



ECONOMIC DEVELOPMENT STRATEGY **2017 - 2020**

CITY OF SOUTH ST. PAUL

ECONOMIC DEVELOPMENT ADVISORY BOARD | FEBRUARY 21, 2017

ECONOMIC DEVELOPMENT AUTHORITY | MARCH 27, 2017





Prepared October 2016 – March 2017

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ECONOMIC DEVELOPMENT AUTHORITY

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PREAMBLE

The primary purpose of South St. Paul's *Economic Development Strategy 2017 – 2020* (“Strategy”) is to guide City Staff, the Economic Development Authority, the Economic Development Advisory Board, and our engaged partners in efforts to support and expand the economic base of the City. The mission, goals, and actions found in this document are intended to be referenced, revisited, and revised over time to prepare for and respond to opportunities and challenges facing the City.

South St. Paul's strategic location within the Twin Cities metro, easy accessibility by multiple major modes of transportation, attractive and affordable housing market, and outstanding schools and recreational facilities position the City as an outstanding location for both businesses and residents. Expanding the City's business and housing development opportunities will help to facilitate new development in services, amenities, and goods that contribute to the already high quality-of-life experienced in South St. Paul.

In addition to its outstanding location-based advantages, a key competitive advantage of South St. Paul is that the City is generally perceived as business- and development-friendly and responsive to the needs of the business and development community. A central focus of the Strategy involves not only continuing as a “friendly” community, but also to do a better job of promoting the City's advantages and approach. Existing local businesses provide essential services, goods, and employment opportunities to the local and regional economy and are a major component in the vitality of the City. For many South St. Paul residents, these businesses are the day-to-day face of the business community and provide a source of pride, community identity, and opportunities to interact with neighbors, friends, and colleagues.

South St. Paul is a relatively small city, whose development patterns were established over the past 100-plus years and whose future growth is constrained on each of its borders. As such, expansion of existing South St. Paul businesses and accommodation of new businesses must be accomplished through infill, on brownfields, or on currently underutilized sites. In order to remain economically competitive with suburban “greenfield” locations, the City should rely on the Strategy by aligning actions, partnerships, programs, and policies that help to offset both the risk and cost often associated with redevelopment.

Above all else, the Strategy strives to enhance the foundation for policymaker decisions that will help to enhance partnerships, advance programs that pave the way for increased revenues and/or reduced costs for local businesses, and promote a greater diversity in business types in the City.

STRATEGIC MISSION

“Position South St. Paul to retain, attract, and sustain a diverse and growing economy which provides family-supporting jobs, secures a stable and healthy tax base, and supplies goods and services to the community, the Twin Cities region, and markets across the country and around the globe.”

STRATEGIC GOAL: SUPPORT EXISTING SSP BUSINESSES

- **Strategic Action:** Focus on businesses poised to succeed in the new economy, building upon the relatively recent success of the Bridgepoint Business Park, through an organized business retention and expansion program.
- **Strategic Action:** Work with the Progress Plus to interact with existing businesses and to celebrate the City’s “success stories”, both to build local support and interest and to share with prospective SSP businesses.
- **Strategic Action:** Continue refinement of the City’s policies, procedures, and programs to enhance SSP as a business-friendly community, encourage reinvestment and growth by existing businesses, and facilitate approval processes that are consistent with the City’s Comprehensive Plan and Code of Ordinances.
- **Strategic Action:** Establish, promote, and follow a development review process that maximizes efficiency and consistency for all development projects, and increases the likelihood that the City’s growing businesses can expand and prosper in South St. Paul.
- **Strategic Action:** Support the conscientious planning and execution of investment in public improvements, infrastructure, and utilities that enhance the character and value of the City’s concentrated employment areas and business districts, especially along “gateway” corridors.

STRATEGIC GOAL:

ATTRACT STRONG, GROWING, & NEW BUSINESSES & DEVELOPMENTS TO SSP

- **Strategic Action:** Target industries that leverage SSP's geographic and demographic advantages, complement and add to our employment base, and are compatible with the vision established in the City's Comprehensive Plan and related plans, policies, and programs.
- **Strategic Action:** Create and promote a focused message to market SSP's desired image as a business-friendly, development-ready, and cost-effective location choice for new and growing businesses.
- **Strategic Action:** Coordinate with the River Heights Chamber of Commerce, Progress Plus, GreaterMSP, and other regional and state partners to raise external awareness of the City's development opportunities, focusing on the City's outstanding accessibility, infrastructure, amenities, and quality-of-life.
- **Strategic Action:** Facilitate commercial and mixed-use development projects that diversify the City's economic activity and tax base.
- **Strategic Action:** Seek to expand the awareness and utilization of the Dakota County CDA's "Open to Business" initiative.

STRATEGIC GOAL:

ATTRACT, RETAIN, & SUPPORT A WORKFORCE THAT IS POSITIONED FOR SUCCESS IN THE 21ST CENTURY

- **Strategic Action:** Foster and grow partnerships with workforce development partners, such as the Dakota-Scott Workforce Investment Board, to enhance awareness of and access to workforce and employment resources.
- **Strategic Action:** Work with SSP employers to identify existing and anticipated needs as related to specific skills and training.
- **Strategic Action:** Explore continued opportunities to partner with the school district and other educational institutions on career readiness, skills development, and entrepreneurship initiatives.
- **Strategic Action:** Support initiatives and opportunities that enhance the quality of life and diversity of attractions and amenities in South St. Paul.
- **Strategic Action:** Expand opportunities for those who work in South St. Paul to also live in South St. Paul, and vice versa.

STRATEGIC GOAL: LEVERAGE & EXPAND THE CITY'S REDEVELOPMENT TOOLBOX

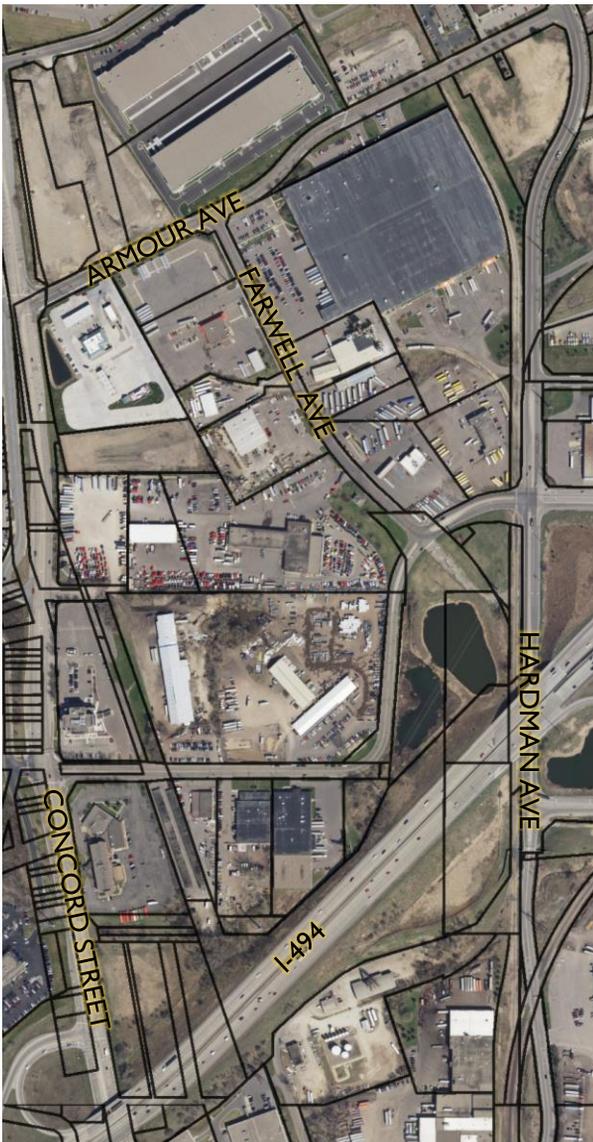
- **Strategic Action:** Establish and implement programs and policies to assist with gap financing for redevelopment projects.
- **Strategic Action:** Diligently pursue targeted redevelopment funding from regional, county, state, and federal sources, and align development opportunities to leverage such funding.
- **Strategic Action:** Assure that the City's Comprehensive Plan and related programs, plans, and policies identify and consider areas for change in character, where current uses do not represent higher or better uses.
- **Strategic Action:** Evaluate the ReDiscover South St. Paul Program to identify opportunities to strengthen and sustain the program.
- **Strategic Action:** Evaluate the real estate assets owned by the City and its constituent agencies for redevelopment potential, and market such properties for high-quality development to grow the City's tax base.

STRATEGIC GOAL: BUILD & ENHANCE PARTNERSHIPS

- **Strategic Action:** Leverage the River Heights Chamber of Commerce's direct connection to a range of specialized businesses and other resources to advance the City's economic development strategy.
- **Strategic Action:** Engage EDAB to serve as a champion for Economic Development initiatives and development projects that are aligned to the economic development strategy.
- **Strategic Action:** Remain active in opportunities to collaborate with Progress Plus, Dakota County CDA, and other economic development agencies and initiatives in the broader County and Metro Area.
- **Strategic Action:** Engage in the City's Comprehensive Planning process, and other development-related programs and initiatives.
- **Strategic Action:** Engage the Economic Development Advisory Board (EDAB) to review and – as necessary – refine the Economic Development Strategy.

STRATEGIC FOCUS AREA: “CONCORD GATEWAY”

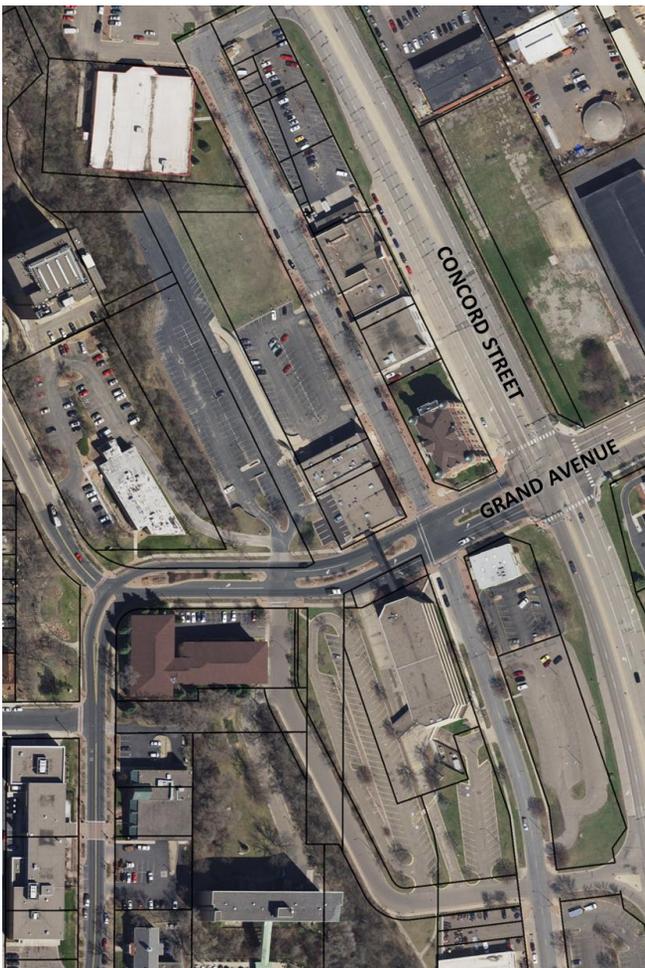
The area north of I-494, east of Concord Street N, south of Armour Avenue, and West of Hardman Avenue serves as a “front door” to the community. The Economic Development Advisory Board identified this area as a high priority for implementation of the Strategy.



- +/- 100 Acres
- 2030 Comprehensive Plan → Commercial Land Uses
- High visibility
 - 117,000 Cars Daily on I-494 (2015, MnDOT)
 - 14,500 Cars Daily on Concord (2015, MnDOT)
- Recent successful projects
 - Kwik Trip (2015)
 - enVision Hotel (2016)
 - Rihm Motors (2017)

STRATEGIC FOCUS AREA: “GRAND AVENUE GATEWAY”

This critical node has the potential to serve as the “center of town” and could be a symbolic and practical meeting place between the residential neighborhoods up the hill and the employment center at Bridgepoint, providing a range of complementary shopping, working, entertainment, and housing options.



- +/- 100,000 SF of vacant office
- 2030 Comprehensive Plan → Mixed Land Uses
- Access
 - 1 mile north of interstate
 - 3,300 Households within 1 mile
- Opportunity to serve the +/- 5,000 workers in Bridgepoint
 - Restaurants
 - Housing
 - Complementary Services



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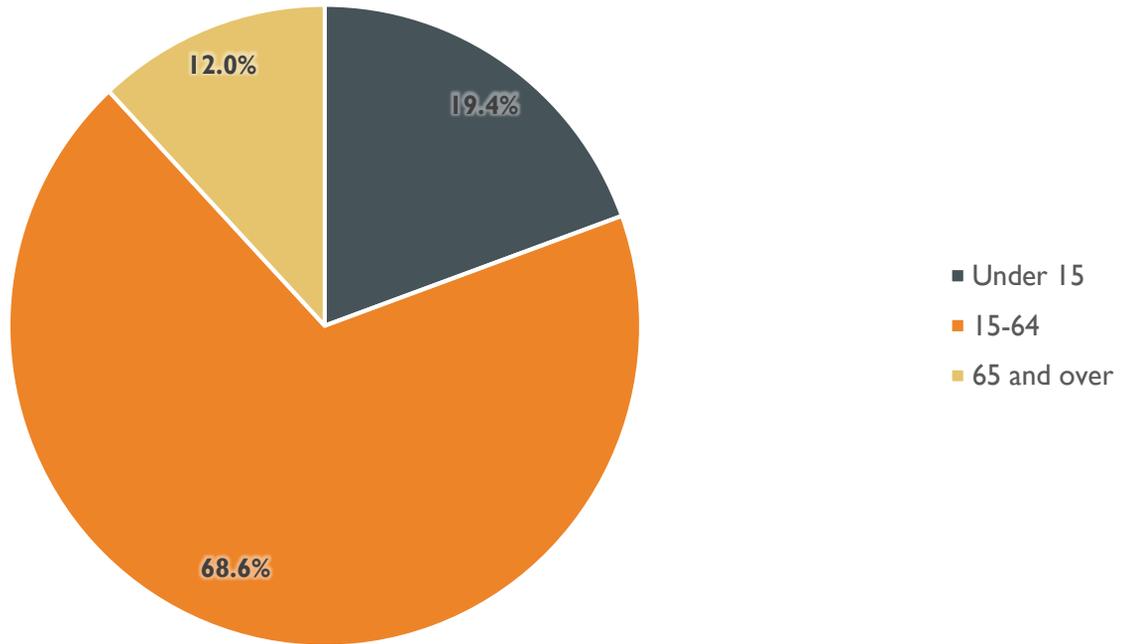
APPENDIX

ECONOMIC DATA

In preparing the Strategy, the Economic Development Advisory Board reviewed current and historic data from the U.S. Census Bureau, DEED, and the Met Council to identify important demographic and economic strengths, challenges and trends at play in the City. At a minimum, the indicators on this page should be monitored with each update to the Strategy, to help track the impact of Actions proposed by this Strategy and subsequent policies and programs.

Indicator	Data	Trend
Population (2015)	20,351	
Households (2015)	8,343	
Housing Starts ('11 – '15)	24	
Median Housing Value (2014)	\$163,800	
Median Monthly Gross Residential Rent (2014)	\$812	
Median Household Income (2014)	\$55,190	
% Population at or Below Poverty Level (2014)	13.1%	
Unemployment Rate (2014)	9.1%	
# of Jobs (2 nd Q 2015)	6,791	
# Establishments (2 nd Q 2015)	365	
Average Weekly Wages (2 nd Q 2015)	\$865	

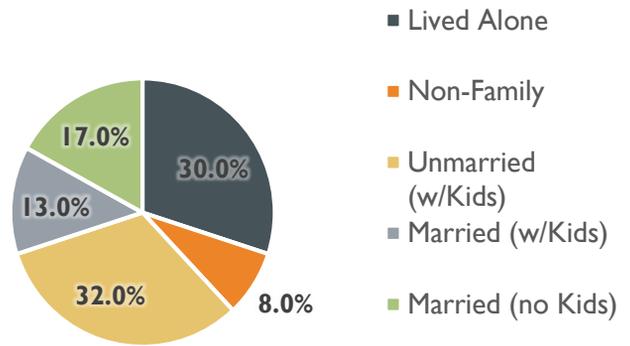
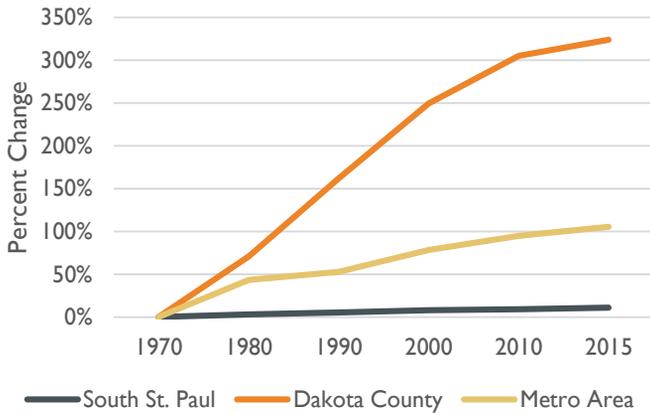
Age of South St. Paul Residents in 2014



- Age Characteristics
 - 558 fewer children under 15 vs. 1990
 - 443 fewer residents over 65 vs. 1990
 - ALL net growth since 1990 is “Working Age”
 - Both County and Metro have added population in each of these age clusters

DEMOGRAPHICS – AGE OF POPULATION

Household Growth Since 1970

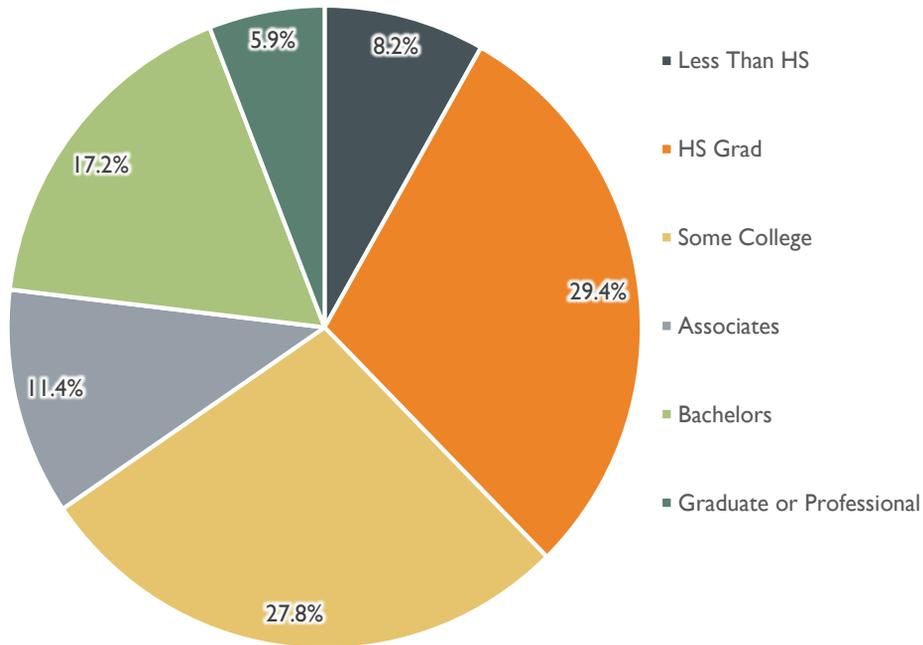


(Above) Households by Type in 2014

- **8,343 Total Households in 2015**
 - Modest growth (averaging less than ½% per year)
 - Today Equals 5.2% of Dakota County HHs (was 20% in 1970) and 0.7% of Metro HH (was 1.3% in 1970)
 - Slight increase since 1990 – has accounted for 0.7% of Dakota County growth (0.1% of Metro growth)
- **Household Characteristics**
 - Higher percentage (13% vs. 10%) of married households with kids vs. County and Metro
 - Slightly higher percentage (45%) of households with children present than County (44%) and Metro (41%)
 - Higher percentage (30%) of single-occupant households vs. County (24%) and Metro (29%)

DEMOGRAPHICS – HOUSEHOLDS

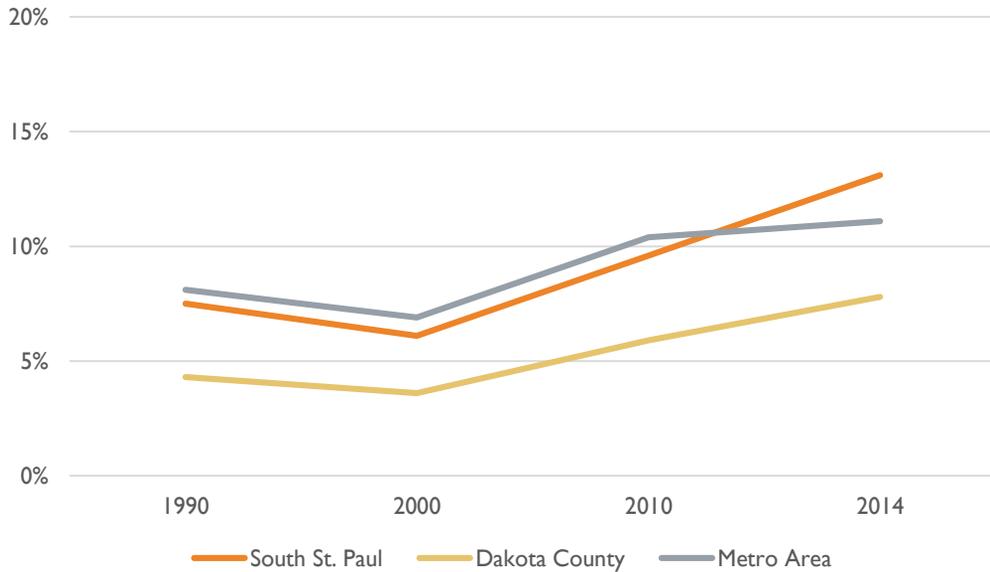
Highest Level of Education Achieved (Age 25+)



- Roughly 1/3 (34.5%) of all SSP residents 25+ have a college degree; 23.1% (almost 1/4) are bachelors or higher
- By comparison:
 - Dakota Co. – 50.3% (roughly 1/2) have a degree; 39.6% (almost 2 in 5) bachelors or higher
 - Metro – 50% (exactly 1/2) have a degree; 41% bachelors or higher

**DEMOGRAPHICS – EDUCATIONAL
ATTAINMENT**

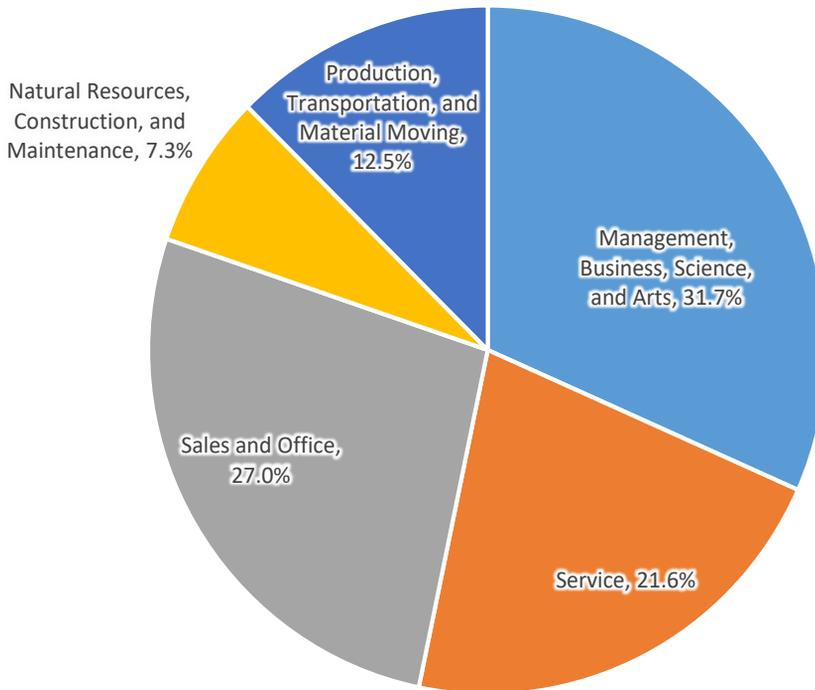
Poverty Rate Since 1990



- Median Household Income (MHI) in 2014 \$55,190
 - 73.6% of Dakota County MHI (\$74,995)
 - 81.1% of Metro MHI (\$68,019)
- MHI Growth:
 - Since 1990: 78.5% in SSP - outpaced County (77.6%); behind Metro (86.0%)
 - Since 2010: 7.3% in SSP - outpaced County (5.9%) and Metro (6.4%)
- BUT
 - SSP has a 13.1% poverty rate – higher than County (7.8%) and Metro (11.1%)

DEMOGRAPHICS – INCOME

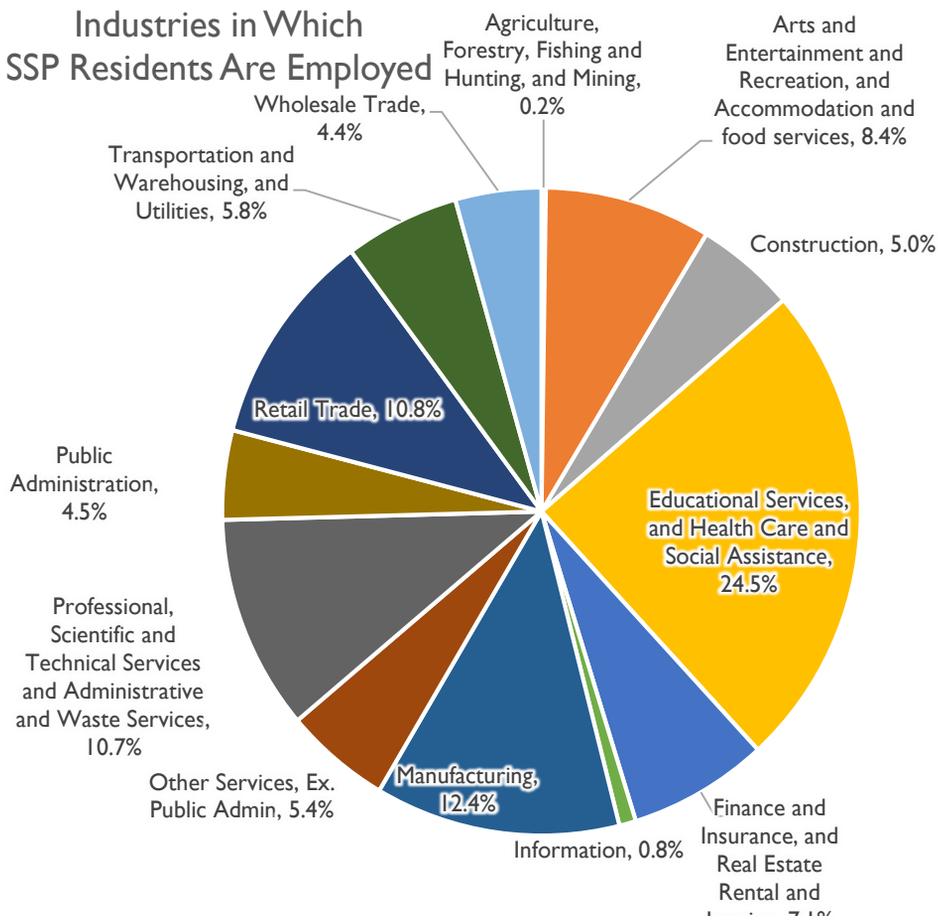
Professions Held By South St. Paul Residents



- Unemployment Rate estimated at 9.1% in 2014 (Census)
 - Up from 7.5% in 2009
 - Dakota Co. at 5.3% in 2014 (and stably in mid-3s since late 2014)
 - Metro at 5.9% in 2014 (and staying between 3-4% since mid 2014)
- Note: this graphic represents the general profession of South St. Paul residents, regardless of whether their employer is located within the City of South St. Paul or in some other community.

LABOR FORCE - PROFESSIONS

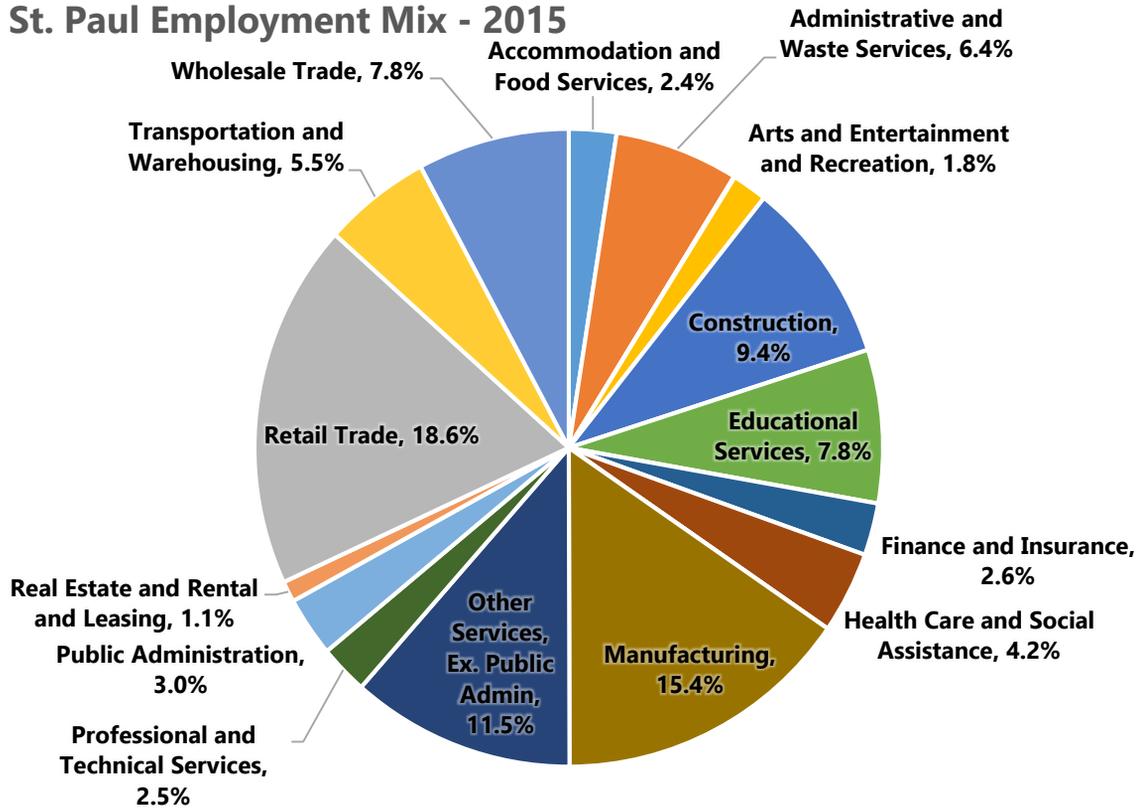
Industries in Which SSP Residents Are Employed



Note: this graphic represents the mix of industries in which South St. Paul Residents are employed, regardless of whether the employer is located within the City of South St. Paul or in some other community.

LABOR FORCE - INDUSTRIES

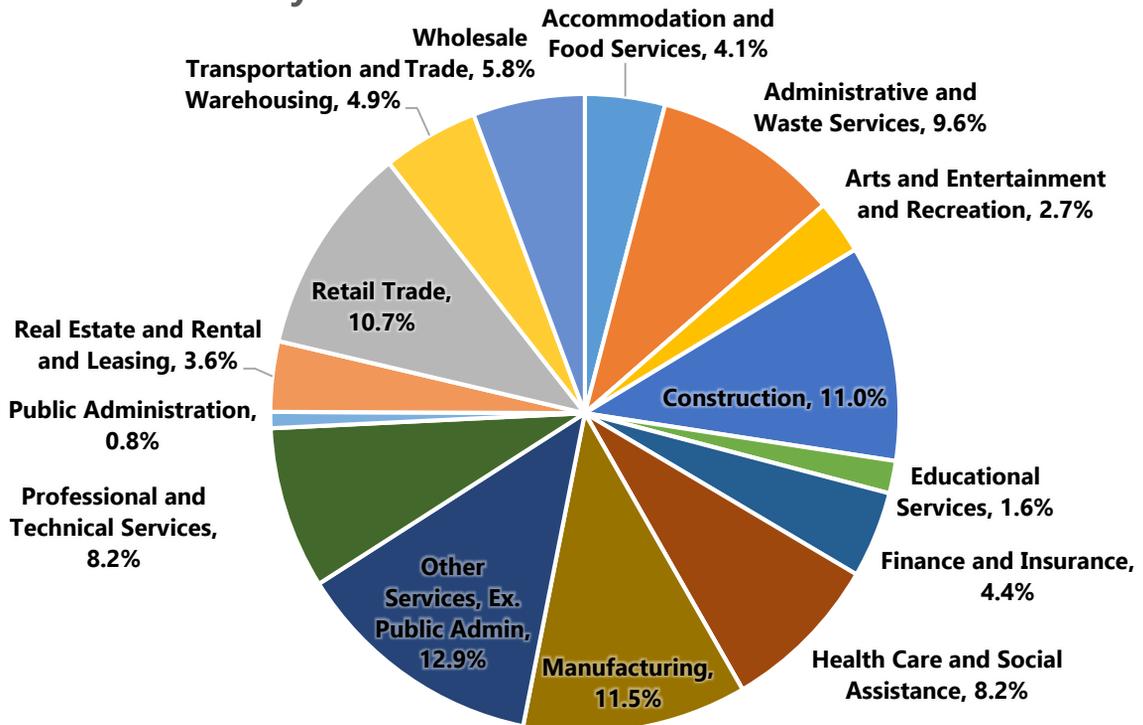
South St. Paul Employment Mix - 2015



Note: this graphic represents the proportion of jobs in different industries that are located in South St. Paul, regardless of whether the individual filling that job is a South St. Paul resident or a resident of another community.

JOBS LOCATED IN SSP – BY INDUSTRY

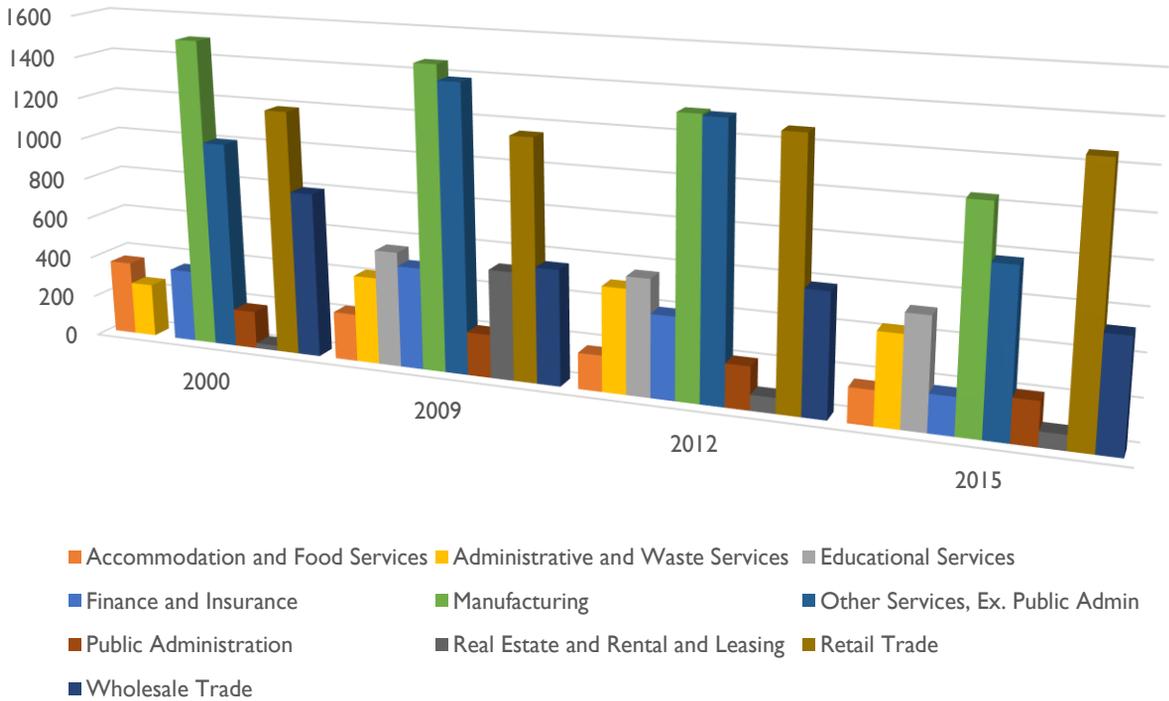
South St. Paul Industry Mix - 2015



Note: this graphic represents the proportion of employers in different industries that are located in South St. Paul.

**EMPLOYERS LOCATED IN SSP – BY
INDUSTRY**

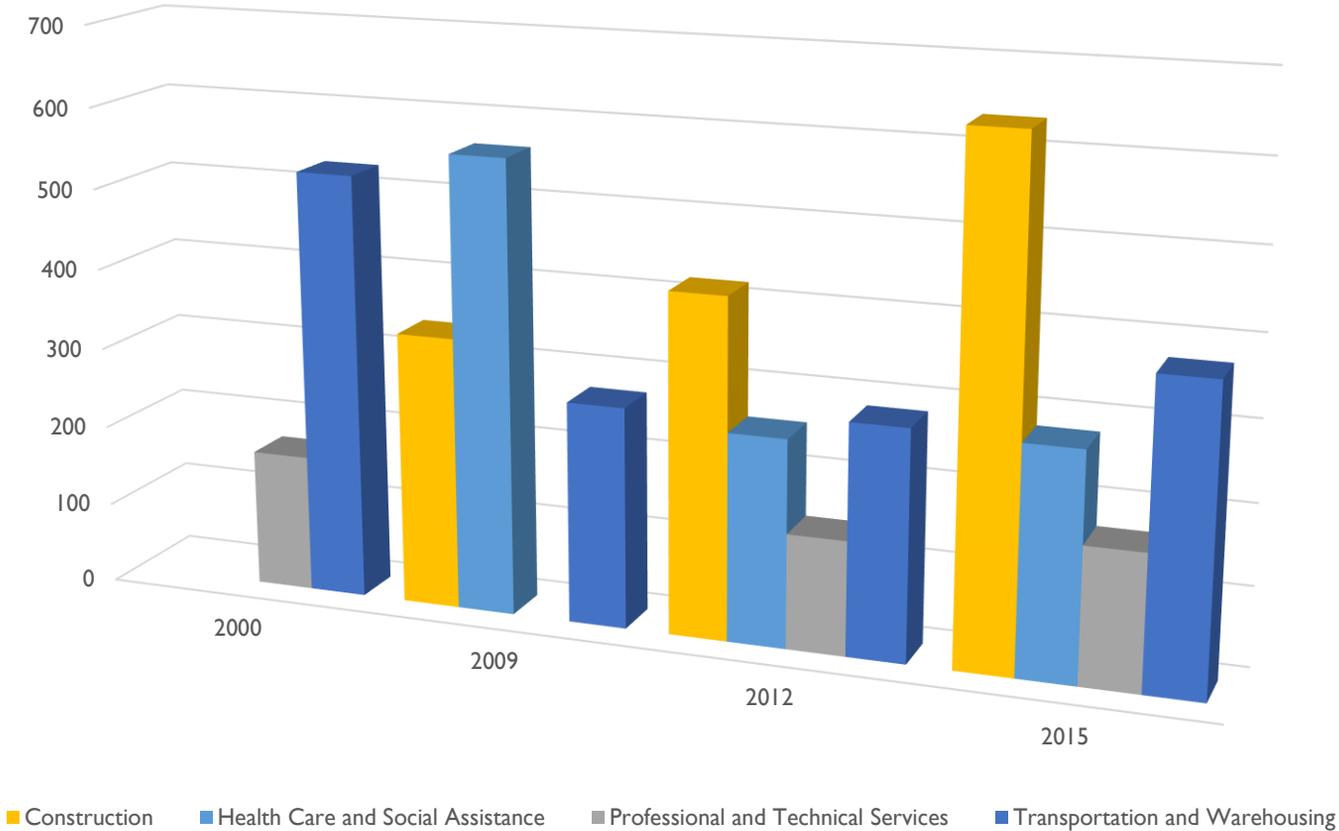
Employment Change by Industry (2000 – 2015)



Note: this graphic represents the change in the number of jobs in different industries that are located in South St. Paul, regardless of whether the individual filling that job is a South St. Paul resident or a resident of another community.

**JOBS LOCATED IN SSP – BY INDUSTRY
(SLOW OR NEGATIVE GROWTH)**

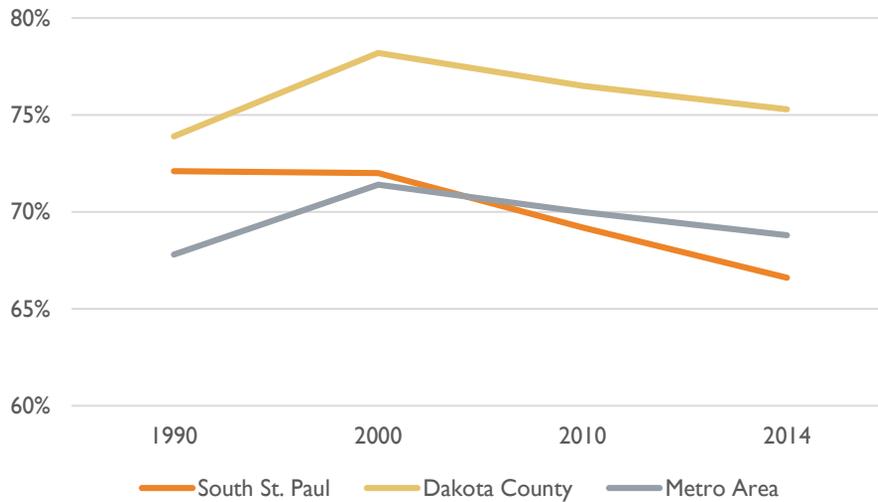
Employment Change by Industry (2000 – 2015)



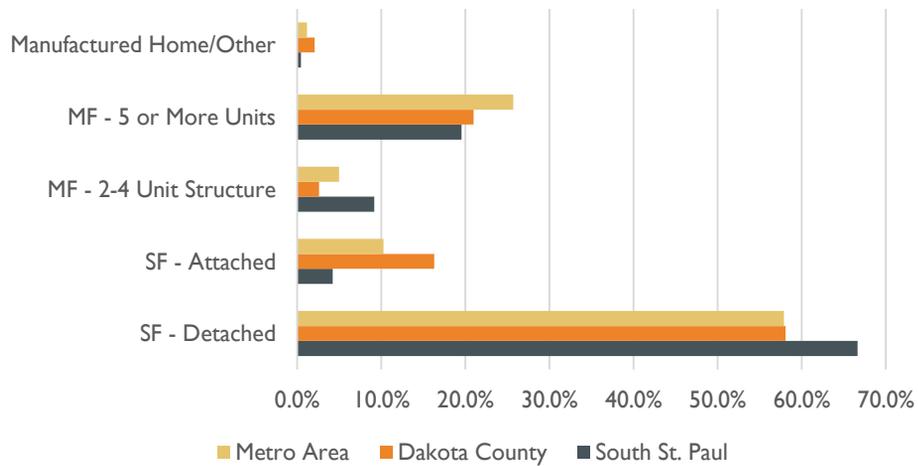
Note: this graphic represents the change in the number of jobs in different industries that are located in South St. Paul, regardless of whether the individual filling that job is a South St. Paul resident or a resident of another community.

**JOBS LOCATED IN SSP – BY INDUSTRY
(POSITIVE GROWTH)**

Homeownership Rate Since 1990

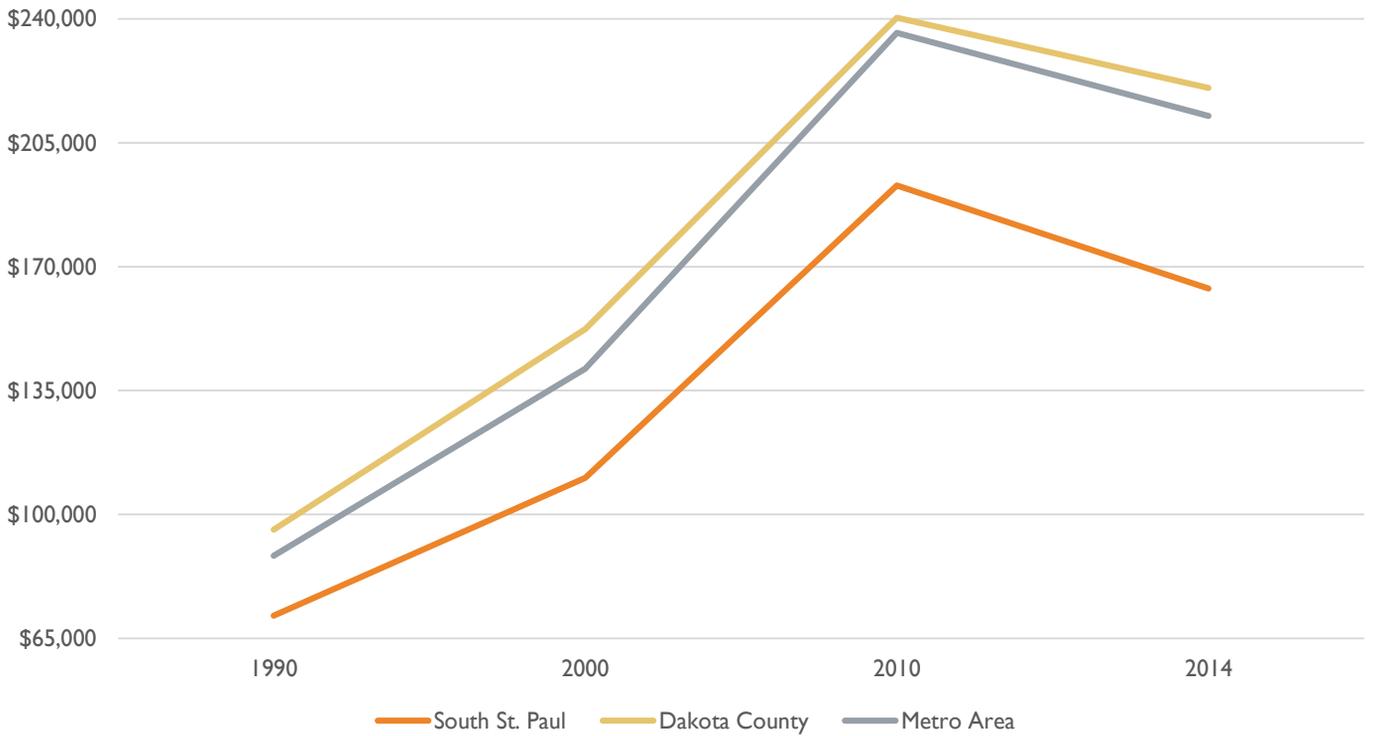


Units in Structure (2014)



HOUSING STOCK

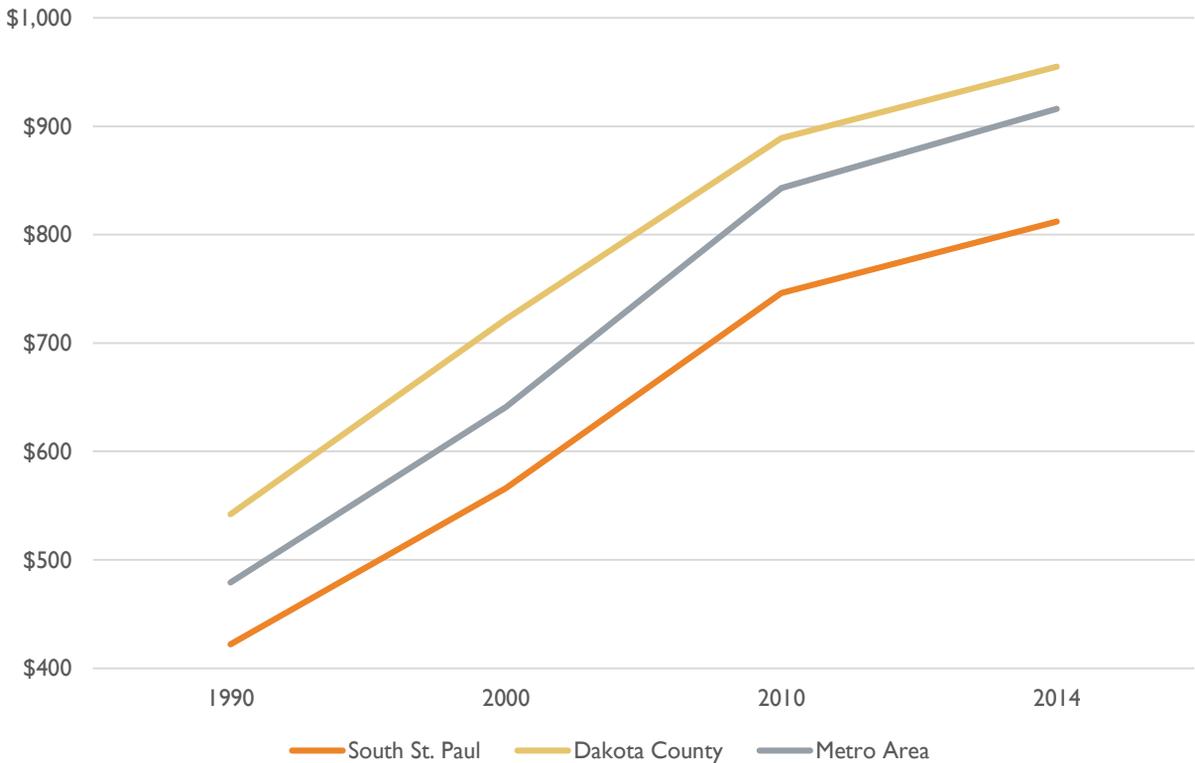
Median Home Value Since 1990



- Median Housing Value \$163,800 in 2014
 - Down 15% since 2010
 - 74.3% of County Median Value (\$220,500)
 - 77% of Metro Median Value (\$212,600)
- Since 1990: 129.4% increase is consistent with County (130.4%), behind Metro (140.8%)

HOUSING STOCK

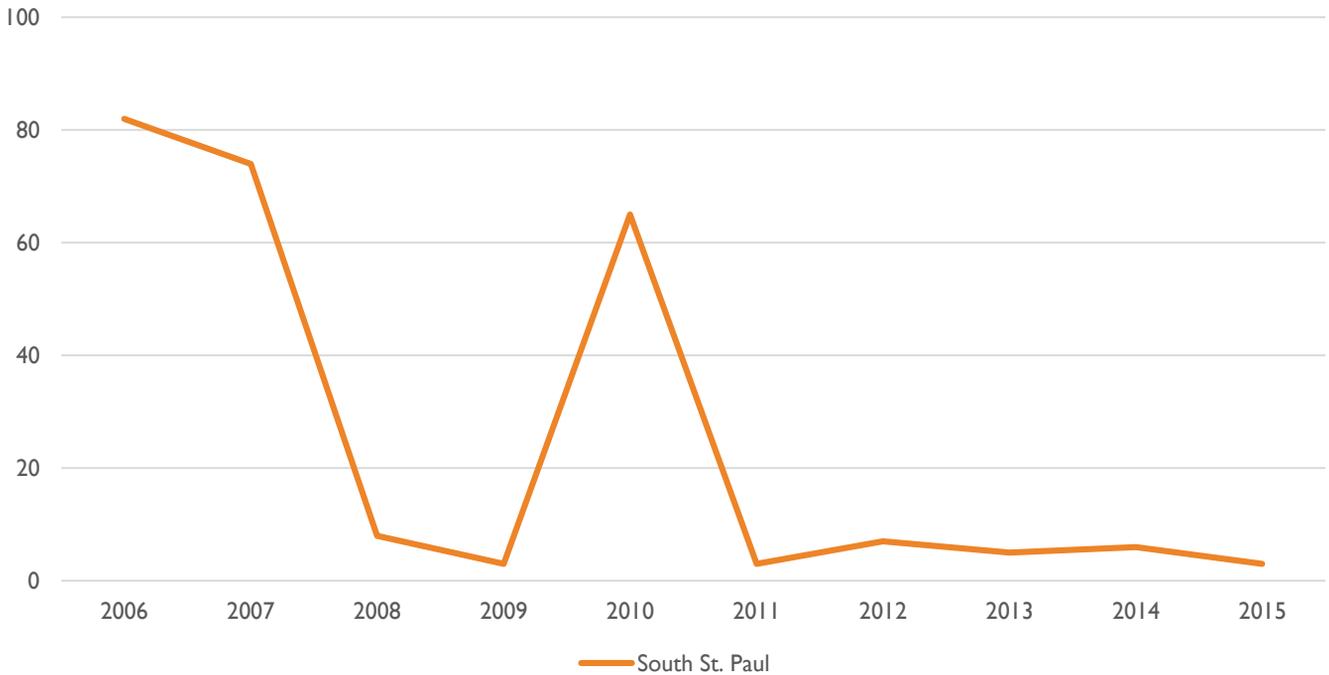
Median Monthly Gross Rent Since 1990



- Median Monthly Rent \$812 in 2014
 - Up 8.8% since 2010
 - 85% of County Median Rent (\$955)
 - 88.6% of Metro Median Value (\$916)
- Since 1990: 92.4% increase outpaces County (76.2%), consistent with Metro (91.2%)
- Since 2010: Consistent with Metro, 1.4% greater than County

HOUSING STOCK

Total New Units Constructed by Year



- Flat since 2011 (average 4 units per year) and all SF
 - Units constructed between 2006-2015 account for just 3% of City's housing stock; figure is 7% for County and Metro
- 2/3 of all new units in 3 Multifamily projects (2 by Dakota County CDA)
 - These 173 units account for more than 10% of all Multifamily units in the City

HOUSING STARTS