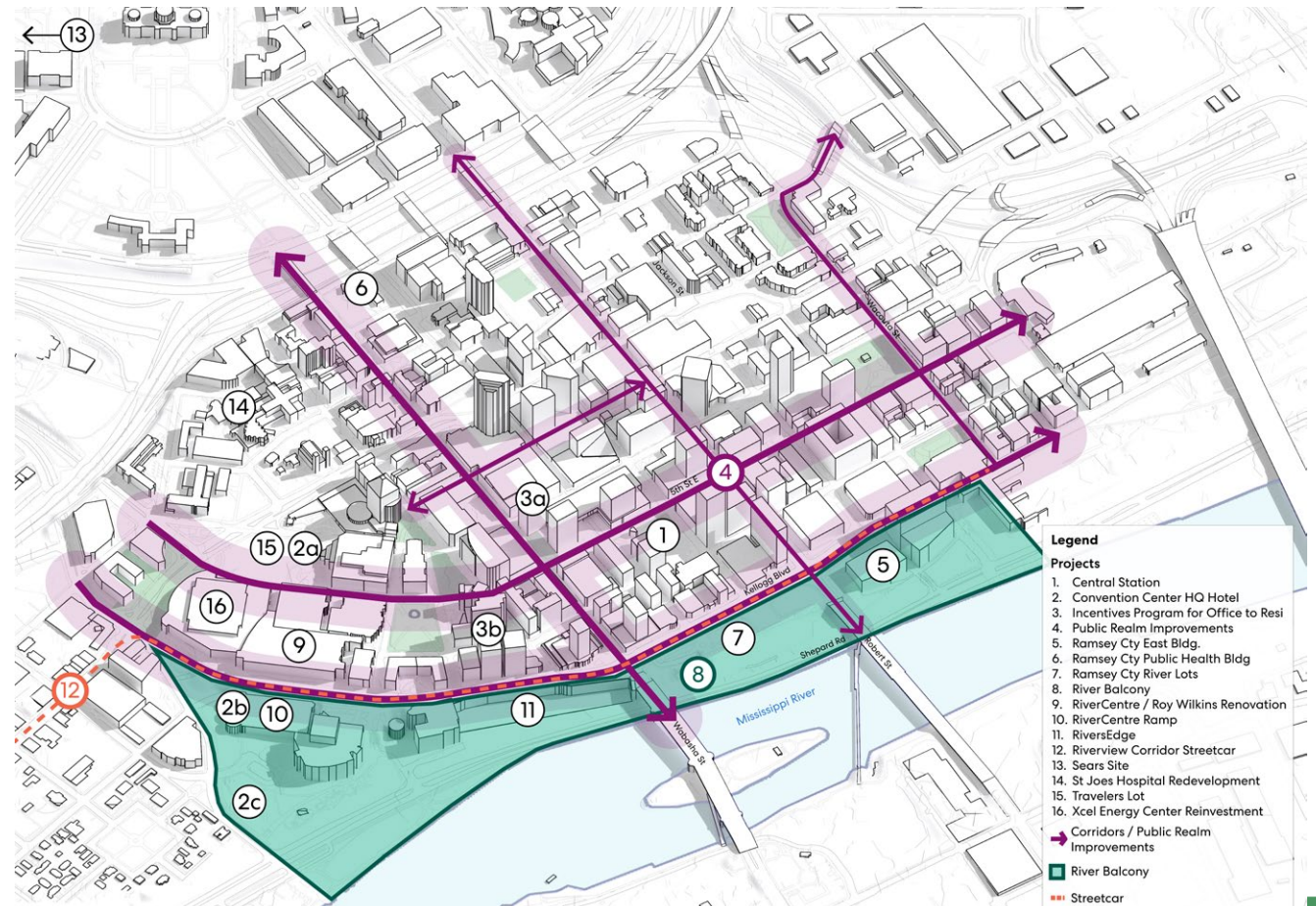
Redevelopment of the Saint Joseph’s Hospital site, either through demolition and reconstruction or through adaptive reuse of the existing property.

Travelers Lot

Development on this site to connect foot traffic between the Xcel Center, RiverCentre, West 7th, and Rice Park destinations, which would include parking to replace the spaces lost from the surface lot.

Xcel Energy Center Reinvestment

Renovation and improvements to the Xcel Energy Center to allow it to remain a competitive, modern sports and entertainment facility.



Preliminary Evaluation

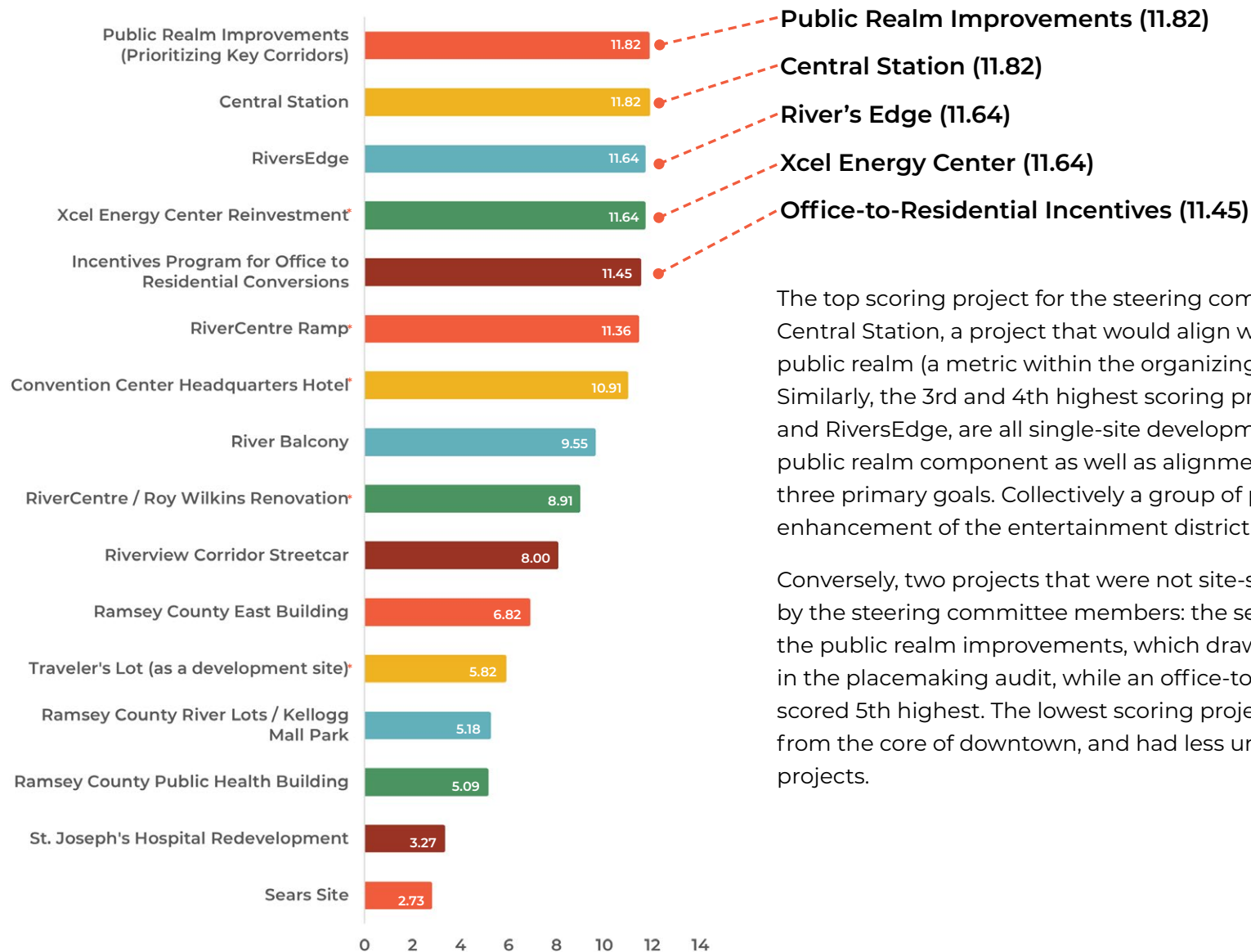
As noted above, these projects were initially scored on alignment with three primary goals: 1) increasing downtown residents, 2) increasing downtown workers, and 3) increasing downtown visitors, and three additional organizing principles: 4) increasing diversity, equity, accessibility & inclusion; 5) improving safety & perceptions of safety; 6) aligning to a public realm framework. In addition, scores were produced for the urgency and potential for catalytic impact of the proposed projects. Assessment of implementability & impact was reserved for analysis following the ranking survey.

The preliminary scoring provided several insights. Most encouragingly, the top scoring opportunities tended to be well-aligned to the Primary Goals, and they also tended to enhance the public realm. Lower scoring opportunities tended to focus on adding amenities to only a single sub-district of downtown rather than multiple sub-districts, and they mainly supported only one of the three Primary Goals. The process revealed areas of opportunity to enhance projects to best reflect the collective values of the Downtown Investment Strategy Steering Committee, and the preliminary scoring insights were shared with committee members before asking them to independently rank the projects via a survey.

Steering Committee Perspectives

To supplement the quantitative and qualitative evaluation of prospective projects outlined above and the stakeholder and community perspectives collected throughout the process, the Downtown Investment Strategy Steering Committee – a group of public, private, and civic sector leaders deeply committed to downtown Saint Paul and heavily involved throughout this process – was asked to provide their individual ranking of prospective investments, based on their organizational priorities and the work to-date in this process to collectively understand the critical steps that downtown needs. An aggregated ranking of those priorities is presented here.

SPDA Investment Strategy Project Ranking



The top scoring project for the steering committee members was Central Station, a project that would align with investment in the public realm (a metric within the organizing principles category). Similarly, the 3rd and 4th highest scoring projects, Xcel Energy Center and RiversEdge, are all single-site developments. All three included a public realm component as well as alignment with at least one of the three primary goals. Collectively a group of projects all related to the enhancement of the entertainment district all scored relatively highly.

Conversely, two projects that were not site-specific also scored highly by the steering committee members: the second place project was the public realm improvements, which draws from insights found in the placemaking audit, while an office-to-residential conversion scored 5th highest. The lowest scoring projects were located away from the core of downtown, and had less urgency or clarity to the projects.

*Indicates Projects in the Entertainment District

Stakeholder & Community Perspectives

Providing opportunities for stakeholders to collaborate during the engagement and analysis process is crucial to developing outcomes that are generative and equitable, as well as for developing solutions and outcomes for which there is broad support and buy-in. Through our public engagement efforts, we provided intentional opportunities for stakeholders across the downtown ecosystem and beyond to provide their input in the development of strategies related to downtown priorities, commercial real estate, land use, housing, sustainable development, and other subjects of interest.

- Reiterated a focus on improvement of Central Station and investment along the Mississippi Riverfront
- Validated the importance of key themes of inclusivity and safety & the perception of safety
- Other areas of interest noted included concern about underutilized office space, uneven management of properties, and lack of nighttime activation, along with interest in a variety of housing options



**St.
PL**

SECTION 03.

**Downtown
Investment
Strategy &
Action Plan**

Downtown Investment Strategy & Action Plan

Downtown Saint Paul has a wide range of assets to build upon, including its remarkable location situated alongside the majestic Mississippi River, a grid of comfortably walkable city blocks, numerous regional visitor destination anchors, an established and growing residential population, committed corporate leadership, and host to Minnesota's State Capitol district. It also has a relatively compact geography, where residents and workers mix with first-time visitors, those with season tickets for hockey or theater, and other cultural tourists.

To advance past planning efforts, take advantage of existing assets, and seize the moment that exists today, tactical actions described below have emerged throughout the course of a year-long strategy development process. Based upon national precedents, local data analysis, stakeholder perspectives, and community input, the actions include prioritizing expanding downtown residential opportunities, reinvesting in a more compelling, appealing pedestrian experience, and aligning efforts and resources around a set of priority reinvestment opportunities.

The three key strategies identified are:

- 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.
- 2. Public Realm Enhancement:** Invest in an expansive high-quality pedestrian-oriented streetscape program guided by a strategic public realm framework.
- 3. Predevelopment Efforts:** Take tactical early-phase actions to advance downtown's most strategic redevelopment projects (most notably, Central Station, the Park at RiversEdge & underlying parking ramp, and an entertainment district tying the Xcel Energy Center to the core of downtown). The third strategy includes development scenarios for those notable projects, exploring the support needed and potential risks and benefits.

Key Strategy #1

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. This has the potential to simultaneously increase the downtown residential population while also shoring up the commercial office market by consolidating tenants and strengthening the rent rolls of the remaining office buildings. Incentivizing residential projects offers some means to counteract the challenges that the rent control ordinance passed in 2021 and amended in 2022, which limits annual rent increases¹⁸, has presented for complex residential development projects downtown. Concern that downtown is impacted by the rent ordinance remains among downtown stakeholders and developers. We encourage city leadership to continue to track whether amendment to the city's rent regulations is warranted in the interest of helping to unlock a higher velocity of new downtown residential development (adaptive reuse and ground-up new construction) which can provide a variety of new much-needed housing choices at a range of price points.

18. Rent Stabilization, City of Saint Paul Department of Safety and Inspections. <https://www.stpaul.gov/departments/safety-inspections/rent-buy-sell-property/rent-stabilization>

For this key strategy, a conversion incentive needs to be fully designed and funding determined, but it might be supplemented by the strategic public- or private-sector acquisition of key properties and portfolios downtown, with the goal of ensuring that the properties well-positioned to benefit from this incentives program are indeed proactively put to their optimal future use.

Best Practices in Office-to-Residential Conversion

Office-to-residential conversion policy is being formulated across North American cities where there is an excess supply of existing office space (resulting in high vacancies) and a continued unmet demand for quality housing (due to constrained supply and limited new housing production). These are the conditions that Downtown Saint Paul is currently seeing. The US Department of Housing and Urban Development (HUD) outlined some key challenges to executing such real estate conversions¹⁹, noting that the principle challenge was economic, since the average cost of conversion nationally is estimated at \$225 per square foot²⁰, while new construction is between \$250-\$350 per square foot, suggesting that the typical cost to secure the building would need to be relatively low, between \$25 and \$125 per square foot, to be more attractive than new construction. That said, there are a number of policy imperatives otherwise driving a focus on office to residential conversion.

19. U.S. Department of Housing and Urban Development. (2023). HUDRD - Exploring Office to Residential Conversions (HUDRD-EORC), FR-6700-N-29L. Washington, D.C.: U.S. Department of Housing and Urban Development.

20. NAIOP. (2023, April). How to Justify an Additional \$25 per sq ft for Office Conversions. Market Share. Retrieved from <https://blog.naiop.org/2023/04/how-to-justify-an-additional-25-per-sq-ft-for-office-conversions/>.

High-quality adaptive reuse projects can be transformative in downtown districts. The tax-credit funded improvements showcase historic architectural beauty. Hundreds of new downtown stakeholders fill the properties' upper floors. And their often dramatic and civically-generous ground floor spaces can become magnets for destination entertainment, leisure, and hospitality tenancies.

Generally, both structural and design constraints can influence the viability of these projects. To identify strong candidates for conversion, the global design firm Gensler created a useful tool called the Scoring Criteria for Office-to-Housing Building Selection. The tool assesses the current site context, building form, floor plate, envelope, and servicing to ascertain the suitability of an office building for residential conversion.

Saint Paul stands out with its large collection of buildings built before 1960 (shown in light blue on the map), with a cluster on 5th Street. These pre-1960 buildings are mid-rise, with specific floor plate square foot ranges, high window-to-wall ratio, and contextual site features including south facing windows, high walkability, and several nearby transportation options. Additionally, Downtown Saint Paul's market shows nearly 25% vacancy in Class B office space, suggesting an oversupply for current demands that could be rebalanced through conversion of some office space to residential.



**St. Paul
Downtown Building
Vintages**



Above: Several contiguous blocks in downtown St. Paul were cleared in the urban renewal era, but older structures and their attributes, as described, characterize much of the central business district, including Lowertown, the Rice Park area, and Seven Corners. Image courtesy of Ylvisir City.

Sources
City of St. Paul,
OpenStreetMap

Examples to Consider

Boston

Boston implemented an office to residential conversion program in 2023 that offers developers a PILOT (payment in lieu of taxes) up to 75% abatement for up to 29 years. The program has a preference for the area defined in Boston's "PLAN: Downtown" report, but it is possible to use the program all over Boston. Outside of the PLAN area, projects will get preference if they are a conversion to 100% residential, maintaining ground floor retail or public use.

Notably, this program has a significant affordable housing requirement: 17% of all newly created units must be deed restricted affordable for households making up to 60% of the Area Median Income, and another 3% of units must be available at Fair Market Rent and reserved for voucher holders. Currently the financial district is struggling with rents and vacancy, and not coincidentally has the highest concentration of office space within surrounding areas. It also needs a greater mix of uses and higher quality office space to compete with other neighborhoods, thus it appears well suited for this program.

Calgary

Calgary's office to residential conversion program, approved by city council in 2021, provides a grant of \$75 per square foot to developers for conversion projects that remove existing office square footage from the market and convert the building to residential, hotel, school and performance space uses. This was in part from analysis that residential demand was not high enough to be the sole focus of the program. With initial funding of \$153 million, all funds have been committed to 17 approved projects (to be distributed

upon construction completion). All projects must be within a set qualifying area, and projects receive priority approval if they are within a specifically defined priority area. The program was paused in October²¹ last year to secure additional funding and update it to meet the priorities of Calgary's Housing Strategy.

To date, the current projects have all been for rental housing, while Class A office rents have started to increase. The citywide goal is to remove 6 million sf of office space by 2031.

New York City

New York has proposed changes to its zoning code, which will allow for more buildings to be converted than are allowable under current law. This set of recommendations, if adopted by the City Council, is called the Office Conversion Accelerator. Through the accelerator, the City estimates the conversions could produce 20,000 new housing units. The change allows younger buildings to be converted; previously buildings eligible for conversion had to be built before 1961 or 1977 (depending on location). The change would expand to include buildings built before 1990. Any building where zoning allows for residential can convert to residential. This program is a policy change and streamlined information source for interested developers; no funding is available for conversions.

21. Downtown Office Conversion Programs, City of Calgary <https://www.calgary.ca/development/downtown-incentive.html>

Los Angeles Adaptive Reuse Ordinance (ARO)

Though not specific to office-to-residential conversion, Los Angeles incentivized the activation of buildings by reducing administrative barriers. The Adaptive Reuse Ordinance (ARO) was designed to revitalize downtown Los Angeles by converting older, economically distressed, or historically significant buildings to apartments, live/work units, or visitor-serving facilities. The ARO achieved this by

- Reducing minimum unit size requirements
- Exempting mezzanines and loft spaces from maximum floor area calculations
- Exempting dwelling units, guest rooms, or living and work quarters from density requirements of the underlying zone
- Eliminating off-street parking requirements
- Providing a faster review process for older buildings
 - Offering additional flexibility for the conversion of existing historic structures

Potential Funding Model: Consistent Site-Specific TIF Program

One approach for Saint Paul is a site-specific tax increment financing (TIF) policy that expedites the approval process for the tax incentive. A site-specific TIF only applies to a parcel of land, and it would not have the traditional drawbacks or constraints of a district-based TIF. For instance, since taxes would not be frozen over an entire area, the municipality would not be hindered for the decades of the traditional TIF life cycle.

In Saint Paul, the City has employed Tax Increment Financing (TIF) to encourage the office-to-residential conversion of the 26-story Landmark Towers, located at 345 Saint Peter and adjacent to Rice Park is being developed by Sherman Associates²². The project will convert 200,000 square feet of office space to 187 market-rate residential units. The City of Saint Paul recently created a 26-year, \$21 million TIF district around the building with the goal of directing \$9 million from the district into the Landmark Towers project itself, including \$300,000 for street beautification along Fourth and Market streets. Another \$650,000 from the TIF proceeds are added to a citywide fund for affordable housing.

22. "St. Paul City Council approves \$21 million tax incentive for office-to-residential conversion at Landmark Towers – Twin Cities" August 9, 2023. Pioneer Press, Twincities.com <https://www.twincities.com/2023/08/09/st-paul-city-council-approves-21-million-tax-incentive-for-office-to-residential-conversion-at-landmark-towers/>

Similar projects should be funded by a combination of state and local investment. In research into other conversion programs across North America, collectively incentives should account for at least 5% of total development costs of each project. The Minnesota State Historic Structure Rehabilitation Credit currently provides a 20% tax credit to qualified structures²³, yet an expansion of this program that provides a larger credit, such as 30%, to office-to-residential conversions of historic structures could have significant impact in areas like Downtown Saint Paul with surplus office space in historic buildings.

At the local level, Saint Paul specifically could further incentivize such conversion projects in its downtown through a programmatic approach to its current TIF model for funding site-specific projects like it did with Landmark Towers. The existing Tax Increment Financing program can be further enhanced by incorporating complementary financing programs and policies such as tax incentives, tax abatements, and grants. Downtowns in particular have potential for catalytic change through redevelopment projects in close proximity to other investments or existing amenities, so such expenditures could provide relatively strong return on the investment for Saint Paul.

Based on analysis of current vacancy rates, Saint Paul could target converting 1.6 million square feet of downtown office space to residential use, which would bring the current vacancy in line with structural expectations while simultaneously adding to the volume of housing units downtown. With a total investment of \$50 per square foot, a total investment of \$80 million through State and Local programs would likely support downtown to mitigate tax base loss.

Prioritizing the Reactivation of Key Properties

Outside of a site-specific TIF program, Saint Paul can consider incentivizing the activation of buildings, and repurposing those that have outlived their original purpose, in other ways. Such adaptive reuse can preserve architectural and cultural heritage, while bringing new activity to the buildings and the street-level around them. Deactivated buildings have adverse impacts that range from lowered foot traffic to decreased nearby property values to outright blight, and many cities have tools to address vacant buildings, Saint Paul included through its Vacant Building Program²⁴. However, these miss the full spectrum of buildings that benefit their surroundings through reactivation. In other words, nearly vacant buildings may not be subject to City vacancy penalties, but could be incentivized to adopt a new purpose.

Incentivizing activation can include allowing nonconformance with certain development regulations that would make adaptive reuse infeasible, or activating common areas, such as lobbies, outdoor patios, and rooftop gardens, or introducing new layouts, building systems, infrastructure, energy efficiency improvements, and amenities that tenants seek.

Another means is encouraging upper floor development in historic buildings. Cities now are considering the approach of creating a “life at night” agenda to activate downtown businesses in the late-night hours. Given Downtown Saint Paul’s strength as an entertainment destination, there is room for growth in offerings and amenities available at night and after events.

23. Minnesota Historic Structure Rehabilitation Tax Credit. State Website. 1/2024. <https://mn.gov/admin/shpo/incentives/state/>

24. Vacant Buildings Program | Saint Paul Minnesota (stpaul.gov)

In Saint Paul, some tools are already in place. Based on the master plan and various redevelopment incentives, there has been some development and redevelopment activity in the EBIRD District, and Design and Development Grants currently available come from the Metropolitan Council and the State of Minnesota:

- Metropolitan Council (Predevelopment Grant)
- Minnesota Department of Employment and Economic Development (DEED) (Redevelopment Grant)
- Metropolitan Council (LCDA Development Grant)

Examples to Consider

City of Covington, Georgia Vacant Commercial Building Program

- A program to help activate vacant commercial buildings. The program is performance-based and is designed to help create jobs
- Qualifications:
 - Buildings must be at least 50 years old and have been at least 51% vacant for the last two years. Properties citywide are eligible.
 - If the address sits outside Covington’s TIF (tax increment financing) district, the project might also be eligible for a separate incentive that freezes the city’s portion of property tax at the pre-rehab level for five years.

Los Angeles Adaptive Reuse Ordinance (ARO)

- The ARO was designed to revitalize downtown Los Angeles by converting older, economically distressed, or historically significant

buildings to apartments, live/work units, or visitor-serving facilities. The ARO achieved this through the following incentives:

- Reduce minimum unit size requirements
- Exempt mezzanines and loft spaces from maximum floor area calculations
- Exempt dwelling units, guest rooms, or living and work quarters from density requirements of the underlying zone
- Eliminate off-street parking requirements
- Provide a faster review process for older buildings
- Offer additional flexibility for the conversion of existing historic structures

San Francisco Retail Vacancy Tax

San Francisco’s retail vacancy tax is based on the street frontage of a property. The tax is \$250 per linear foot of frontage in the first year of vacancy, \$500 per linear foot in the second year, and \$1,000 per linear foot in the third year and beyond. The tax is intended to encourage landlords to rent out spaces.

- The tax does not apply to units intended for short-term occupants, units in nursing homes or residential care facilities, or units owned by nonprofit organizations or government agencies.

Early Action Steps

- 1.** Policy Changes: City of Saint Paul puts in place an efficient, programmatic approach to project approvals and permitting for downtown office conversions to streamline the process and mitigate the risk of bringing converted residential space to market.
- 2.** Financing Program: Ramsey County and the City of Saint Paul collaborate with the State of Minnesota to establish a programmatic development incentive program aimed at supporting the conversion of surplus office space to residential spaces to meet the need in downtown.
- 3.** Potential Market Move: If the market proves to require additional public sector leadership to signal next steps, the Saint Paul Port Authority and City of Saint Paul create an acquisition fund and strategy to repurpose critical buildings for which the private market has been unable to generate sufficient interest or commitment.

Key Strategy #2

Invest in pedestrian-oriented streetscape improvements guided by a public realm framework.

A wide range of stakeholders agree that Saint Paul should establish and implement a Public Realm Framework for downtown that builds upon the City's recent successes in this area, foregrounds the pedestrian experience and prioritizes key walking and multimodal corridors that make downtown more accessible, legible, welcoming, and enjoyable for everyone.

Downtown Saint Paul's streetscape today is characterized by nodes of activity – particularly focused around and near its iconic public spaces at Rice Park and Mears Park – interspersed with many blocks that offer little in terms of activation or reason for a pedestrian to walk them. Conversations with local stakeholders indicate that even distances of just a few blocks are often covered by driving and re-parking at the next destination due to the unappealing nature of blocks in between.

Furthermore, Saint Paul's retail streetscape – the backbone of street-level activation in cities across the country – is complicated by the unusual, though not unique, presence of a second level of pedestrian corridors and retail offerings in the city's skyway system. Skyway traffic

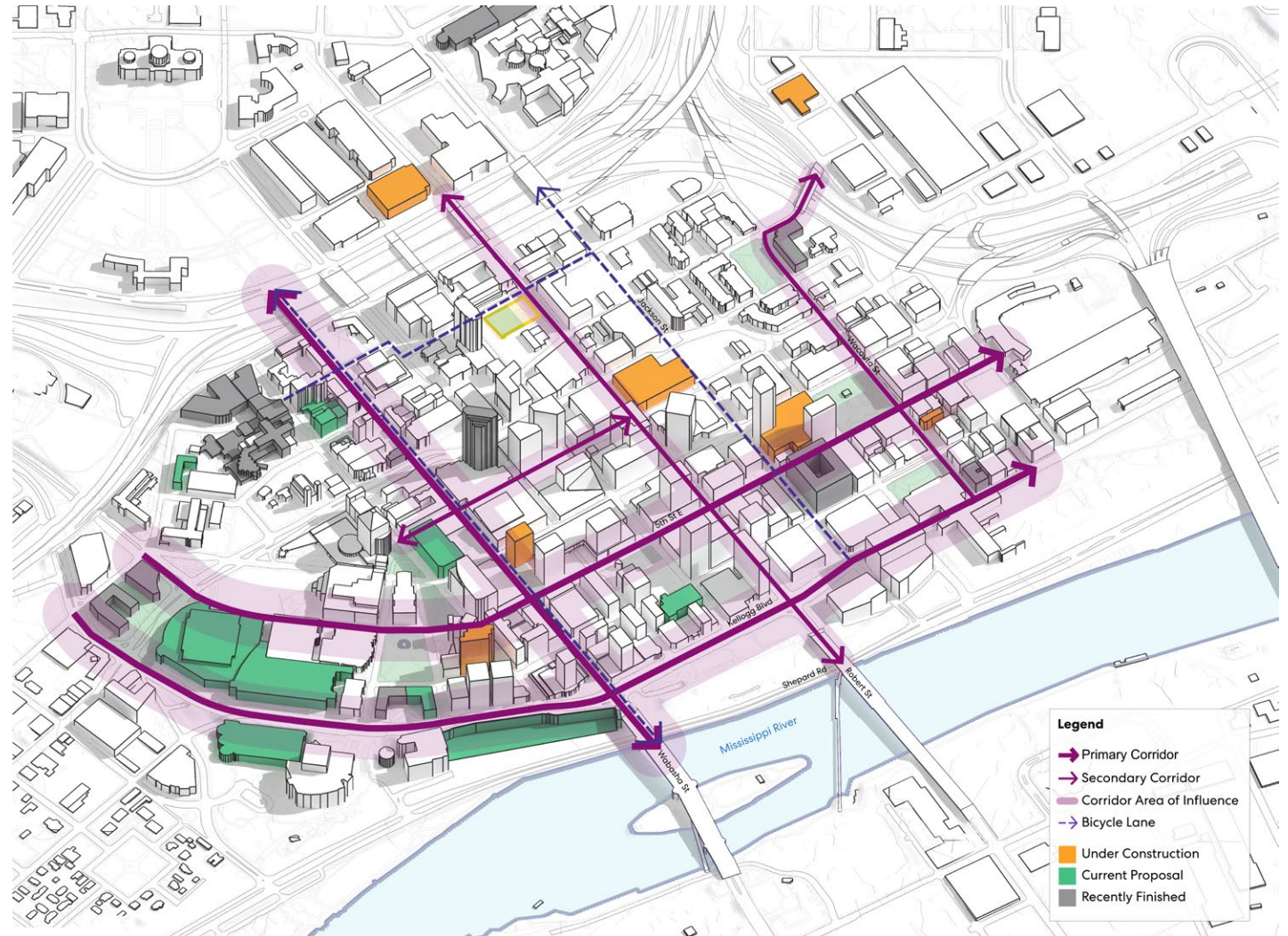
and retail takes away from activity on downtown streets, meaning that Saint Paul must thoughtfully balance a two-level pedestrian and retail experience downtown.

To date, Saint Paul has made substantial investments in targeted streetscape improvements in downtown. This includes, for instance, streetscape improvements and the installation of bicycle tracks on Wabasha Street and Jackson Street, as well as reconstruction work on one section of Kellogg Boulevard and elsewhere in the downtown core. This is a great start and should be continued, with the goal of creating a highly effective network that prioritizes pedestrian circulation and ease of use, in alignment with an overall Public Realm Framework.

Given existing retail vacancies, the current commercial landscape, and the realities of a two-level pedestrian ecosystem, downtown Saint Paul cannot expect to make all streets equally vibrant and active in the immediate future, nor does it need to. Rather, by establishing a hierarchy of priority streets that serve as important connectors of downtown's economic, social and cultural assets, 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.

We propose a clear and compelling downtown Public Realm Framework that helps choreograph with great intention how many more people will move through downtown, to interact, discover, shop, work, learn and play.

The **Public Realm Framework** shown here highlights a hierarchy of recommended streets for prioritization, informed by existing retail patterns, proximity to various assets, and the way in which they can – if adequately enhanced – contribute to the legibility and navigability of what can be an even more walkable, pedestrian-friendly downtown. If well-executed with high-quality design and materials, these Framework streets should become preferred “front door addresses” around which the next waves of downtown real estate investments organize themselves.



Streetscape Improvements Aligned to a Public Realm Framework

Presented here are a series of illustrative streetscape improvements which propose the types of solutions – including pedestrian infrastructure, road diets, trees and other enhancements, improved building frontages, and targeted infill development which can be implemented at various intensities on streets downtown to provide residents, workers, and visitors with reasons to spend time walking downtown and the ability to more readily do so.

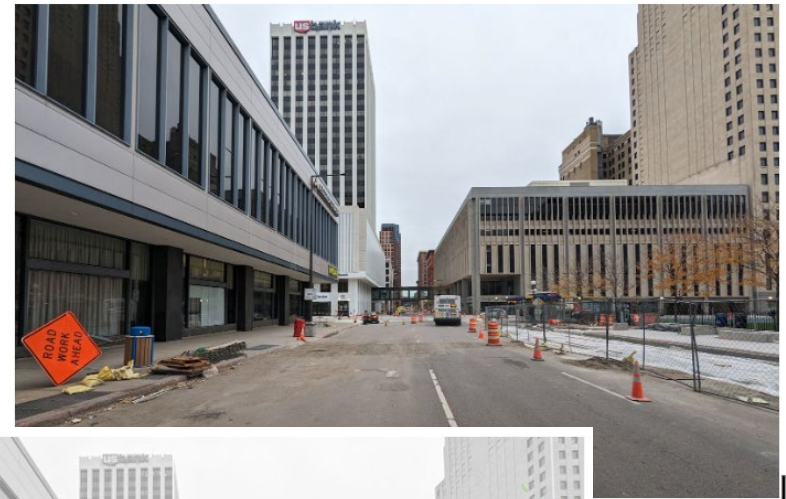
The City of Saint Paul can implement these streetscape improvements with an expansion of its ongoing investments. As outlined in the proposed Public Realm Framework, the focus should be on the primary corridors, though illustrations of opportunities for secondary streets and side streets are also considered in these illustrations.

Learn from successes: We strongly encourage city leaders across sectors to organize a series of group visits to other municipalities that have executed well-detailed, high-quality public realm improvements to see them firsthand, and hear how these public realm investments have, in fact, been a catalyst for significant increased market demand for real estate proximate to these new public place investments.

5th Street on the north side of the Central Station block

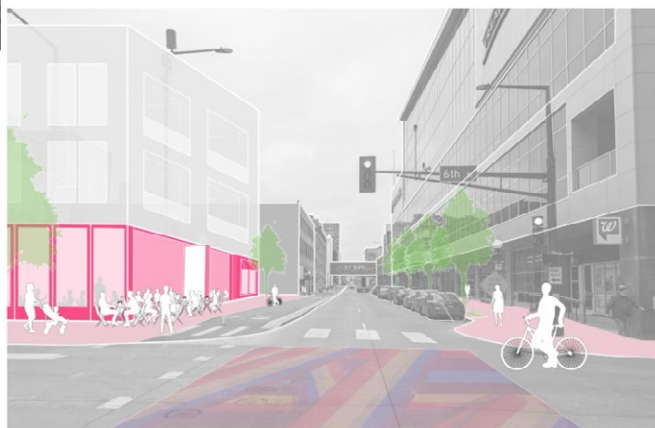
5th Street, which connects the Xcel Energy Center, Rice Park, Central Station, Mears Park, and CHS Field, is today an unappealing pedestrian experience, but could and should be one of Saint Paul’s great connecting corridors given all that is along its path. At the center of the corridor is the Central Station block, currently an experiential “hole” that separates the energy of the Entertainment

District from that of Lowertown. Substantial focus has been paid to the future use of the Central Station block (and is detailed elsewhere in these recommendations), but the experience of the adjoining streets is critical as well. By narrowing the street and providing more reasons for pedestrians to engage on both sides of the street, this block can help to make connections along the whole 5th Street corridor.



Intersection of Wabasha Street N. and 6th Street

Today, Wabasha Street already has a number of assets, with a recently-installed cycle track and a number of businesses that make it one of downtown’s most active retail streets. However, there are gaps in the fabric, including a number of vacant retail storefronts at 5th Street and (shown here) the potential for infill development at 6th Street. In a model that could be replicated on and near other surface level lots in downtown, street cafes, foliage, and public art can help to fill in the existing gaps and locations like this present the potential for early successes with small- to mid-scale developments.



Side Street: 6th Street E. between Cedar Street and Minnesota Street

Secondary streets off of the main corridors are not as heavily emphasized in the Public Realm Framework and should not be as heavily prioritized when allocating resources, as it is infeasible to create a robust pedestrian experience everywhere in downtown in the immediate future. However, when opportunities arise – either when streets need reconstruction or when building owners look to reinvest in their properties – similar methods of street trees and generous pedestrian spaces can be incorporated on these streets on a case-by-case basis.



Kellogg Mall Park

As currently configured, Kellogg Mall Park underperforms as a public space for downtown. Except during occasional events, it is under-programmed and offers little reason for downtown residents, workers, or visitors to spend time there, despite its sweeping views of the Mississippi River. It was with this concern in mind that the River Balcony plan was formulated to reimagine the entirety of downtown’s central riverview bluff experience. It is this team’s view that a scenario be further studied that preserves the same amount of public open space along the bluff while allowing a limited amount of real estate development and / or concession improvement for possible inclusion on or adjacent to this central riverview property. There are many successful examples of an appealing balance of public space and private activating use that results in an experience of place that feels civically-generous and is better activated day and night. Locations of these public-private partnerships also often benefit from dedicated sources of public space operating revenues from such real estate co-development otherwise unavailable.

Illustrated here are two examples of activity that can give people a reason to visit and utilize the park: a small-scale restaurant in the park or a development on one end that opens onto the park with activated commercial space. The latter could be achieved without reduction in overall park space by leveraging the County-owned parking lot at the bottom of the bluff as a space to extend the park towards the River, either on a cantilever or a larger structure, which could also help to create space for a potential development that activates the Park and better engages the street.



Connection between 7th Place W. and 7th Place E.

One of the most transformative reconnections among important downtown Saint Paul places, from the cultural district around Rice Park to the downtown district’s very core, could occur along a portion of 7th Place. While it may not be apparent to a pedestrian on either end, the corridor connecting the pedestrian mall at 7th Place West with the intersection of 7th Place East and Minnesota Street is a straight line through the current skyway. Elevation changes, turns within the skyway, and lack of wayfinding obscure this connection. An underperforming multi-level interior retail mall concept is in effect blocking healthy downtown pedestrian flow and needs to be reimagined to reflect what’s now working in vibrant downtowns. Changing this will not be without complexity. But it strikes us as well worth the cost of the “surgery”.

A variety of potential changes, including straightening escalators and corridors, improving entrance experiences, or even opening a portion of the corridor to outdoors (“daylighting”) could create a clear pedestrian experience that shortens the conceptual distance between, and perhaps more important, blur the distinct identities of the entertainment-oriented west side of downtown and the business-oriented core, enriching both in the process.



Downtown Legibility & Pedestrian Experience

One key takeaway of the downtown audit of place was that, despite its relatively compact nature, downtown Saint Paul has substantial issues with legibility. A visitor is unlikely to encounter sufficient wayfinding to encourage them to extend their visit to another, unplanned destination, directions to planned destinations are unclear, and in much of downtown, there is not a clear subdistrict identity to help people see themselves in the space.

The SPDA has begun efforts to address this, hiring a national-caliber local branding agency to conduct a publicly-informed subdistrict branding exercise to identify the strengths of various parts of downtown and to codify those into a set of clear, distinct subdistricts. Next steps will include drawing up brand identity for those subdistricts and installing improved signage and wayfinding.

Equally important to the experience of the street is the cleanliness and attractiveness of both the public and private spaces through which pedestrians pass. A clean and safe pedestrian experience is critical to encouraging residents, workers, and visitors to make downtown Saint Paul a priority and to extend their stays while in the area. With both public and private sector support, the SPDA should expand its Ambassadors program in both coverage area and intensity of services, taking additional initiative in ensuring that downtown's sidewalks, plazas, and other public spaces are welcoming and comfortable spaces to walk and to spend time.

Skyway Commercial Spaces

The Saint Paul skyway system differs from others throughout the United States and Canada by its governance structure. Most other systems are privately owned by building owners in individual sections, with various amounts of control available to the municipality, whereas Saint Paul's system is publicly-owned. This presents particular challenges and opportunities in retrofitting it to meet contemporary needs. Saint Paul's system currently has certain links that are in good condition, receive heavy foot traffic, and serve additional purposes such as pedestrian safety (e.g. the skyway crossing Kellogg Boulevard into the RiverCentre). In allocating scarce resources, Saint Paul officials might identify which links within the skyway system require further investment to support Downtown Saint Paul's overall goals, and prioritize their maintenance above others. Obsolete and unsuccessful portions of the system should be further studied for closure and in some cases removal.

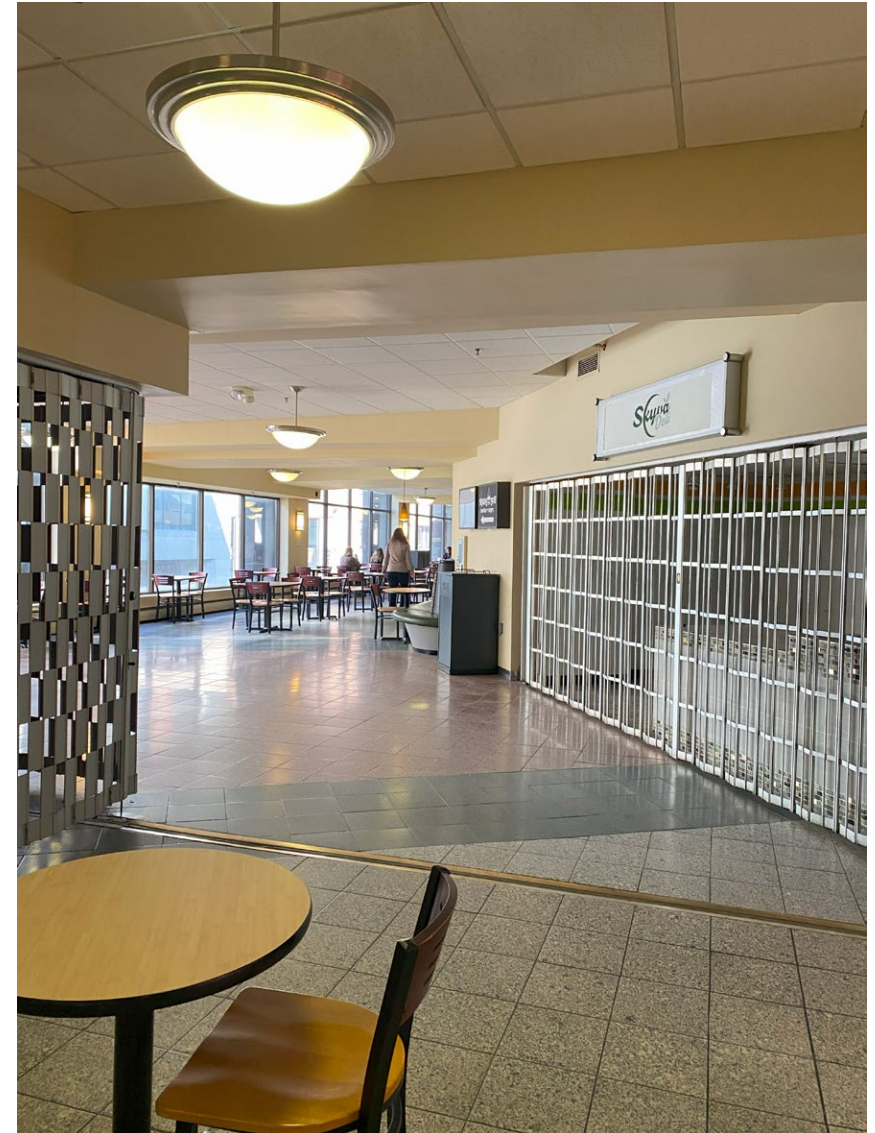
One strategy for Saint Paul to consider is a small business initiative that has two component parts: 1) identifying street level spaces where existing food and other small businesses can relocate to help activate public streets during more hours of the day or night. This might build upon the SPDA's current Grow Downtown initiative; and 2) working with property owners and merchants to consolidate retail that is currently in the skyway system and prefers to stay there

into more limited, concentrated areas that have a critical mass that enhances the viability of vendors / small businesses and improves the overall pedestrian / customer experience. Currently, and likely into the foreseeable future, the skyway system is significantly “over-retailed”, which is to say, there is far more retail space than needed. Some sections of the city’s extensive skyway network should be further studied for closure and in some instances removal.



Business along the skyway walkway, with the highest visibility are vacant, suggesting an oversupply of such spaces.

Credit: James Lima Planning + Development



This food court has more vacant than occupied stalls, and active businesses are located in the back, outside of view from the skyway walkway.

Credit: James Lima Planning + Development

Improving Skyways Through Retail Incentives

Saint Paul has undertaken several initiatives aimed at activating and incentivizing retail. Leading entities driving this initiative include the Saint Paul Downtown Alliance, Minneapolis Saint Paul Regional Economic Development Partnership, the Saint Paul Area Chamber of Commerce, Ramsey County, and The City of Saint Paul.

The Saint Paul Downtown Alliance has initiated various programs since 2018, including the recent launch of the "Let's Grow" campaign. This initiative offers 5-10 free leases to occupy vacant storefront spaces for six-month residencies. The campaign received funding from the American Rescue Plan Act (\$1 million), a \$1 million matching grant from the Knight Foundation, and \$1 million from the downtown Saint Paul business community.

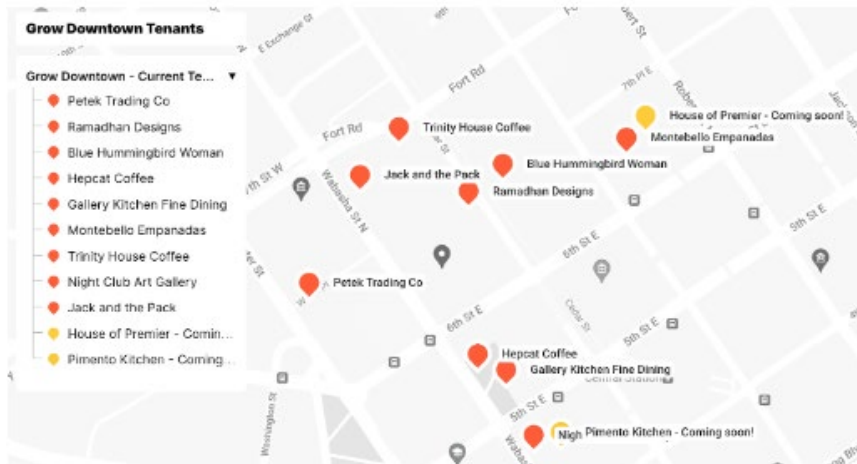
The primary locations for this initiative are within Wells Fargo Place and Osborn370, with additional spaces scattered throughout the downtown core. The Let's Grow campaign has provided valuable opportunities and resources for both new and existing small businesses, contributing to vibrancy within the downtown core.

Skyway and ground floor retail might be strengthened by targeting the Let's Grow program to specifically:

- Help remaining vendors move from isolated food court locations to higher-profile retail locations.
- Encourage food & beverage and retail stores to congregate at ground level.
- Encourage skyway level storefronts to focus more on services than shopping or dining.

Early Action Steps

- 1. Establish Public Realm Framework:** City of Saint Paul should articulate and adopt a Downtown Public Realm Framework that prioritizes key pedestrian corridors and sets a hierarchy for the level of public investment in streetscape infrastructure over the medium term.
- 2. Expand Pedestrian-Oriented Street Reconstruction:** 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. With other partners in the public and private sectors, the City should target its funding towards this effort and seek sources of State and Federal funding



to supplement the work. This may include collaborating with the State of Minnesota on contextually-appropriate reconstruction of State roads.

3. Legibility & Maintenance: SPDA should, in collaboration with the City of Saint Paul, improve the legibility of downtown with subdistrict branding and enhanced wayfinding, while simultaneously establishing a publicly and/or privately funded “enhanced maintenance” program for the prioritized rights-of-way that ensure sidewalk experience meets the expectations of those who do and might use them.

4. Skyway Rightsizing: Saint Paul has a two-level street and skyway public realm, which should reinforce one another, rather than detracting from the overall pedestrian experience. As a part of the implementation of a Public Realm Framework, there are a number of immediate-term actions to take:

- a.** The City of Saint Paul should work with building owners to close non-passageway portions of the skyway which are currently minimally activated, focusing on largely-vacant zones. As necessary, the SPDA should expand its existing Grow Downtown program to help remaining tenants move into better retail locations.
- b.** Private building owners should provide for the creation of affordable office space for an innovative, diverse ecosystem of start-up companies at the skyway level and should focus on services at the skyway level, while concentrating retail and food & beverage offerings primarily on the ground floor, with exterior access from the street. SPDA and the City should support this effort where they can.

- c.** The City of Saint Paul should commission a skyway traffic study for key connections to determine the viability of appropriately configuring the skyway to meet current and future needs. The skyway system as currently designed serves distinct purposes; the western part, from Central Station toward the Entertainment District, is mainly for circulation, while the eastern part has several retail amenities, providing an indoor alternative to the street-level experience. An early approach could be separating these two systems and addressing their separate needs while improving each of their functions downtown.

Key Strategy #3

Take tactical early-phase actions to advance downtown's most strategic redevelopment projects.

This report is intended as an action plan. In that spirit, this is about identifying the participants who have a role to play and can take meaningful steps to continue to advance priority redevelopment projects as quickly as possible. Below we identify some of those critical next steps to maintain momentum for priority projects including Central Station, RiversEdge, and the entertainment district focused around the Xcel Energy Center.

Within its relatively compact downtown, Saint Paul has several dozen potential development projects that have been proposed or discussed by various parties and were considered as a long list of prospective projects throughout this process. Of those, a handful of projects have repeatedly risen to the top in conversations with downtown stakeholders and in qualitative and quantitative evaluation of project opportunities.

Saint Paul has three areas of emphasis or priority districts: Central Station, the Mississippi River Bluff (beginning with the County-owned RiversEdge site, which includes portions of the River Balcony concept), and an Entertainment District centered around the Xcel

Energy Center and the Landmark Center. These three focal areas are critical to enhancing the vibrancy of downtown's various subdistricts, realizing the opportunity of a downtown connected by a pedestrian-oriented public realm framework, and building on strengths and addressing challenges in the rebound from the COVID-19 pandemic.

Within these three areas, specific projects that can benefit from collective efforts and should be prioritized for early advancement include taking key steps to revitalizing Central Station, securing support and funding for the foundational structure and public improvements at RiversEdge and underlying parking ramp, and reinvesting in an entertainment district including being very intentional with the many planning and design decisions to be made to better connect the Xcel Energy Center to the core of downtown. Collectively, these three projects build on one another and reinforce the downtown reinvestment advanced by Key Strategies #1 and #2. They create and enhance additional nodes of activity, encourage circulation along key thoroughfares such as 5th Street and Kellogg Boulevard, they reinforce the connection of the edges of downtown to its core, and they create more reasons for people to want to live in, work in, and visit downtown.

That said, this reflects a response for prioritization of efforts and resources. It does not reflect a judgment in any way that other investments and initiatives are not valued or important to the future of downtown Saint Paul. This is not the case. It is assumed that while these priority initiatives advance, that SPDA, the City, County, Met Council, civic and philanthropic leaders, and private downtown owners, businesses and residents and other stakeholders can be guided by the shared goals and principles for downtown as they continue to assess and respond to needs and opportunities

downtown as they arise. Of particular importance is the role of SPDA to help nurture downtown's creative communities, its ecosystem of more informal arts and culture through programming, partnerships, and convening. The city and regional philanthropic community will have opportunities to continue to play a leadership role in supporting a healthy and growing cultural infrastructure downtown, one that provides all city residents with more equitable access to and participation in arts and culture.

Central Station & Surrounding Environs: Scale of Investment in the Downtown Core

The publicly-owned property on the Central Station block is situated in the 'core' of the historic central business district downtown, where it serves as a transit hub for Green Line light rail and multiple bus lines. It is also a connector between the eastern and western halves of the skyway system. As discussed in Key Strategy #2 above, separating the skyway system right at Central Station could support the dual roles it plays, and should be considered in future plans for the site's redevelopment. The area has for years been a gathering place for persons using public transit, yet it has also been a frequent site for public safety challenges, compounded by a high occurrence of social care needs of individuals spending time in the transit hub area. The anti-social behavior of some has negative effects on the surrounding blocks today and could benefit from greater activation that brings positive activity into the site. More than a waiting area for the next bus or train, Central Station has the potential to transform the city block and adjacent ones if one's experience of the place today can be transformed so that Central Station is at the center of downtown civic life once again.

To Do: Fill the void in the heart of downtown by using a tactical multi-stage solicitation of private interest with substantial public support.

Option 1: Park or Plaza

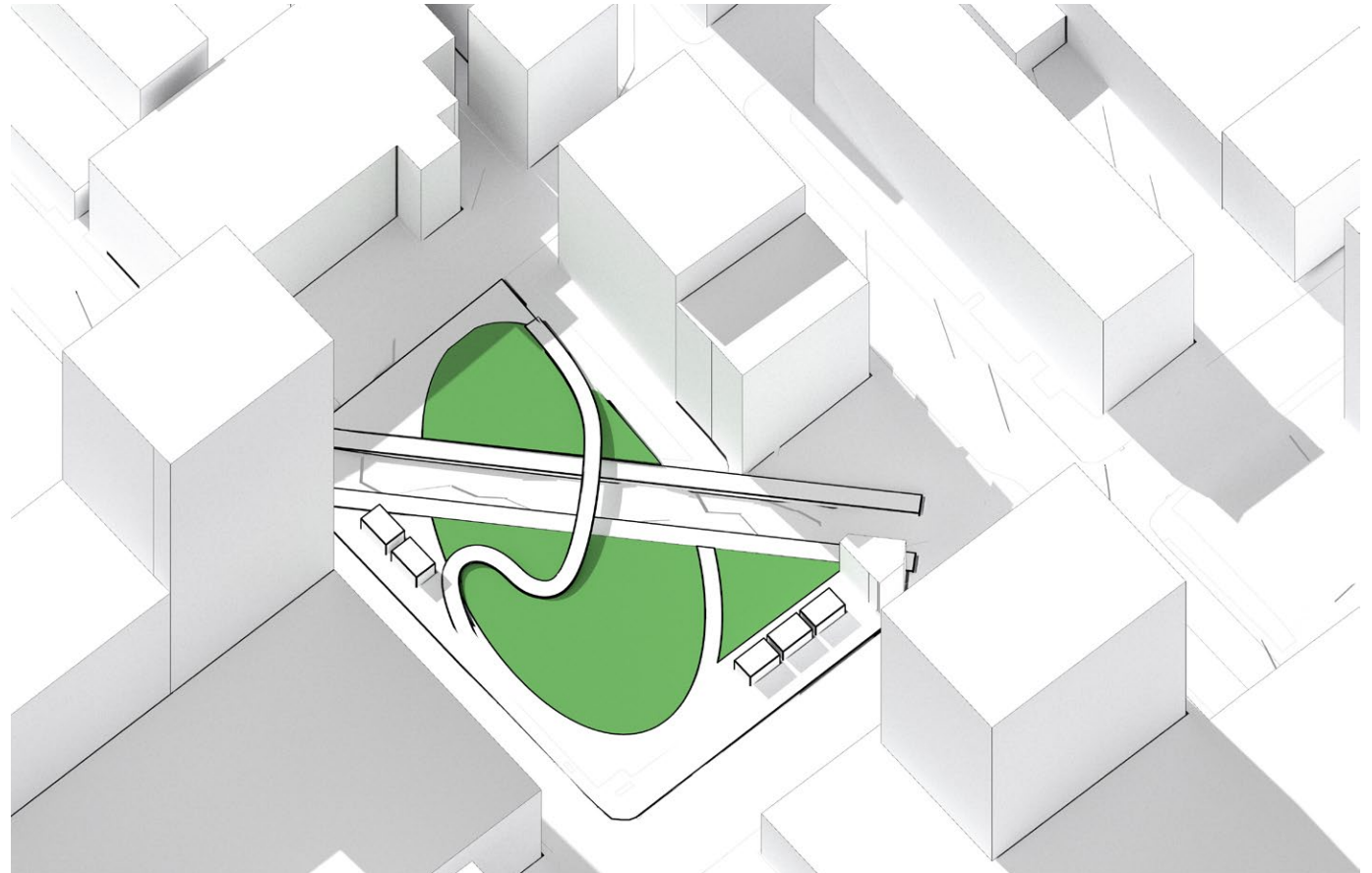
In its lowest-cost format, the Central Station property could be developed into a park or plaza where the open space remains available to the public, while the design of the open space signals it as a comfortable gathering place and destination. As with any great public space, it should be lined with retail or food & beverage offerings, to encourage people to spend time in the space. This is obviously a formidable challenge given the active rail line splitting the site on a diagonal.

Development Program:

Approximately a 1.5 acre public space, with low-rise retail and food & beverage surrounding it.

Government Intervention Needed:

The City of Saint Paul and the Metropolitan Council, as the owners of the vacant property on the Central Station block, would likely need to collectively redevelop the property as public space and leasable retail spaces, either as a permanent or interim solution.



Benefits: As a relatively low-cost solution (in comparison with more vertical development), this solution could be implemented in relatively expedient fashion, either as a permanent use for the site or as an interim solution to improve the general experience of the block.

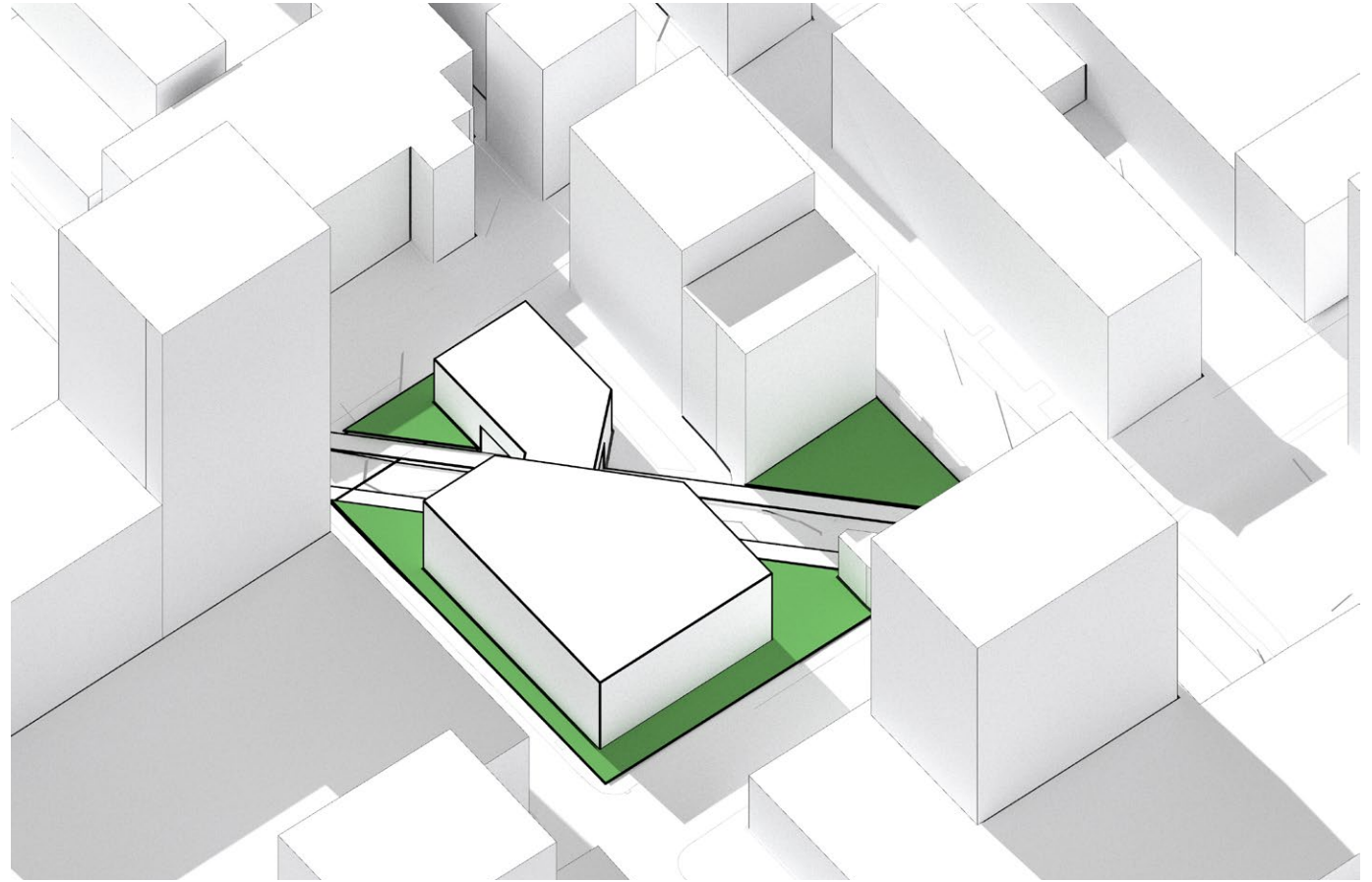
Risks: Without a large building filling the space, the fundamental configuration of the Central Square block is relatively similar to its current state. As such, without successful (potentially subsidized) street-level retail and an active street cleaning and ambassador presence, there is a risk that the current concerns about cleanliness and safety on the site would continue after construction.

Option 2: Transit-Oriented Commercial Hub

One step higher in intensity than a park or plaza with surrounding retail, the Central Station block could be developed into a low-rise commercial hub, where the public transit services provide the primary function of the base, and the primary development program is a set of retail options which are supported by the foot traffic through and around the station.

Development Program: Low-rise, multi-story retail destination such as a Downtown Food Hall, surrounding the Central Station Green Line stop, with some public space.

Government Intervention Needed: Given the current state of the retail market, government would likely need to be an active part of this type of a development effort. It is possible that the City of Saint Paul and/or the Metropolitan Council could be the developer or co-developer of this type of a destination, serving as the landlord for retail tenants within.



Benefits: A retail destination of this scale could create a visitation draw in a part of downtown that lacks it today. It could also revitalize this vacant and underactivated block.

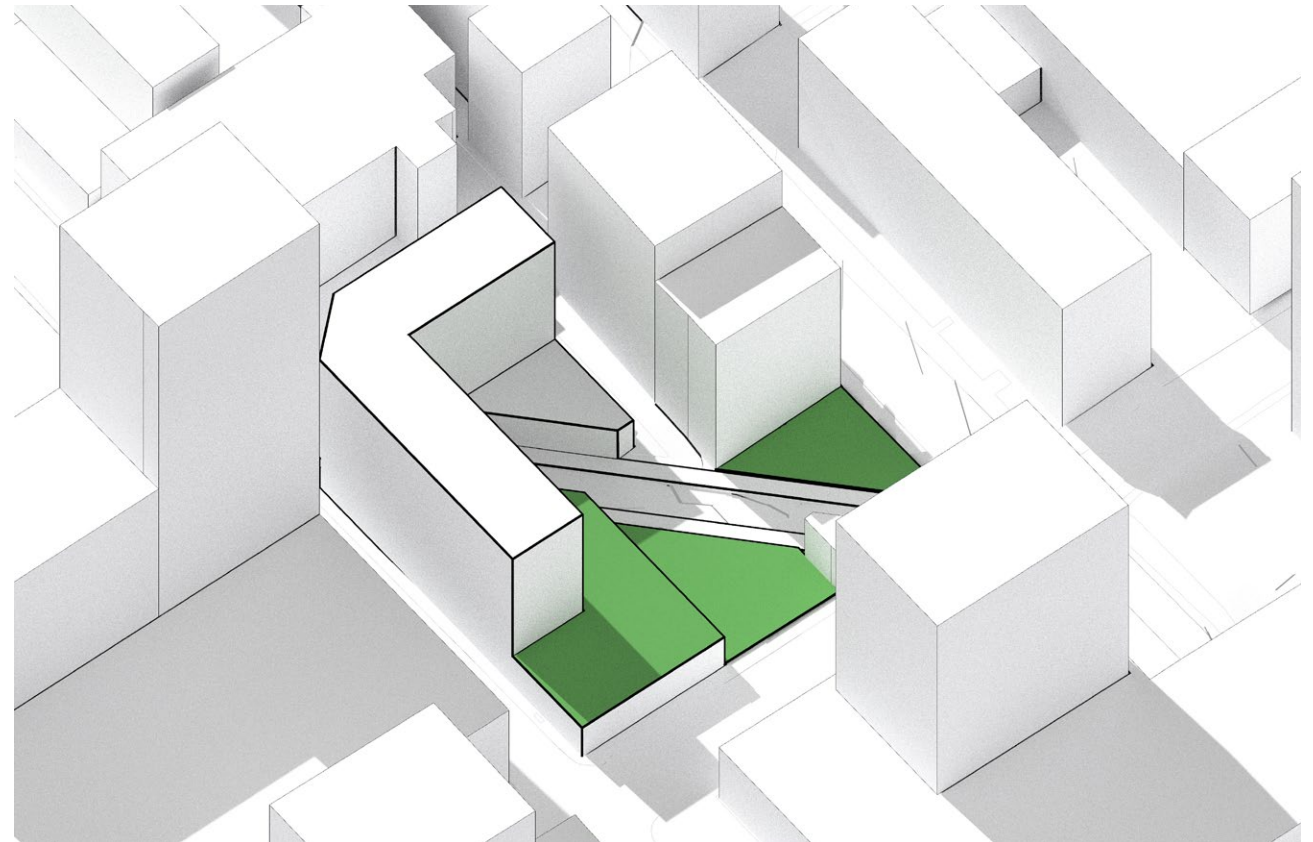
Risks: A focus on multiple stories of retail concentrated in one location presents a challenge, given the current retail market. In addition, creating a hub like this has the potential to draw pedestrian activity off of the street if it is internally focused. Would require gap financing for a newly constructed building.

Option 3: Low- to Mid-Rise Development (Office or Residential)

The Central Station block could hold a low-rise or mid-rise development above the Green Line light rail. Given its central location and connection to public transportation options, it could be either office or residential use, depending on further research on market conditions and developer preference. Rather than creating a new icon of the Saint Paul skyline, this low- to mid-rise option focuses on getting the property activated as soon as possible, with lower construction costs and complexity than a high-rise development.

Development Program: Office or residential development with retail on the ground floor, covering most of the Central Station block and allowing for limited adjacent public space.

Government Intervention Needed: The City of Saint Paul and the Metropolitan Council would jointly select a development partner for this project, based on submissions in response to a public disposition process. Government owners would need to decide whether to remain a part of the project by holding a long-term ground lease, or whether they would prefer to sell the property outright. Additionally, it is possible that government incentives would be needed.



Benefits: Recent developments around downtown have typically been of a modest scale and, in particular, mid-rise residential projects have demonstrated success in various locations around downtown. If the priority is to get development activity and pedestrian activation on the Central Station block in relatively short order without government actors needing to undertake the project alone, this is the most likely path to that outcome.

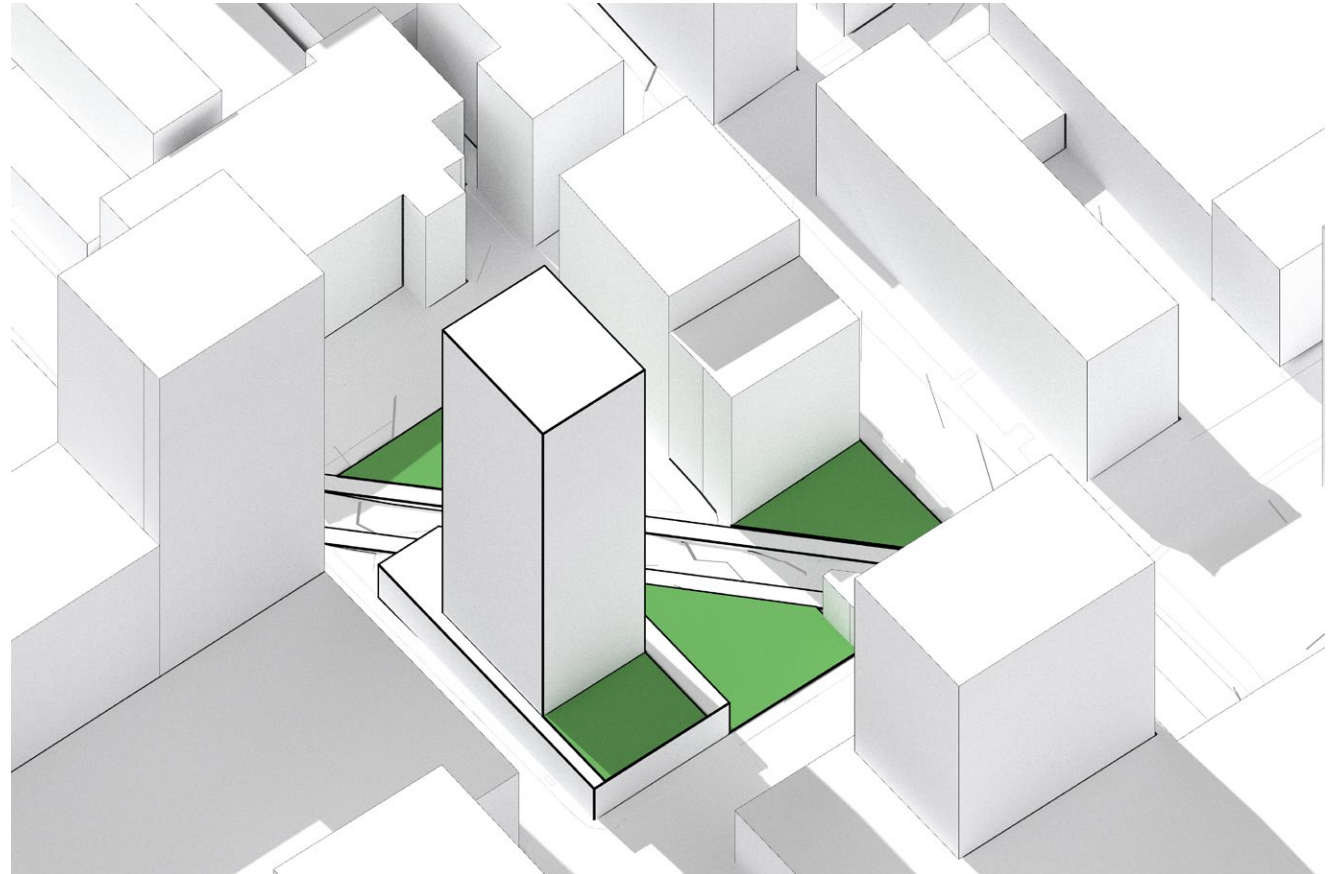
Risks: Saint Paul has only one chance to get substantial development on the Central Station block right. While potentially more financeable in the immediate term, modest scale development does preclude a high rise development at Saint Paul's heart for the foreseeable future. While that decision should be undertaken with full consideration and intentionality.

**Option 4: High-Rise Development
(Office or Residential)**

The Central Station block could hold a high-rise building above the Green Line light rail. This could be contextually similar to nearby buildings or skyline-defining. Single use or a mix of uses (office, residential, and/or hotel) could be constructed. Given the amount of space needed for the construction, there is the potential to create a substantial public space on a portion of the property as well.

Development Program: High-rise office or residential development with retail on the ground floor, covering a portion of the Central Station block and potentially allowing for substantial adjacent public space, especially along the prioritized pedestrian corridor of 5th Street.

Government Intervention Needed: Similar to the lower-scale development effort outlined previously, the City of Saint Paul and the Metropolitan Council would jointly select a development partner for this project, based on submissions in response to a public disposition process. Government owners would need to decide whether to remain a part of the project by holding a long-term ground lease, or whether they would prefer to sell the property outright. For high-rise development, it is likely that



government incentives would be needed, as the market in downtown is not as well-proven as for smaller-scale projects.

Benefits: Whether office or residential, this project would be a downtown-defining effort and, if successful, could bring substantial new activity to the core of downtown, as well as demonstrating the intent of public and civic sector leaders, with private partnership, to position downtown for the future.

Risks: Of the potential future uses of the Central Station block, this is the one that presents the greatest development risk. The market for a new Class A office building or for high-rise, ground-up residential development is unproven and, if this is selected as the only acceptable outcome for the block, there is risk of the property languishing undeveloped, further exacerbating the issues at Central Station today.

Mississippi River Bluffs: RiversEdge and Other Investments Along Kellogg Boulevard

The Mississippi River Bluffs offer the opportunity to physically and visually connect Downtown Saint Paul more closely with the iconic Mississippi River. However, the bluffs, roughly five stories above the Mississippi River, require significant infrastructure to support development on the south side of Kellogg Boulevard that would be at the same elevation as downtown. Any physical connections to the Mississippi – currently separated from downtown by railroad tracks and the multilane highway of Shepard Road, with only a narrow strip of land between the road and the water – adds further complexity to that of the elevation change. A series of potential projects exist to help create both an enhanced experience of the Mississippi River and a pedestrian-friendly environment along Kellogg Boulevard. Appropriately phasing them and siting the optimal program at various locations will be imperative to ensuring their success and mutual reinforcement of one another.

To Do: Begin a series of steps to better engage downtown’s sweeping Mississippi River views by developing the foundational components of a multi-phased large scale public-private development: focus on garage structure and other infrastructure, and new public space, creating future development pads for mixed-use development. This phase one work would create an active, pedestrian-friendly corridor along Kellogg Boulevard.

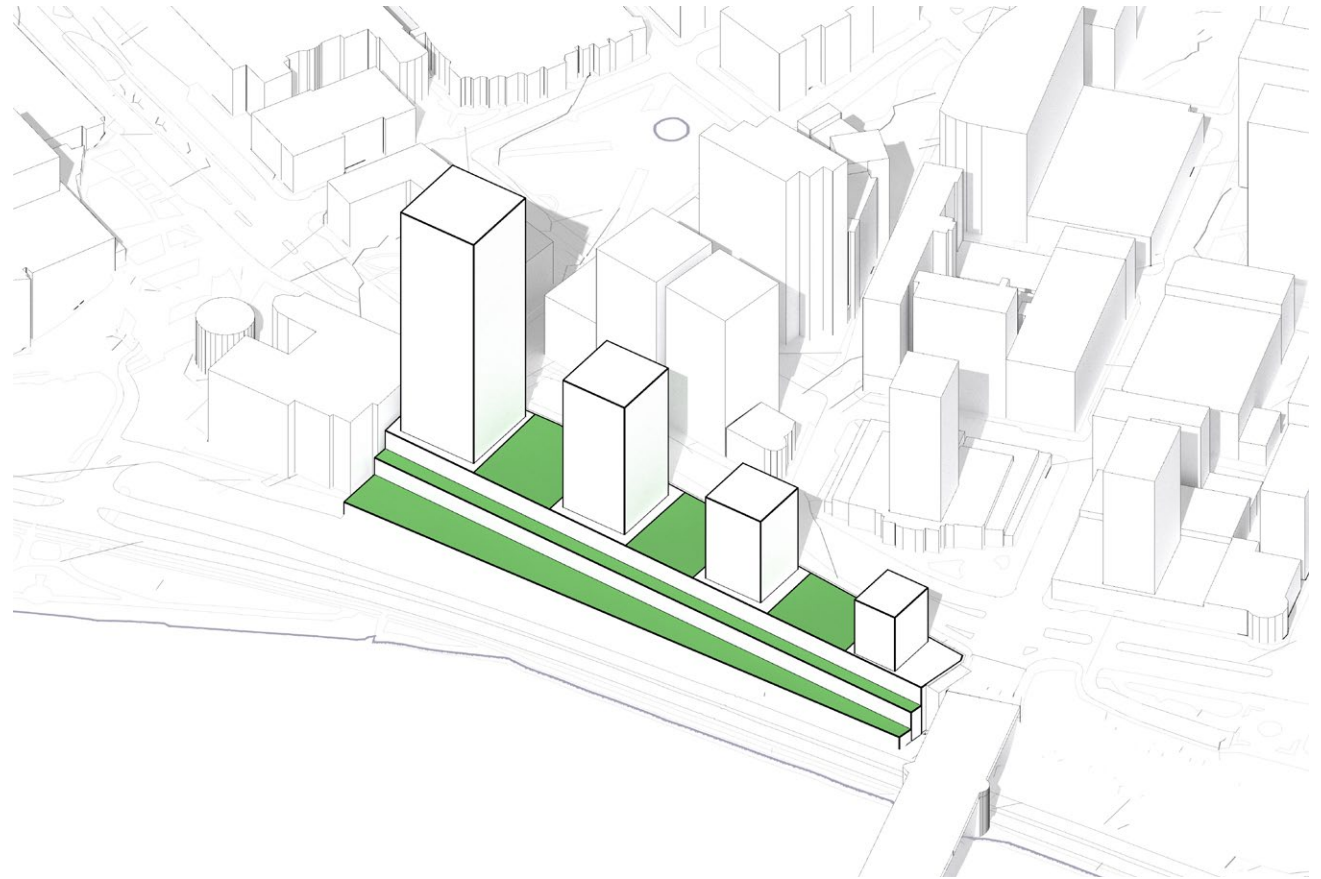
Site 1: RiversEdge

Located on Ramsey County-owned property on the former West Publishing site, RiversEdge is a proposed public-private project that would be placed over the bluffs, on the south side of Kellogg Boulevard. As currently envisioned, it would include four towers with a variety of uses such as residential, office, and potentially hotel. The project also includes a public park component which would conceptually constitute the first section of the River Balcony design concept to be added beyond the existing Kellogg Mall Park.

Ramsey County is currently pursuing funding for the infrastructure and public space components of the project, for which it has already secured \$6.2 million.

Development Program: As most recently envisioned, the project is proposed to include nearly 1 million square feet of office space, 400 residential units, 30,000 square feet of retail, and a 170 key hotel, alongside 4.5 acres of open space. All of this would sit on top of substantial new structured parking. It is possible that the development program will continue to evolve.

Government Intervention Needed: Ramsey County owns the property and is leading the effort to secure funding for the



public space portion of the development. It has committed \$26 million of its own money to date.

Benefits: In design and funding, the RiversEdge project is the most advanced of the potential projects along the Mississippi River Bluffs and has substantial public support. It has the potential to be a signature project for downtown and to serve as a key piece of an enhanced experience along Kellogg Boulevard.

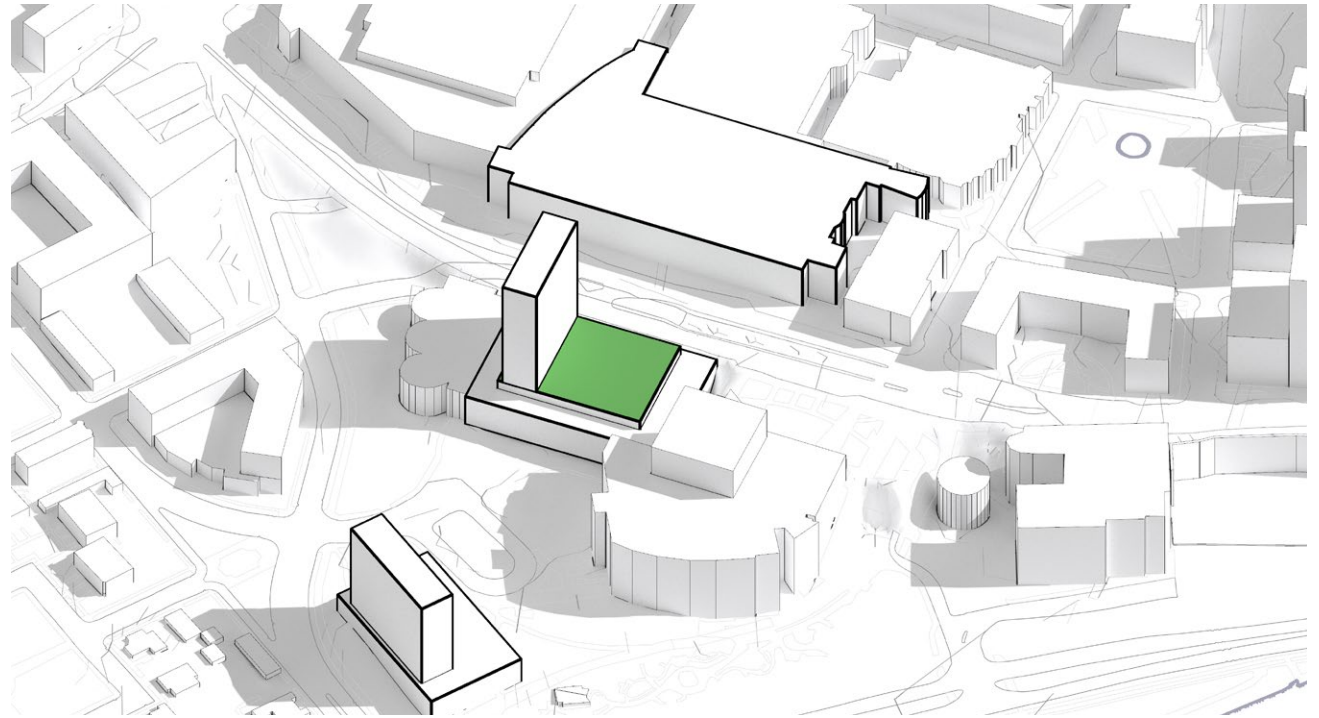
Risks: RiversEdge has been in the works for several years, but the pandemic and other market considerations have left the commercial components in flux. There is momentum on the infrastructure and public space, but more public funding is still needed; the private development may need to be reconsidered to reflect current market realities.

Site 2: RiverCentre Ramp

The RiverCentre Ramp is already built into the bluff, with 7 levels of parking bringing it up to street level at Kellogg Mall Boulevard. Though located in close proximity to the RiverCentre itself, it requires significant investment in infrastructure – recent years have seen portions closed for structural reasons and a long-term solution is needed. Improvements for the ramp present an opportunity to reconstruct the structure for parking on lower levels while providing a pedestal for additional commercial development above.

The RiverCentre Ramp is one of several locations discussed for a potential Convention Center Headquarters Hotel of approximately 600 keys. There is also potential for residential development (either in tandem with or as an alternative to a hotel), opportunity for open space with views of the Mississippi River, and other entertainment-oriented uses that capitalize on the proximity to the Xcel Energy Center and the RiverCentre itself. Due to its location, this site ties closely to the broader considerations of the future of the district around the Xcel Energy Center (see the Entertainment & Lifestyle Destination section below).

Development Program: The reconstruction of +/-1,700 spaces of structure parking,



with hotel, residential, and/or commercial development above, alongside open space

Government Intervention Needed: The RiverCentre Ramp is owned by the City of Saint Paul, which will need to take a lead role in securing funds for infrastructure redevelopment, as well as soliciting a development partner for any potential development.

Benefits: Located in close proximity to major downtown destinations at the Xcel Energy Center, RiverCentre, and Science Museum, the project has the potential to be a key component of a district that plays an expanded

role in downtown (see below). It would also alleviate the challenge presented by the current state of the existing parking ramp.

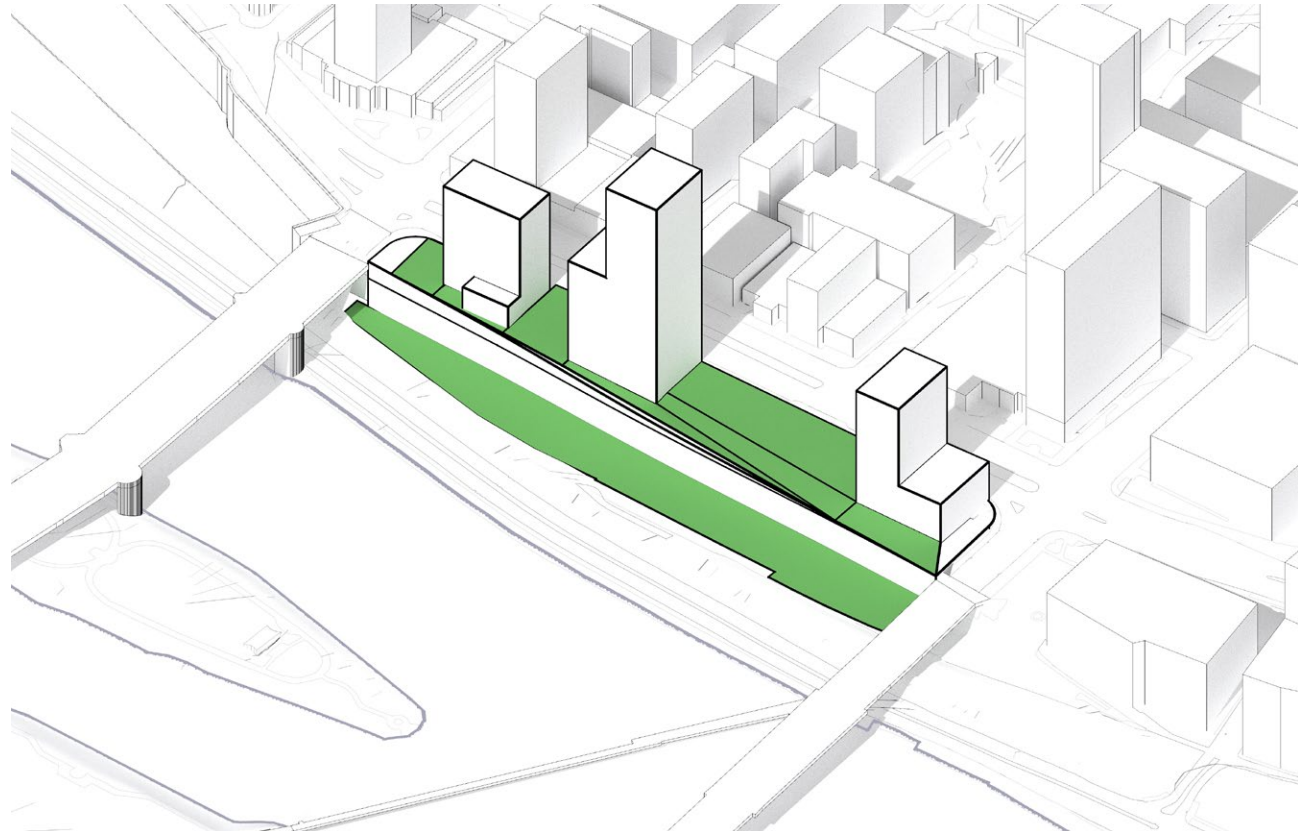
Risks: There is a current risk to downtown’s entertainment destination posed by the ramp in its current state. The redevelopment will need to be done carefully, however, as there is potential for an oversupply of expensive structured parking along the bluff if the projects are not well-coordinated. There are also general risks associated with development, particularly with the challenges in the hotel market over the past several years.

Site 3: Kellogg Mall Park & County River Lot

At the center of downtown’s waterfront bluff – between the Wabasha Street and Robert Street bridges – is Kellogg Mall Park, part of the City’s park system. Below it, at the bottom of the bluff, is a large parking lot owned by Ramsey County. Jointly, these properties could constitute a combined development opportunity that would preserve the total acreage of open space while also allowing for substantial new development and activation.

Development Program: This potential project is more of a future concept than a defined project at the moment. It would have a substantial public space component and underlying infrastructure, alongside some sort of residential or commercial development. Ground floors should have active use that attracts visitors to Kellogg Mall Park. This might include food & beverage offerings, and could also entail a new arts & culture destination, extending the visitation draw from venues like the Science Museum and Ordway to a new section of downtown.

Government Intervention Needed: The properties are jointly owned by the City of Saint Paul and Ramsey County, so a project would require their collaboration on planning for reconfigured park spaces



and development pads, as well as for the solicitation of a development partner or partners.

Benefits: Currently, Kellogg Mall Park is underutilized, stemming in part to underactivation and a lack of purpose to draw visitors on a daily basis. Making use of the County property could allow for a preservation of the total acreage of public space, while also providing space for development on the site that would draw users to the south

side of Kellogg Boulevard and create a more interesting and varied space for engaging with the Mississippi River views.

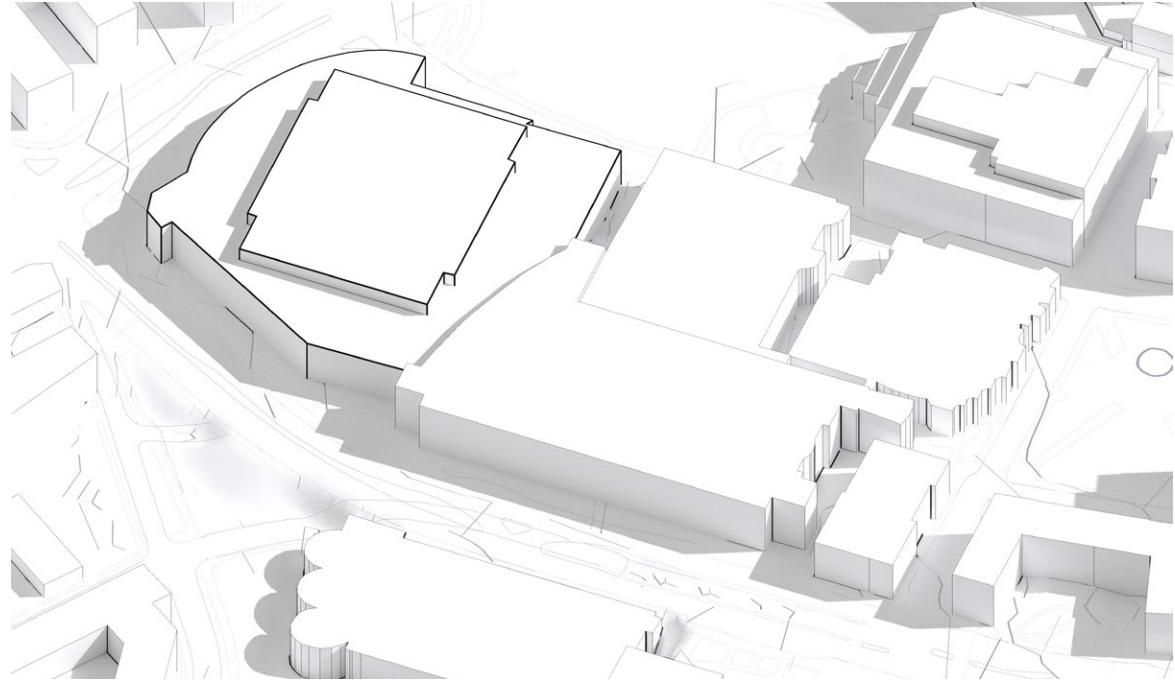
Risks: The complexity of infrastructure needs and of the reconfiguration of park space make this a substantial undertaking. There are also a number of potential projects along the bluffs, so this project should be phased appropriately so as not to conflict with or detract from efforts at RiversEdge or the RiverCentre Ramp.

Entertainment & Lifestyle Destination: Expanding the Role the Xcel Energy Center Plays in Downtown

The Xcel Energy Center is downtown Saint Paul’s premier visitor attraction, drawing 3 million visitors annually and anchoring a broader entertainment- and visitation-oriented district on the west side of downtown that includes other attractions such as the Science Museum, the Ordway, and Rice Park. Opened in 2000, it is also approaching 25 years old. Over the last two-and-a-half decades, sporting venues have changed inside and out. As Saint Paul stakeholders consider the next steps for this downtown icon, there are a number of scales of investment that could be made – in the arena, nearby attractions, and the district as a whole.

To Do: Expand the role of the Xcel Energy Center from an entertainment destination to an entertainment district through redesign of the pedestrian spaces around the arena and development of housing and experiential retail in the area.

Level 1: Reinvestment in Xcel Energy Center



Reinvestment in the sports arena would include updates and modernization to the current building to remain competitive against peer venues and provide continued quality service for Minnesotans. This would be implemented in phases outside of the regular hockey season.

Development Program: Upgrades to the Xcel Energy Center to better serve the modern NHL game day experience.

Government Intervention Needed: The Minnesota Wild would collaborate with local and state government to determine the type of support needed. Some public funding would likely be necessary.

Benefits: Helps ensure that the Xcel Energy Center remains a vibrant attraction for visitors from across the region.

Risks: The current risk is that the arena becomes less competitive and is unable to continue to produce the caliber of experience needed today, given the competition across the region. With further investment in the arena alone, the risk is that these investments do not have the ancillary effects that a broader investment effort could have for downtown as a whole.

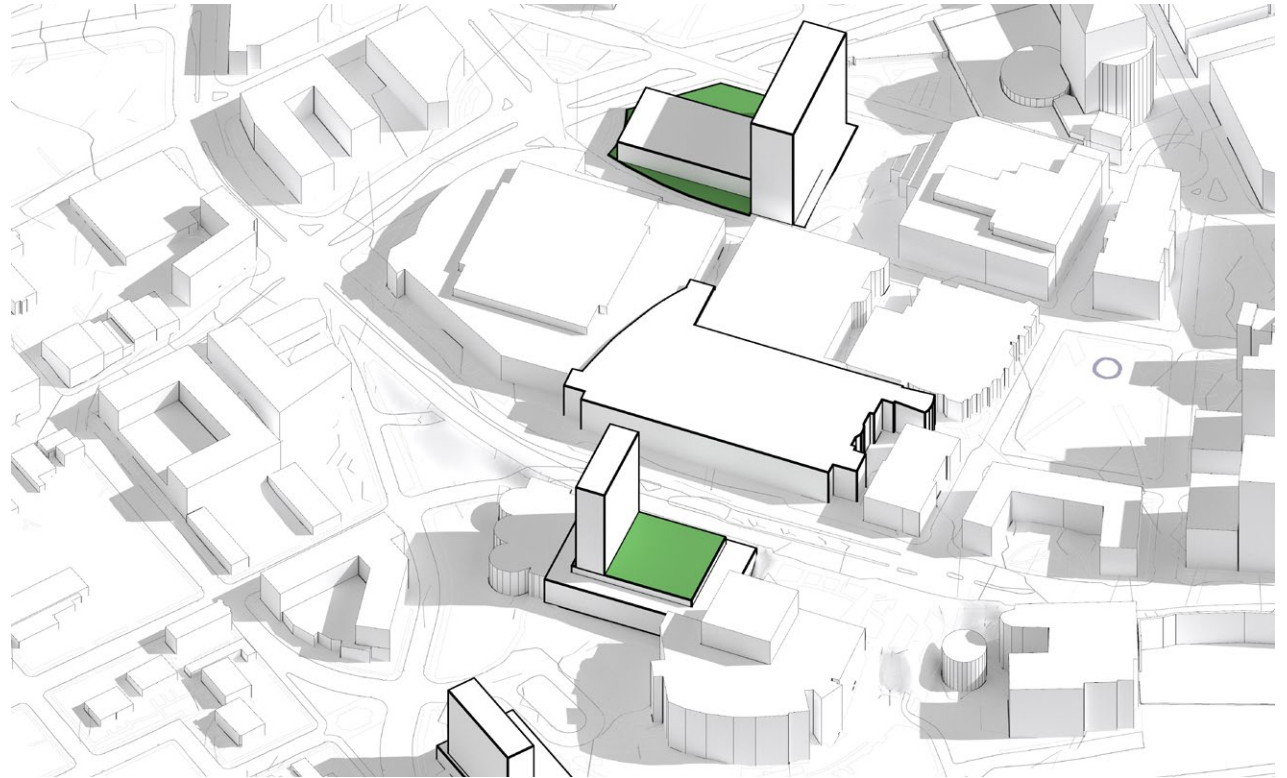
Level 2: Convention Destination

Investment beyond the Xcel Center would include the improvements of Level 1 and additional renovations to increase capacity and visitorship to the adjacent buildings. This includes development of a Convention Center Headquarters Hotel, minor renovations to the RiverCentre, and more major renovations to the Roy Wilkins auditorium.

Development Program: Convention-oriented developments, including convention facilities and a convention center headquarters hotel of approximately 600 keys, accompanied by some retail development.

Government Intervention Needed: The City of Saint Paul owns the RiverCentre and would need to be a primary stakeholder in renovation efforts. Public funding, including from the City, would almost certainly be needed to implement this expanded effort.

Benefits: As it stands today, visitorship in the district immediately surrounding the Xcel Energy Center does not have a clear path to continued growth. While Xcel attendance has reached pre-pandemic levels and visitation in the rest of the immediate district has rebounded substantially, visitation in the district was already trending fairly flat before the pandemic and will be well served by a thorough market analysis of what combination of programming, amenities and



experiences will continue to drive and sustain regional and local visitorship. Investing in the facilities needed to expand Saint Paul's convention viability – particularly the convention center headquarters hotel, but also expanded convention capacity – is a key market shifter, making increased visitation at the heart of downtown's biggest visitor attraction possible.

Risks: This expands the scope and complexity of the project, with the need for public and private sectors to be tightly aligned in execution. The hotel sector, which is a key to

this effort, has been a particularly challenging market over the past few years, elevating the difficulty.

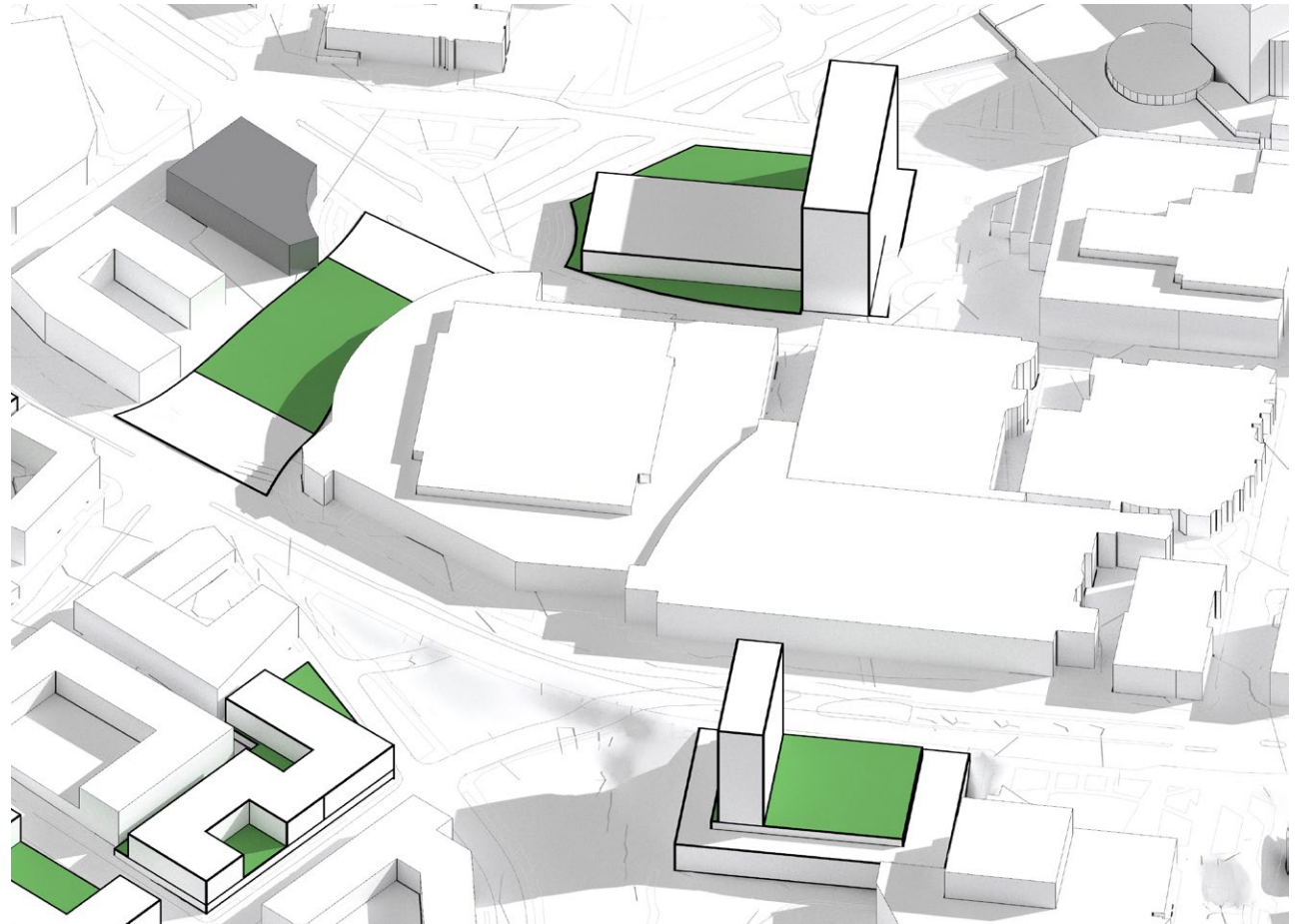
There's additional risk for downtown Saint Paul overall if new investments in and around Xcel maintain the status quo as a largely self-contained destination attraction where visitors get-in and get-out and are not motivated and incentivized to wander to other nearby areas of downtown to find other great experiences, family-friendly and otherwise.

Level 3: Festival Plaza

Level 3 would expand the improvements further, adding renovations to the open space outside of the Xcel Energy Center and creating an outdoor festival plaza for events and gathering. This could require rerouting of some streets near the Xcel Center.

Development Program: A public-oriented expansion of the prior level of investment, this would focus on a festival plaza akin to the one outside of U.S. Bank Stadium in Minneapolis, giving visitors to the Xcel Energy Center a place to gather before and after games and other events. It could also be accompanied by small-scale cultural attractions.

Government Intervention Needed: While there are a number of potential configurations, it is possible that an optimal plaza configuration could be enhanced by the closure of one or more streets near the Xcel Energy Center, either permanently or on event days. Particulars will require substantial government efforts, including potential coordination with the State about the use of current State roads..



Benefits: Adding a true festival plaza would create a public space anchor that is currently lacking on the far western end of downtown and enhance the public realm around the Xcel Energy Center.

Risks: The complexities of coordination regarding public rights of way makes this a potentially challenging addition to the entertainment-oriented district, though it may make the overall civic nature and attraction of the project package more well-aligned with a range of stakeholder priorities.

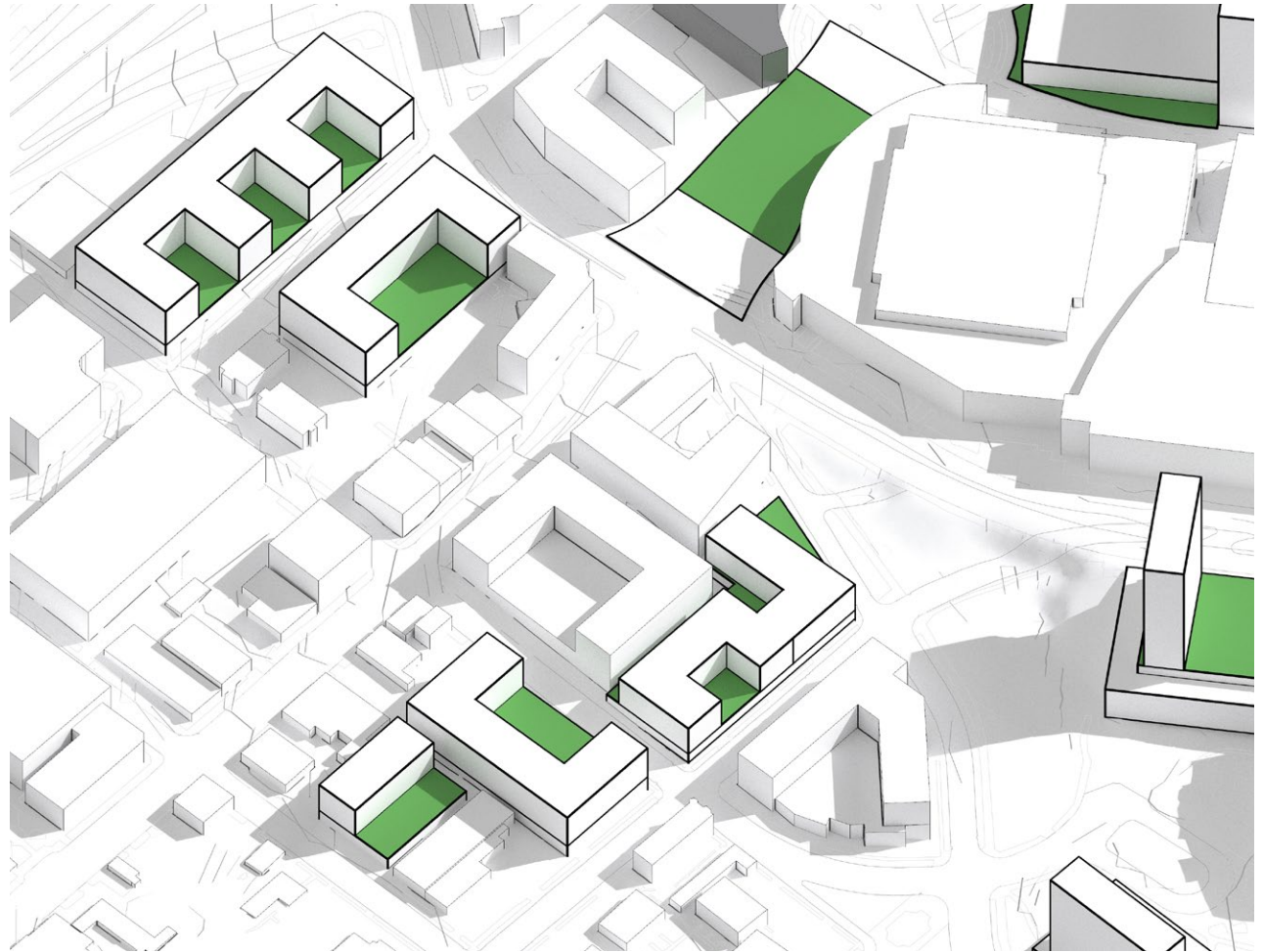
Level 4: Sports-Oriented Residential Development

At its most ambitious, the Xcel Energy Center could be reconceived as the center of a vibrant live-work-play district, as several other NHL areas and other sporting venues have done recently. Level 4 would require significant planning, but could produce a transformational effect on Downtown Saint Paul. It would be anchored by adding additional housing near the Xcel Center, and a mix of uses that support a sense of 'neighborhood' that adds energy to the area, on game days and every other day.

Development Program: Residential development on a number of parcels near the Xcel Energy Center, with some ground floor retail and other resident-oriented amenities, to benefit both these projects and downtown residents generally.

Government Intervention Needed: Local government would continue to serve a collaborative planning and advocacy role, as would be needed at prior levels of ambition. In particular, the planning role would potentially expand at this scale.

Benefits: If downtown is to become a true residential neighborhood, it will need residents in all of its subdistricts. In recent years, projects around the country have



shown that people enjoy living near sporting venues that are accompanied by a good mix of retail and food & beverage offerings and which create an energy that is particularly attractive to younger downtown

Risks: Expanding a residential component increases the complexity of an effort to reinvest in the Xcel Energy Center and means that public and private stakeholders will need to be more closely aligned on the shared outcomes desired.

Early Action Steps

1. Central Station

- a. Subsidy Identification:** City of Saint Paul and Met Council (and possibly County and/or State) agree that it's necessary to "set the table" for the most positive private market response to a development offering at Central Station, and that includes government assuming the top loss risk in what would be a public-private partnership in real estate development of the site. An agreed funding is established and made part of the solicitation, provided that they meet certain criteria of public benefit provision.
- b. Two-Part Procurement Process** (underway): City of Saint Paul and Met Council to test the market through a strategic two-part procurement, with a Request for Qualifications or Request for Expressions of Interest, followed by a more detailed Request for Proposals if that first phase (RFQ/RFEI) garners sufficient interest.
- c. Public-Sector Led Alternative** (if market dictates): If sufficient market interest does not come to fruition, Central Station remains, nevertheless, a critical node for downtown revitalization and for the restitching of the urban fabric that connects and invites people. If necessary, the Met Council and City of Saint Paul – potentially with other public sector partners – should be ready to deploy a public-sector led alternative, for either temporary or permanent reactivation and programming of the site, with the more immediate goal of reclaiming this city block and its environs as a safe, welcoming and appealing part of the downtown experience.

2. Park at RiversEdge & Underlying Parking Ramp

- a. Riverfront Enhancement:** With substantial County and State support, the public space and civic infrastructure at the RiversEdge site are poised to inaugurate a new era in the relationship between downtown and the Mississippi River, and in the way that pedestrians engage with Kellogg Boulevard. Other public sector partners should support the County's efforts to secure funding to create the public infrastructure here by implementing an initial phase of the River Balcony and creating parking and simultaneously setting aside development pads, setting the stage for subsequent private investment.
- b. District Parking Infrastructure Investment:** Given present and future downtown parking needs, the investment in structured parking at RiversEdge can support both future development on the site and the broader needs of downtown. Collaboration between Ramsey County and the City of Saint Paul, as well as other local stakeholders, should ensure that the parking is appropriately sized and timed to serve an additive function in downtown, with the range of prospective parking investments assessed in aggregate.

3. Entertainment District Tying the Xcel Energy Center to the Core of Downtown

- a. Define Area for Investment:** Building from its strength as a major visitor draw, downtown's existing "entertainment district" – which comprises the area around the Landmark Center, the Xcel Energy Center, and other cultural landmarks – should be defined in such a way that new investments orient the district toward the rest of downtown and make the public spaces and amenities relevant for workers, residents, and visitors to destinations other than the core visitor attractors. Enlist top-tier placemaking talent to reimagine shared entertainment experiences in a new public plaza that brings some of the district activities out into the neighborhood when weather permits. Create synergies where possible with the RiversEdge plan and program.
- b. Prioritize Entertainment District Investments:** To maximize its positive impact on downtown Saint Paul, this district needs to comprise a coordinated series of investments, including reinvestment in existing assets like the RiverCentre and Xcel Energy Center, creation of catalytic new attractors such as a convention center headquarters hotel, and attraction for people to spend time in the area – potentially including substantial investment in nearby residential development, as has proven successful near other arenas across the country. Public and private stakeholders must sequence these investments to ensure that the most achievable and impactful are prioritized for early implementation.

- c. Coordinate for State Funding:** Public partners, the Minnesota Wild, and other anchor organizations should collectively pursue state funding for priority investments in downtown's tourist destination in alignment with the prioritization of impactful early implementation efforts. Saint Paul, collectively, must speak with one voice about the way in which the state can invest in the future of the heart of the capital city, to ensure that it is ever more welcoming to all, both day and night.

Cross-Sectoral Governance Strategy & Delineation of Responsibilities

Numerous stakeholders were engaged in the process to create this Downtown Investment Strategy, and implementing the strategy will require those same stakeholders and more to work together, with a clear delineation of roles and responsibilities for each player. Key stakeholders should consider continuation of the Steering Committee that was formed to guide the creation of this strategy, while redefining the committee's purpose toward the coordination and implementation of the strategy.

Role of the Saint Paul Downtown Alliance

1. The SPDA plays a special role as convener of downtown stakeholders, and it should continue to leverage this to advance conversations and action toward priority investments downtown. As a relatively new organization, the SPDA has built strong relationships with business leaders, institutional leaders, and local governments that position the organization well for continued stakeholder coordination in service to its goals for downtown revitalization.
2. A core service of the SPDA is stewardship of public spaces through its "Clean & Safe" work. Going forward the organization is a critical part of building the image of a revitalized downtown that attracts businesses, repeat visitors, and new residents. The SPDA can expand its public space role by focusing services on areas such as Central Station that align with key corridors in the public realm framework.
3. In the coming years, SPDA is planning to undergo a Strategic Planning process for its organization, which is a critically important next step to identify where the organization can and should lead

versus support with various downtown revitalization initiatives, from marketing and promotion, clean and safe initiatives and advocating for public policy initiatives, to assisting with capital project and real estate and economic development priorities. The strategic plan should also identify the people and money resources needed to successfully undertake SPDA's work and continue to communicate and collaborate across sector leadership to achieve the shared vision for Downtown Saint Paul.

4. SPDA should continue to enhance the range of resources available to owners, businesses and downtown stakeholders through its website and other public facing materials, drawing upon the deep resources available to it through its active membership in the International Downtown Association.

Role of the City of Saint Paul

Under Mayor Carter's direction, the City of Saint Paul has assembled an impressive team of professionals in economic development, planning, housing, public works and beyond that continues to make important strides to position Saint Paul for economic reinvestment at a time when every center city is working to recalibrate from the seismic changes driven by the pandemic. But as noted at the outset of this report, the city is at a critical juncture where it faces declining commercial property valuation which has direct impact on the citywide tax structure and puts greater pressure on properties outside of downtown.

These challenges, while daunting, are surmountable. But it requires bold action, and soon.

Of course, the city has a direct interest in managing its downtown to avoid a decrease in tax revenue. It also has considerable power to influence the experience of 'place' that downtown offers, which strengthens its ability to be a place of choice and reap sustained, long-term economic benefits as noted earlier. In implementing this Downtown Investment Strategy, the City must leverage its policy tools and existing property as much as it can to stimulate a positive private market response. And the city must continue to find common ground with its partners in County, State, and Federal governments to best leverage the resources that are available to ensure a thriving, economically resilient region.

Saint Paul on a national stage: The Mayors' Institute on City Design offers collaborative learning programs and resources and seeks to educate US mayors "to be the chief urban designers of their cities." We suggest that Mayor Carter host one of the upcoming MICD week-long convenings of eight US mayors where each mayor, including Mayor Carter, would bring a specific problem they want the group's help to solve. Several private resource team members also support by sharing recent topical best practices in city building and offer guidance. Mayors come away with a deeper sense of commitment to design excellence in the public realm and an appreciation for how certain planning and urban design strategies have been transformative in peer cities. MICD also confronts issues around racial justice and equitable access to economic opportunity through its Just City initiative. These convenings are also an opportunity for the host mayor to showcase all that is already great in his or her city.

Role of Other Public Sector Stakeholders

Like the City of Saint Paul, Ramsey County has a vested interest in the success of downtown, which it has demonstrated through its commitment to the RiversEdge project. Going forward, Ramsey County should continue to advance an aspirational and achievable strategy for the RiversEdge project, while also remaining collaborative on opportunities to advance the goals for downtown through its existing economic development efforts, supporting a variety of housing options downtown, and potential investments that are adjacent or tangential to RiversEdge. It will be important that the City and County maintain a coordinated strategy with regard to funding requests from the State for new investments on numerous projects within the same overall Entertainment District.

The Saint Paul Port Authority can also play a collaborative role in implementing the Downtown Investment Strategy by leveraging its unique and substantial economic development and legal capacities to act in support of policies that incentivize development downtown.

The Met Council has an immediate and critical role to play in addressing conditions at and around the Central Station site by collaborating with the City of Saint Paul on pre-development efforts, described in more detail under Key Strategy #3. This collaborative team would benefit from visiting other cities where similar seemingly intractable problems in public space management and issues around the unhoused have been successfully addressed.

Thereafter, the Met Council should be a voice of support for the vision of downtown and its investment priorities, as well as a contributor to strategic investments that align with the overall downtown strategy.

Role of the Private Sector

The private sector property owners also have a role to play in downtown's future vibrancy and growth. This begins with lending a strong united voice in support of funding for the Mayor's priorities and those supported by the City Council and SPDA leadership. Regarding their own properties, owners should identify resources and best practices to elevate the quality and experience of their current properties, especially their public facing presentation and shared spaces. Owners should be working with SPDA to identify opportunities to upgrade spaces and attract and secure tenants, particularly for visible spaces such as the ground floor. This will likely involve more investment, both private and public, than in previous years, but the return on those investments could be significant in coming years. Further, private owners should, where possible, cluster such investments along key public realm framework corridors to build up activity in those areas with collective effort.

Property owners should also communicate their needs and the investments they would like to make with local and regional governmental stakeholders, so that partnerships, and agreements with a certain degree of shared risk can also be part of the solution to increasing investment downtown. And, as noted above, SPDA should continue to enhance the range of resources available to owners, businesses and downtown stakeholders through its website and other public facing materials, drawing upon the deep resources available to it through its active membership in the International Downtown Association.