



# ECONOMIC DEVELOPMENT STRATEGY 2021-2024

**CITY OF SOUTH ST. PAUL**  
ECONOMIC DEVELOPMENT AUTHORITY | APRIL 2021





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# PREAMBLE

The primary purpose of South St. Paul’s *Economic Development Strategy 2021 – 2024* (“Strategy”) is to guide City Staff, the Economic Development Authority, and our 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. As the City (like all of the world) continues to navigate the ongoing impacts of COVID-19, it is critical that we and our economic development partners prepare to be flexible and proactive in our efforts to advance economic development goals.

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.

A central focus of the Strategy involves not only continuing as a “business-friendly” community, but also to do a better job of communicating the City’s advantages, approach, and initiatives. 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. City Staff – along with our partners at the River Heights Chamber of Commerce / Progress Plus – will assure that the business community is at the table throughout major city projects (such as the reconstruction of Concord Street) and that their concerns and needs are addressed.

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:** 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 Action:** Coordinate with the River Heights Chamber of Commerce to create, and update when necessary, a "Opening and Expanding a Business" Guide.

## STRATEGIC GOAL:

# ATTRACT, RETAIN, & SUPPORT A WORKFORCE THAT IS POSITIONED FOR SUCCESS IN THE 21<sup>ST</sup> 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:** Explore focused collaboration with Inver Hills Community College and Dakota County Technical College to assure that program and course offerings are well-aligned to existing and projected employment opportunities in South St. Paul.
- **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 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 Progress Plus 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 long-range planning processes, and other development-related programs and initiatives.



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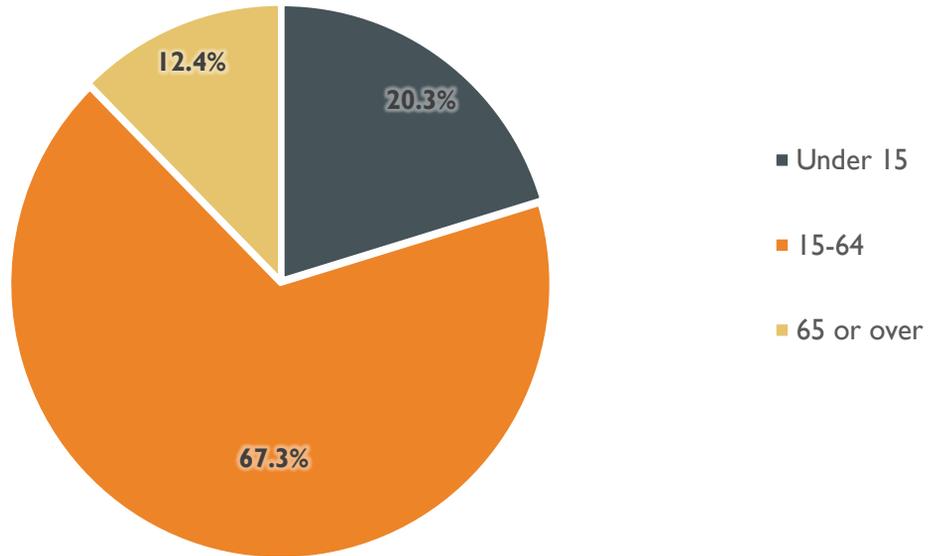
# APPENDIX

## 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 (2019)	20,774	
Households (2019)	8,417	
Housing Starts (2010-2019)	178	
Median Housing Value (2019)	\$192,100	
Median Monthly Gross Residential Rent (2019)	\$937	
Median Household Income (2019)	\$63,200	
% Population at or Below Poverty Level (2018)	10.8%	
Unemployment Rate (2018)	2.5%	
# of Jobs (1 <sup>st</sup> Q 2020)	6,463	
# Establishments (1 <sup>st</sup> Q 2020)	420	
Average Weekly Wages (1 <sup>st</sup> Q 2020)	\$1,047	

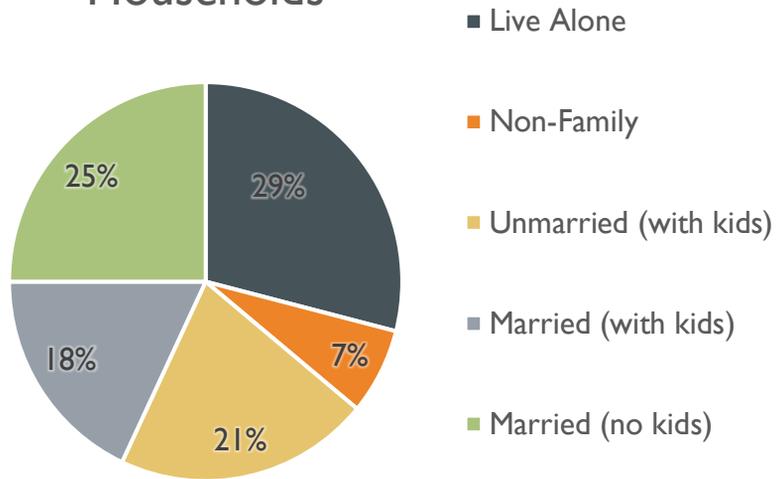
## Age of South St. Paul Residents



- Age Characteristics
  - Slight increase of children under 15 vs. 2014
  - 329 fewer residents aged 16 to 64 vs. 2014
  - Both County and Metro have added population in each of these age clusters

DEMOGRAPHICS – AGE OF POPULATION

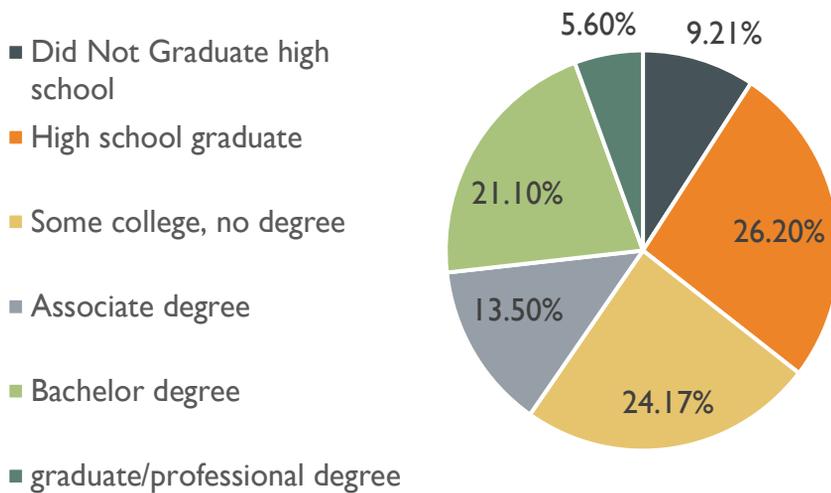
## Households



- 8,417 Total Households in 2019
  - Growth between 2014 and 2018 slows to  $\frac{1}{4}$  % per year (was previously  $\frac{1}{2}$  % 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)
- Household Characteristics
  - Lower percentage of married households with kids (18%) compared to County (24%) and Metro (22%)
  - South St. Paul, Dakota County, and the Metro area all saw a decrease in households with children present between 2016 (45%, 44%, 41%) and 2019 (39%, 39%, 35%)
  - Higher percentage (29%) of single-occupant households vs. County (24%); similar to Metro (29%)

DEMOGRAPHICS – HOUSEHOLDS

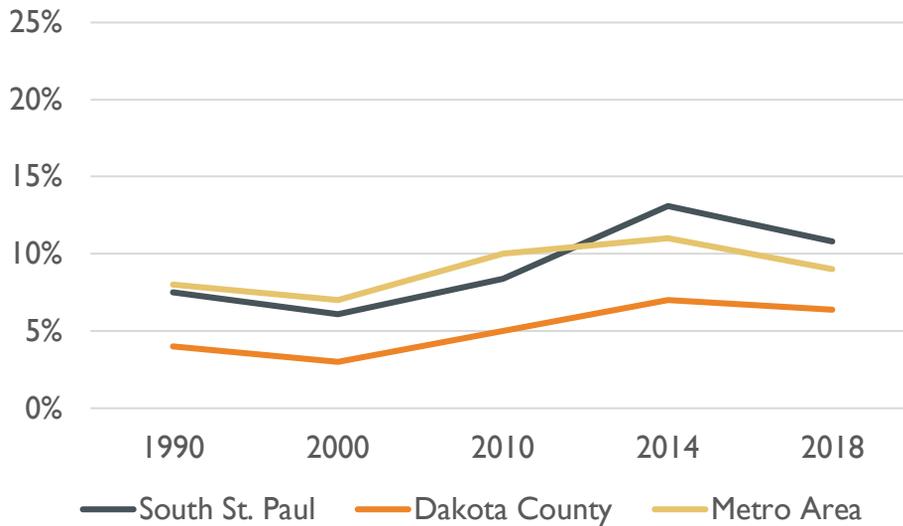
## Highest Level of Education Achieved



- Roughly 1/3 (34.6%) of all SSP residents 25+ have a college (Associates or higher) degree; 26.7% (just over 1/4) have a bachelors degree or higher
- By comparison:
  - Dakota Co. – 40.5% have a college degree; 41.8% bachelors or higher
  - Metro – 38.3% (slightly over half 1/2) have a college degree; 43.7% bachelors or higher

**DEMOGRAPHICS – EDUCATIONAL  
ATTAINMENT**

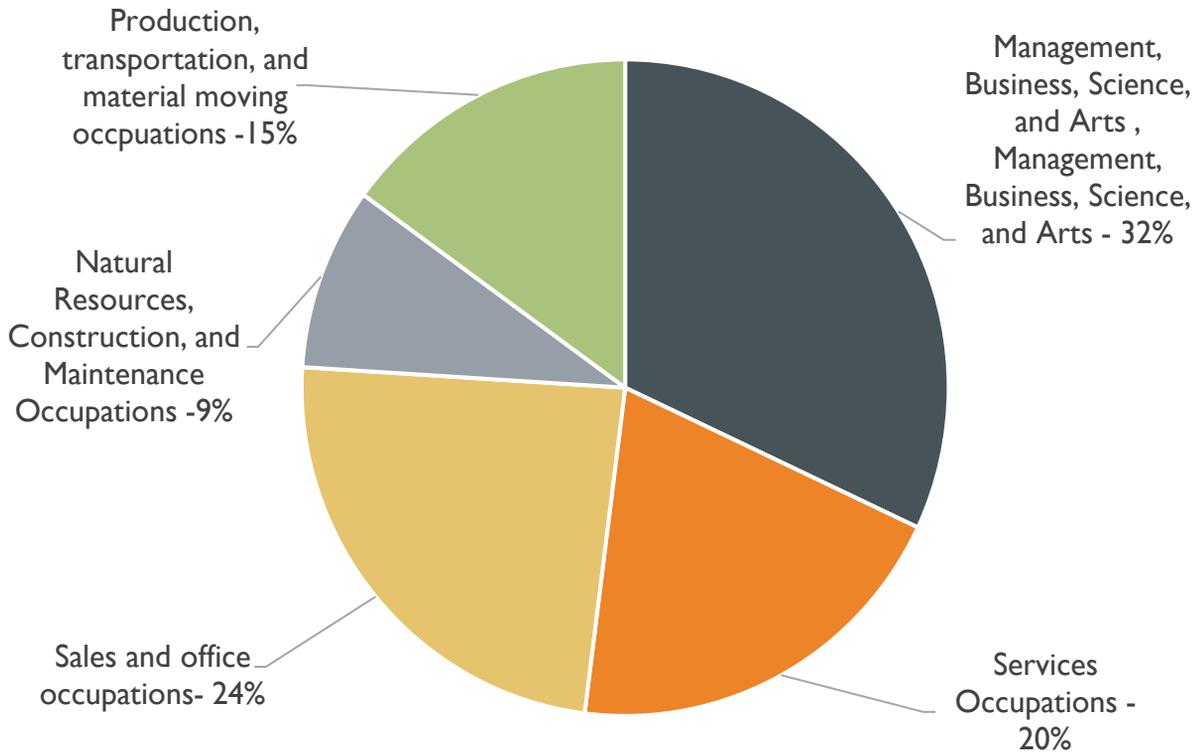
## Poverty Rate Since 1990



- Median Household Income (MHI) in 2019: \$63,200
  - 73% of Dakota County MHI (\$86,000)
  - 79% of Metro MHI (\$80,400)
- MHI Growth:
  - Since 2000: 40% in SSP – slightly ahead of County (39%) but behind Metro (48%)
  - Since 2010: 15% in SSP - behind County (18%) and Metro (23%)
- BUT
  - SSP has a 11% poverty rate – higher than County (6%) and Metro (9%)

DEMOGRAPHICS – INCOME

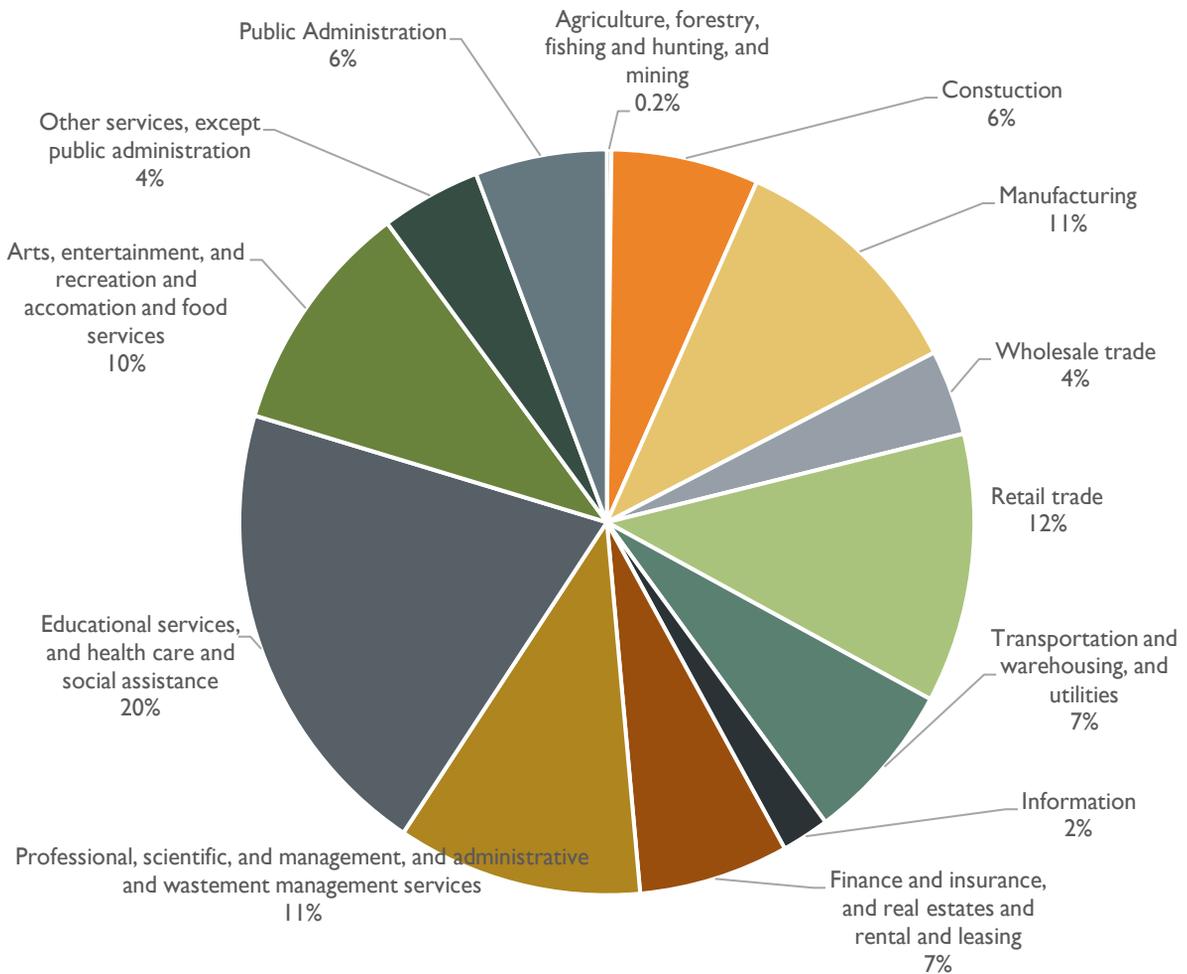
## Professions Held By South St. Paul Residents



- Unemployment Rate estimated at 4% in 2018 (Census)
  - Down from 9.1% in 2014
  - Dakota Co. at 3.6% in 2018 (and stably in mid-3s since late 2014)
  - Metro at 2.6% in 2018 (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**

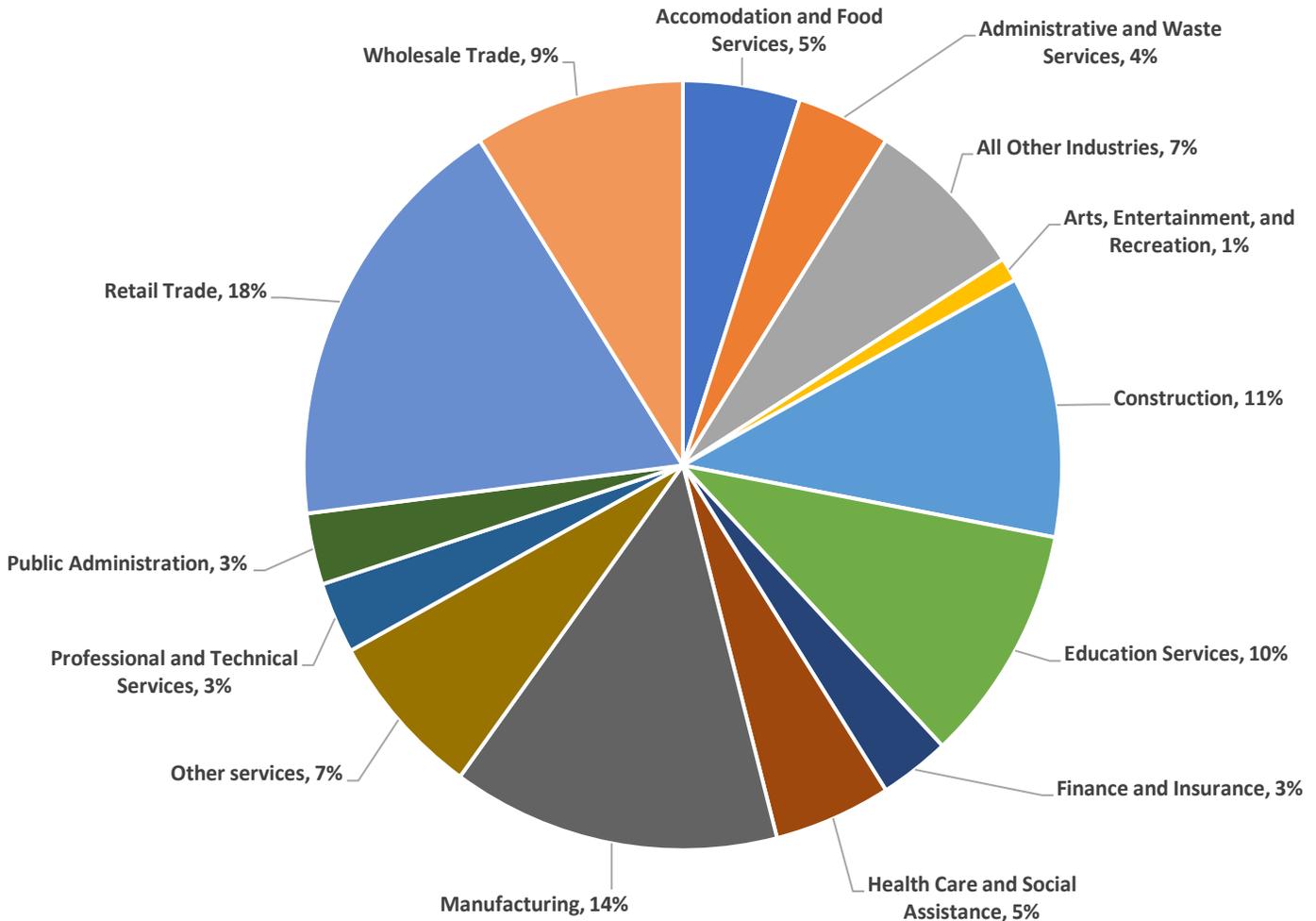
# Industries in which South St. Paul Residents are Employed



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

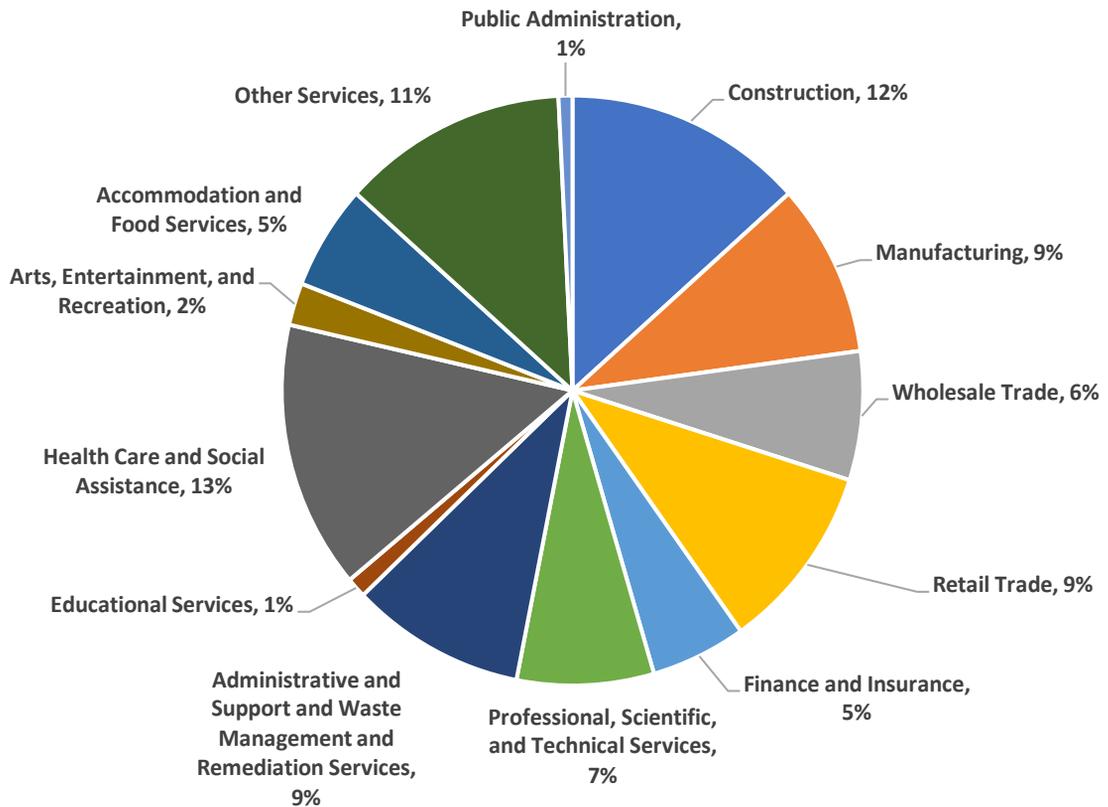
## South St. Paul Job Mix (2019 Q2)



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**

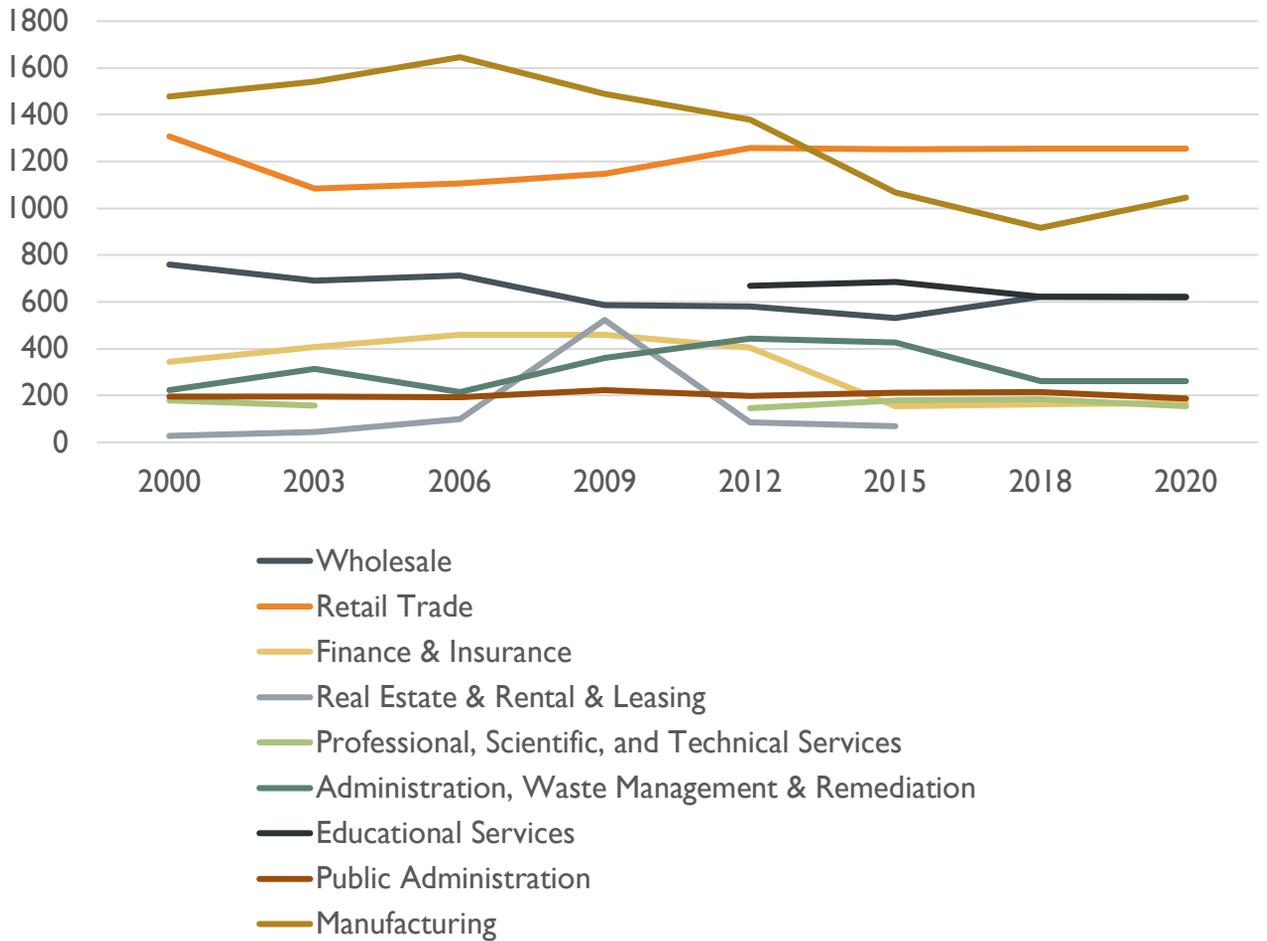
## Jobs by Industry Located in South St. Paul (2020 Q1)



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

**EMPLOYERS LOCATED IN SSP – BY  
INDUSTRY**

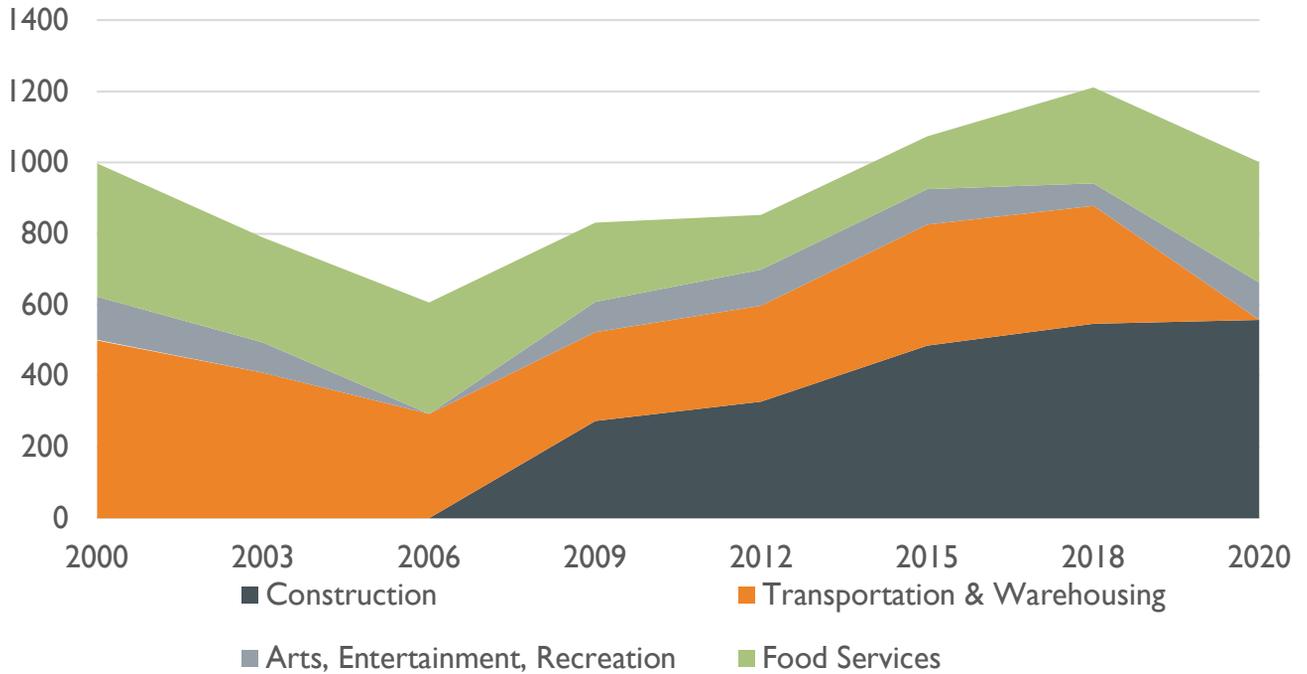
## Employment Change By Industry (2000-2020)



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)**

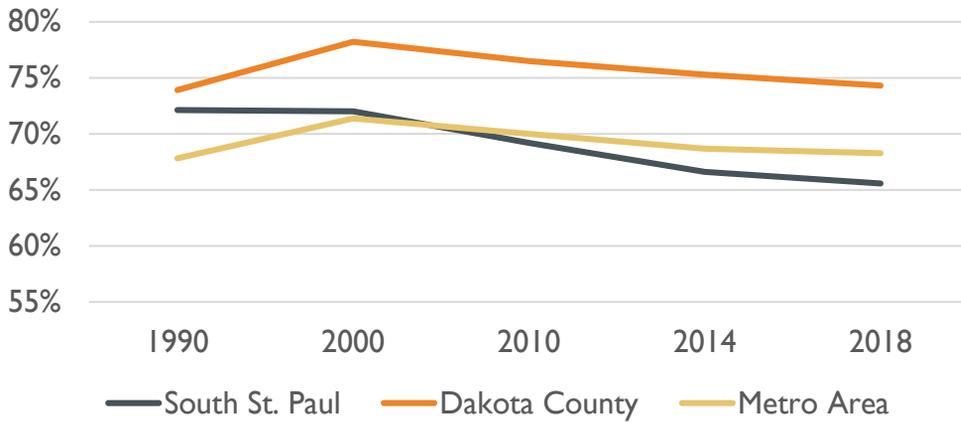
## Employment Change by Industry (2000-2020)



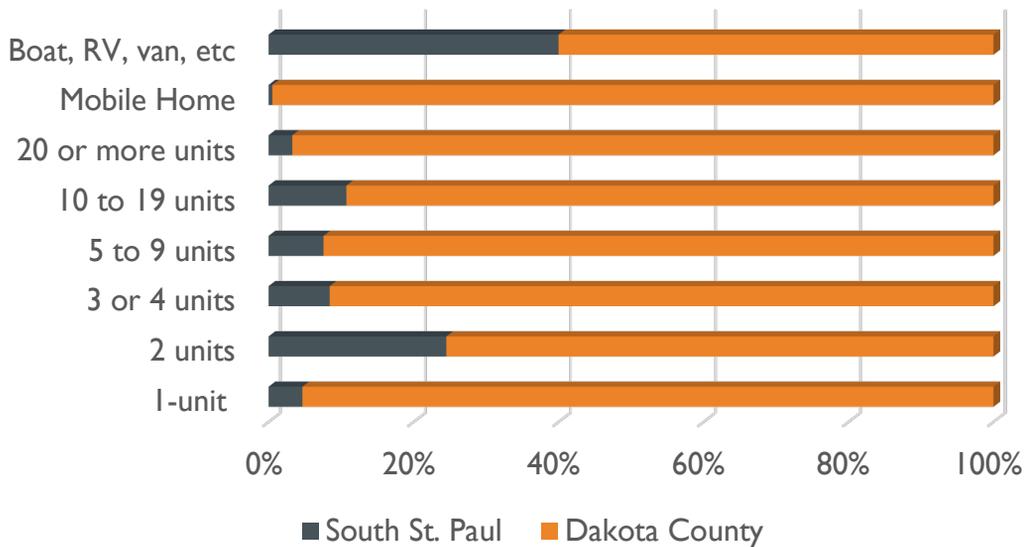
Note: this graphic represents the change in the number of jobs in different industries that are located in South St. Paul, regardless of whether the individual filling that job is a South St. Paul resident or a resident of another community.

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

## Homeownership Since 1990

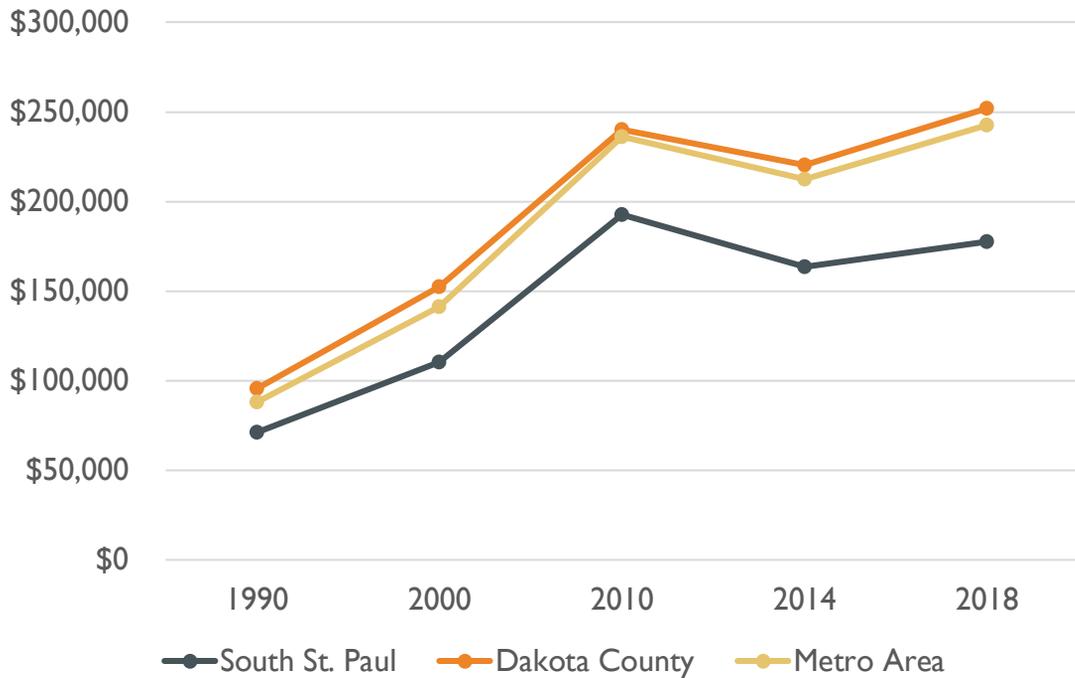


## Housing Units by Type (2018)



HOUSING STOCK

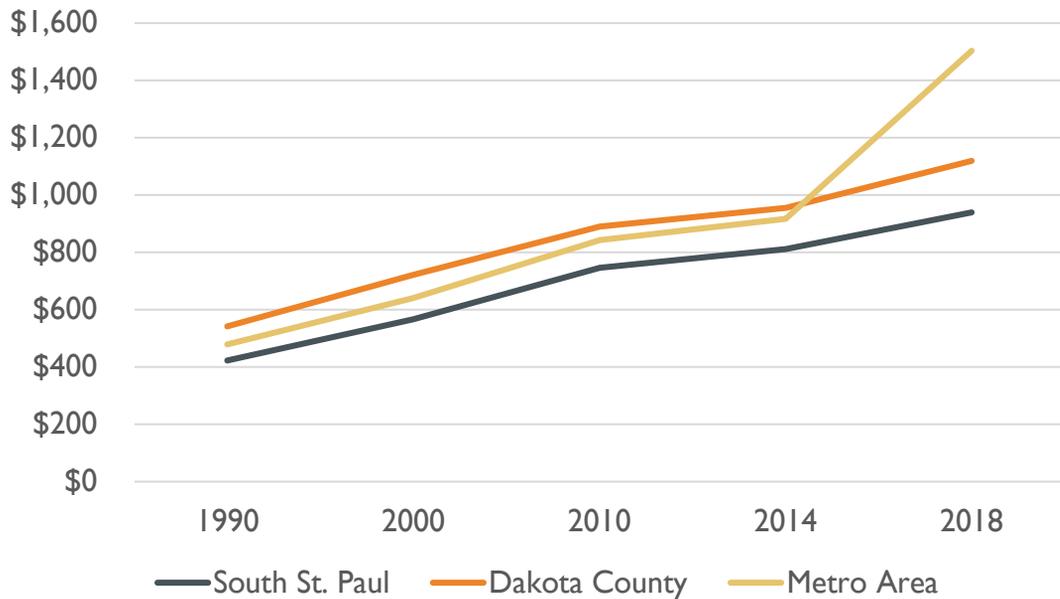
## Median Housing Value since 1990



- Median Housing Value \$177,700 in 2018
  - Up 8.9% since 2014
  - 70.5% of County Median Value (\$220,500)- previously 74.3% of County Median Value
  - 73.1% of Metro Median Value (\$242,800)- previously 77% of Metro Median Value
- Since 1990: 129.4% increase is consistent with County (130.4%), behind Metro (140.8%)

HOUSING STOCK

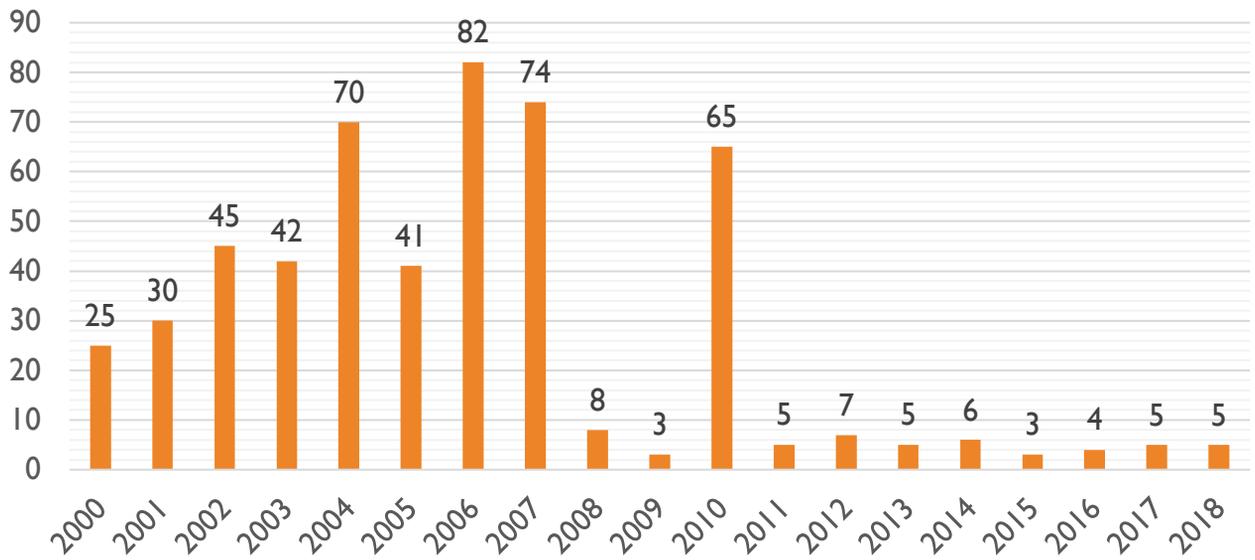
## Median Monthly Rent Since 1990



- Median Monthly Rent \$938 in 2018
  - Up 15% since 2014. Median monthly rent increased by 8% between 2010 and 2014.
  - 84% of the County Median Rent (\$1,119) - Previously 85% of County Median Rent (\$955)
  - 89% of Metro Median Value (\$1,052) -Previously 88.6% of Metro Median Value (\$916)
- Since 1990: 122.2% increase outpaces County (106.4%), consistent with Metro (119.6%)
- Since 2014: Similar growth to County (17.1%) and Metro (14.8%)

HOUSING STOCK

## Total New Units Constructed by Year



- Little growth since 2011 (average 5 units per year) and all growth is Single-Family homes.
  - Units constructed between 2010-2018 account for less than 1% of City's housing stock; figure is 4% 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
  - The Drover, which added 67 multi-family units to South St. Paul's housing stock, was not included in this count because the project was considered redevelopment as opposed to new construction. This property accounts for 4% of the city's multi-family housing.

HOUSING STARTS