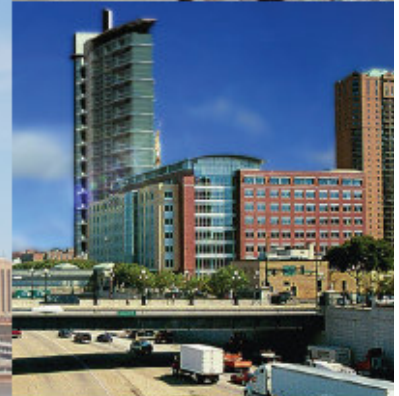
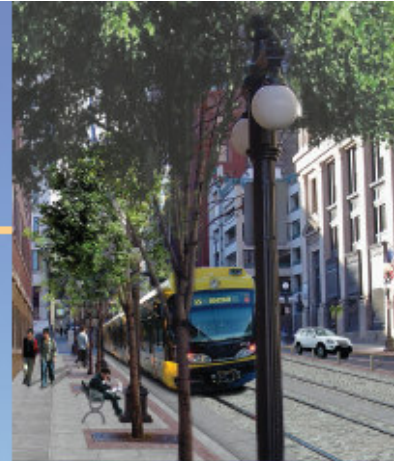


Saint Paul

The Most Livable City in America



A Strategic Vision

Development. Business. Workforce.



Mayor Christopher B. Coleman, City of Saint Paul

Expanding

SAINT PAUL ECONOMIC DEVELOPMENT STRATEGY 2008-2009

Table of Contents

I.	Overview	3
II.	Introduction	4
III.	Summary	5
IV.	Economic Development Strategy Process	6
V.	Economic Development Initiatives	7
	a. Business Retention and Expansion	7
	b. Business Attraction	9
	c. Invest Saint Paul Area Initiatives	10
	d. Streamline the Development Process	11
	e. Workforce Development	12
	f. Downtown Revitalization	13
VI.	Next Steps	14
VII.	Conclusion	14
VIII.	Addendum	15

Saint Paul Economic Development Strategy Overview

Though the goals of most economic development plans at their most fundamental level are job creation and wealth enhancement, much of how those goals are achieved occurs outside of the influence of government. Businesses/organizations create jobs. Educated and skilled residents earn wealth. However, the public sector does play a critical role in ensuring that the conditions for job creation and economic self-sufficiency are present. By creating a climate conducive to growth, through a set of focused strategies and initiatives the City of Saint Paul and its economic development partners can achieve their broad economic development goals. In today’s global economy, economic development and business retention are grounded in safe streets, high quality of life amenities, reasonable taxes, good schools and an equal opportunity for success.

Relying on Partnerships to Leverage Limited Resources

Saint Paul is fortunate to have a strong tradition of collaboration among various sectors and institutions. This two-year plan is ambitious and requires all stakeholders to work together, sharing responsibility for achievement of the goals. The established formal partnership among the City, Saint Paul Port Authority, Capital City Partnership, Saint Paul Riverfront Corporation and Saint Paul Area Chamber of Commerce, (“the Partnership”) is essential to achieving the economic development goals outlined in this plan, along with scores of other partners including colleges, training institutions, community development corporations, ethnic business groups, among others.

ECONOMIC DEVELOPMENT INITIATIVES

1. Business Retention and Expansion <ul style="list-style-type: none"> • Business Retention visits • Rapid Response Team • Annual Business Survey • Downtown Demographic Data • Redesign the Business Resource Center • Back Street Cluster 	<p>The primary strategy for fostering economic growth in Saint Paul will be to nurture “high road” businesses, industries and clusters – those which compete on the basis of high quality rather than low cost – with the intention of creating, attracting and retaining more and better jobs for Saint Paul residents.</p>
2. Business Attraction <ul style="list-style-type: none"> • High Tech and Green Manufacturing • Life Science • Healthcare • Ethnic Businesses • MetroMSP – Regional Development Website 	<p>The Partnership intends to be strategic in its business attraction efforts and will target and concentrate it’s efforts on:</p> <ul style="list-style-type: none"> • Sectors with the greatest potential for job creation. • Industry less likely to be outsourced. • Industries which benefit by City actions to create a climate for growth and investment in its human, physical and cultural infrastructure.
3. Invest Saint Paul Initiatives <ul style="list-style-type: none"> • Business Outreach • Economic Analysis • Strategic Acquisition Plan 	<p>Building on the Invest Saint Paul Initiative, the City will work with neighborhood community development corporations (CDC’s) in Invest Saint Paul areas to support micro-entrepreneurs, business growth and strategic redevelopment.</p>
4. Streamline the Development Process <ul style="list-style-type: none"> • Formalizing the ED Function • Re-engineering the Process 	<p>A smooth development and permitting process is key to facilitating investment. The private sector responds best when the rules are clear, are consistently applied and efficiently implemented.</p>
5. Workforce Development <ul style="list-style-type: none"> • Enhance PK – 12 Education • Increase Post-Secondary Educational Achievement • Promote Access to Technology • Youth Workforce Preparation • Customized Job Training 	<p>An educated and skilled workforce is one of the most important factors in an area’s ability to attract businesses and help an area grow and prosper. In addition, job creation efforts have the greatest impact on the economic condition of the community when the jobs created can be filled by unemployed or underemployed local residents. Building skills of our most competitive asset --- our human capital --- is critical for success.</p>
6. Downtown Revitalization <ul style="list-style-type: none"> • Office Occupancy Plan – Phase II • RNC Short Term Retail Strategy • Downtown Façade Improvement Program 	<p>A vital downtown is critical to the economic health and well being of the entire City. It can be an important recruiting tool to businesses working to attract “creative class” employees. An attractive downtown also increases land values and the tax base.</p>

Next Steps The City and its economic development partners will engage the local business community, district councils, and minority and ethnic chambers in providing feedback on the strategy and defining their role in the success of achieving our economic development goals.

SAINT PAUL ECONOMIC DEVELOPMENT STRATEGY 2008-2009

Introduction

Though the objectives of most economic development plans at their most fundamental level are job creation and wealth enhancement, much of how those objectives are achieved occurs outside of the influence of government. Businesses and nonprofit organizations create jobs. Educated and skilled residents earn wealth. However, the public sector does play a critical role in ensuring that the conditions for job creation and economic self-sufficiency are present. By creating a climate conducive to growth, through a set of focused strategies and initiatives the City of Saint Paul and its partners can achieve their broad economic development objectives. In today's global economy, economic development and business retention are grounded in safe streets, high quality of life amenities, reasonable taxes, good schools and an equal opportunity for success.

The partners to this plan, including the City of Saint Paul, Saint Paul Area Chamber of Commerce, Capital City Partnership, Saint Paul Port Authority, Saint Paul Riverfront Corporation and, along with many others, share a vision of economic growth for the City and are committed to working together to achieve the objectives established in this plan.

The primary strategy to fostering economic growth is by creating and attracting more and better jobs for Saint Paul residents. Jobs with higher pay, benefits, security and stability, decent working conditions, and opportunities for advancement are the cornerstone of economic growth. It is for these reasons that there is increased interest in "high road" development strategies. These are characterized by firms, industries and clusters that compete on the basis of high quality rather than low cost. Several studies have shown that these so-called "high road" strategies result in higher productivity, higher wages, and greater business commitments to communities, and better corporate environmental stewardship. Instead of competing with poor nations on the basis of low cost, high road firms concentrate on goods and services that are more valuable in the marketplace. It is for these reasons that it's called "the high road." The Corporation for Enterprise Development calls it "economic development that leads to the generation of income and wealth, widely and equitably shared benefits, a high quality of life, and good environmental stewardship."

Saint Paul's economic development strategy is guided by a belief in the high road and recognition that success on this road requires patience, commitment and focus. The plan also recognizes that the public sector role in economic development is fairly limited. Most economic development occurs because of private sector investment. Historically the City's role has been redevelopment of aging, blighted and underutilized property and providing gap financing to spur private sector investment. Frequently job creation or retention occurs as a result of the City's investment, but often there are other dividends from such activities (neighborhood gathering places, youth employment, creating unique destinations) that help sustain neighborhoods and exemplify the amenities and experiences important to livability. The City will continue to do redevelopment and provide financing supportive of small business.

Saint Paul's vision going forward is to be recognized as a city that uses those strategies to create an environment that cultivates entrepreneurship, invests in the quality of life infrastructure that attracts talent which in turn attracts private sector investment, and in short is recognized for having the physical, cultural and intellectual capacity to attract and retain good jobs for its citizens.

Summary

Saint Paul aspires to be “The Most Livable City in America” and the broad objective of this plan is to ensure that “livability” encompasses economic sustainability. The link between livability and economic growth has never been stronger as it is today as globalization and technology make geography an almost irrelevant issue in business locations. What matters is livability.

The Progressive Policy Institute: Metropolitan New Economy Index 2001

“In the New Economy, the path to raising wages and quality of life is in ensuring a technologically advanced infrastructure, boosting the skills of the region's workforce, creating fast and responsive government, ensuring a high quality of life - including a high-quality physical environment that is attractive to knowledge workers - and developing a responsive, efficient government. This is not to say that fiscal discipline should not be a cornerstone of government in the New Economy. But a low-cost environment with a poor quality of life is not the ticket to success.

In the New Economy, metropolitan areas need to shift their focus from providing tax breaks and other subsidies to investing in the skills of the workforce, a vibrant infrastructure for technological innovation, and a superb quality of life.”

From Fast Company Magazine, July 2007

“What makes a Fast City? It starts with opportunity. Not just bald economic capacity, but a culture that nurtures creative action and game-changing enterprise. Fast Cities are places where entrepreneurs and employees alike can maximize their potential--where the number of patents filed is high, for instance, or where the high-tech sector is expanding.

The second component: innovation. Fast Cities invest in physical, cultural, and intellectual infrastructure that will sustain growth. Finally, Fast Cities have energy, that ethereal thing that happens when creative people collect in one place. The indicators can seem obscure: number of ethnic restaurants, or the ratio of live-music lovers to cable-TV subscribers. But they point to environments where fresh thinking stimulates action and, by the way, attracts new talent in a virtuous cycle of creativity.”

Saint Paul recognizes and embraces the tenets of the so-called “New Economy” or “Fast Cities” in this plan. Going forward, the City will rely heavily on investments in human capital, in diversity, technology and in quality of life amenities such as our centers of cultural diversity, natural resources, and strong neighborhoods. The City will also recognize, however, that there remain certain fundamental issues related to the investment climate in Saint Paul that require a carefully managed strategy that includes providing incentives in order to address market issues and compete on a level playing field. For urban cities such as Saint Paul, costs (land, parking, development fees) to invest are higher than in other parts of the Twin Cities metro and the effectiveness of thoughtful application of subsidy provides an acceptable return on investment for the City.

Saint Paul Economic Development Strategy Process

Mayor Chris Coleman recognized the need for a coordinated effort among Saint Paul's economic development stakeholders in order to create a more sustainable and focused effort in achieving the city's economic development objectives. The Saint Paul Economic Development Strategy was developed in cooperation with economic development partners throughout the City. The Department of Planning and Economic Development (PED) began the process by conducting interviews of all PED economic development staff and Leadership Team members to seek suggestions on how to improve our programs and economic development work. PED staff then conducted interviews with our economic development partners including local banks, community development corporations, chamber organizations and businesses.

To learn more about how to partner with our post-secondary institutions on customized workforce training, PED staff met with the Chancellor's Office of Minnesota State Colleges & Universities (MNSCU) and with the President of the St. Paul College a Community and Technical College. PED met with workforce training representatives from the Minnesota Department of Employment and Economic Development.

To broaden our perspective PED staff researched economic development best practices of other cities. PED interviewed economic development staff from Minneapolis, Littleton, Colorado, and Kansas City, and further research was conducted into other cities' best practices to assemble potential economic development strategies for St. Paul. The PED Leadership Team determined which strategies were to be included in the draft plan for St. Paul.

As a second phase, PED, the St. Paul Chamber of Commerce, Capital City Partnership, St. Paul Port Authority and the Saint Paul Riverfront Corporation discussed the draft economic development strategy at a number of meetings. The organizations worked together to clarify the economic development role of each agency and develop a joint economic development strategy and initial action plan with outcome/measurements. Below is a list of many of the participants that provided feedback and suggestions regarding St. Paul's economic development programs and strategies:

Banks

University Bank
Drake Bank
Western Bank
Park Bank

Community and Economic Development Organizations

REDA
ESNDC
NDC
SPARC
University United
St. Paul Chamber of Commerce
Midway Chamber of Commerce
St. Paul Port Authority
Capital City Partnership
PED survey of small businesses along the Central Corridor

Post-Secondary Educational Institutions

MNSCU

St. Paul College a Community and Technical College

This effort represents the start of a continually evolving set of economic development strategies. Additional partners will be engaged and interviewed, including other community development agencies, district councils, ethnic chambers of commerce and business associations. As new ideas are brought forth, as opportunities are presented, and as the economy changes, so too will the action plan.

Economic Development Initiatives

Address Market Opportunity, Don't Try to Predict It

The City and its partners will focus their activities in economic development on creating a climate for investment, providing business assistance, promoting the diversity and richness of our city, and enhancing workforce readiness and training to enable the private market to succeed.

Rely on Partnerships to Leverage Limited Resources

Saint Paul is fortunate to have a strong tradition of collaboration among various sectors and institutions. As noted earlier, this plan is ambitious and requires all stakeholders to work together, sharing responsibility for achievement of the objectives. The established formal partnership among the City, Saint Paul Port Authority, Capital City Partnership, Saint Paul Riverfront Corporation and Saint Paul Area Chamber of Commerce, is essential to achieving the economic development objectives above. This plan also relies on scores of other partners including colleges, training institutions, community development corporations, ethnic business groups, business associations, and more to achieve its objectives.

1. Business Retention and Expansion

To achieve its economic development objectives, Saint Paul will focus significant resources on business retention efforts and building the systems to support the needs, and foster growth, of existing firms. These firms are the top priority for economic development marketing and service efforts since evidence shows that they are the greatest source of potential growth. Cities with satisfied existing firms are much more likely to realize growth from them, and to attract new businesses as well.

A. Business Retention Visits

During the past several years, the Saint Paul Area Chamber of Commerce has begun an aggressive effort to complete 100 retention calls each year. The City and Chamber will work closely on this retention effort, sharing data as appropriate (respecting the confidentiality of the respondents) to address immediate concerns and in aggregate to guide policy and City efforts. The Saint Paul Port Authority also conducts regular visits to its customers and will also share information among the economic development partners to guide policy discussion. Throughout all retention calls, questions will be asked to identify opportunities to target vendors or customers of the business being visited for possible recruitment to Saint Paul. The City plans to undertake targeted retention visits, focusing on 20 high growth companies ("Gazelles" in the language of economic development) that are expected to provide significant employment growth. Companies located in Menlo Park, a private enterprise incubator on University Avenue will be targeted for retention visits as well as they represent companies that will likely expand and require space outside of Menlo Park. Several other companies fit this profile and though not Fortune 500 (yet) these are the companies that can fuel Saint Paul's economy in the future. These "Gazelles" are where most of the job growth in the small business sector comes from. The myth is that small businesses account for 90% of job creation. True, but it is really just 3%-5% of small businesses that do that. The bottom line is that size

doesn't matter - it's the rate of growth, driven generally by innovation, which matters. This type of targeted retention effort aimed at fast growing companies is not currently in the Economic Development Action Plan for 2008-2009, but it will be implemented in future years. Better understanding and connecting with growing minority owned firms should also be part of the City's retention efforts. To begin, the City will ask major ethnic Chambers and business associations to identify chamber members who are most successful, with solid growth potential; personal visits will be paid to these companies.

B. Rapid Response Team

When critical business retention issues arise, economic development partners will notify the Directors of the Capital City Partnership and PED who will determine appropriate intervention within 24 hours of learning of the issue. Further, the Capital City Partnership will create a team of CEO-level individuals who will be available to respond quickly to such issues and will be empowered to take appropriate action in order to address the issues.

C. Annual Business Survey

In partnership with the Economic Development Partners, the University of St. Thomas, Minnesota State Colleges and Universities, Saint Paul College, etc. the Economic Development Partners, lead by the Chamber of Commerce, will create and conduct an annual business survey. The survey will help the City stay abreast of business concerns and trends in areas such as transportation, workforce development, minority- and women-owned business concerns, regulatory issues and public safety.

D. Downtown Demographic Data

To ensure that site selectors, companies and others have current and detailed data regarding the vitality of downtown Saint Paul, the Capital City Partnership will collect and provide information on employer/employee, visitor and resident demographics, including age, income behavior patterns, spending habits, and other information.

E. Re-Design Business Resource Center

Through re-design of the City of Saint Paul Business Resource Center, as well as development of formal partnerships with a host of resources (SCORE, colleges, Community Development Corporations, etc.), Saint Paul will offer small, women, and minority businesses easier access to a broader set of resources to address their needs and assist in their growth.

Significant research supports the premise that public investment in programs and resources that encourage the development and growth of small and medium-sized businesses is an extremely valuable component of an overall economic development program. Entrepreneurs face challenges securing business financing, developing a customer base, recruiting and training qualified workers and dealing with the burden of government relations. Research shows that small business owners tend to be experienced, well-educated, young, long term residents of the community. This is exactly the kind of demographic the City wants to retain. And, in the urban core, developing business opportunities may help improve amenities and public safety while enhancing the community's tax base.

F. Back Streets Cluster

Beginning with a survey of Invest Saint Paul areas, the Partnership will develop a strategy to support the so-called "back street" industries as suggested by the Institute for a Competitive Inner City. ICIC found that in Boston, 1 in 5 jobs is a "back street" job, is generally resistant to out-sourcing, provides goods and services to the immediate region, and supports a large number of non-college graduates and immigrants. This cluster includes printing, wholesalers, security and maintenance firms, moving and trucking firms,

automotive service, contractors and food processing. Saint Paul will inventory and assess these industries and ensure that adopted City policy protects these industries from undue regulatory burden. The City's Comprehensive Plan "Land for Jobs" chapter will ensure that policy is in place that allows these important job centers to exist and serve neighborhoods throughout the City.

2. Business Attraction

More than 15,000 economic development organizations compete for the estimated 1,500 major expansions and relocations in the U.S. in any given year according to a report by the Upjohn Institute of Employment Research in 2003 on Local Economic Development Policies. Therefore, the City of Saint Paul and its partners will be very strategic in business recruitment efforts, relying not on mass marketing but instead targeting industries with the greatest potential for job creation based on Saint Paul's existing sector strengths (healthcare, life science, manufacturing, government support, etc.), industries that are less likely to be out-sourced (the high road industries) and finally, industries that benefit by the actions the City is taking in creating a climate for growth and investing in its human, physical and cultural infrastructure.

"Remember that clusters are bred, not constructed. Most of the world's successful clusters have evolved through a serendipitous string of events but with strong roots in place. Public policies may have been catalysts for growth, but usually inadvertently and rarely with the intent of starting a cluster. The growth of the largest clusters has been driven by market demand and entrepreneurial drive."

Michael Porter, Harvard University

A. Green Manufacturing/Glean Tech:

The Mayor's Initiative on Green Manufacturing provides a solid foundation suggesting that thoughtful targeting of companies in this sector can result in new jobs in Saint Paul. Through this Initiative, Saint Paul will seek to recruit and retain companies engaged in the production of components and technologies for the renewable energy sector, especially the wind energy and solar energy sector. Saint Paul will work closely with the Minnesota Department of Employment and Economic Development and others to attract this promising cluster to available sites in the City that will provide proximity to the University of Minnesota, large and established players in renewable energy and research and development, and the expertise of support industries such as lawyers, investment bankers, advisors in the ethanol industry, etc.

B. Life Science Cluster

The City of Saint Paul and many private sector companies such as Xcel Energy and Medtronic have significant investment in the University Enterprise Laboratories (UEL). The City and its partners in UEL will develop a clear plan to leverage those investments and make UEL a catalyst for attracting more life science companies to the area. Saint Paul may also convene a private sector focused task force to evaluate opportunities for spin-off development from UEL. Retention visits, some by the Mayor, will be done to promising UEL tenants, tenants in MENLO Park and plans developed indicating where those firms might land once they out-grow their current space. PED and the Port Authority will also connect with the Bio Business Alliance to further Saint Paul's role within a regional and statewide life science sector strategy.

C. Health Care

Over \$650 million in expansion and renovation efforts are currently underway at Children's Hospitals and Clinics of Minnesota, Regions Hospital, and United Hospital. As Saint Paul becomes known as the medial hub of the region, it is important to explore the opportunity that exists to attract new businesses that supply and manufacture medical equipment and other products to our local hospitals and clinics. The addition of these new businesses will generate quality employment opportunities for Saint Paul residents.

D. Manufacturing

The City will continue to recognize the importance of the manufacturing sector and ensure that City policy, especially land use, are supportive of this cluster. Led by the Saint Paul Port Authority, additional high tech manufacturing firms will be recruited to redevelopment sites.

E. Ethnic, Women Owned and Small Business Clusters

Recognizing the shifting demographics throughout the Twin Cities region, Saint Paul will develop a strategy to attract and support the growing cluster of businesses serving new ethnic markets. The dynamics of ethnic commerce need to be fully understood and appreciated as our immigrant communities have created their own avenues of commerce, such as District del Sol, University Avenue restaurants, African American and Pan African markets/businesses, Asian Market (Como Ave.), Caribbean businesses, informal farmers markets (UniDale). These clusters of economic activity not only provide employment and generate wealth in the ethnic communities, but their presence and visibility help reinforce Saint Paul's embrace of diversity which in turn attracts residents and businesses who value a culture of openness and inclusiveness – the so-called “creative class.”

The City will explore obtaining foundation support for new programs that seek to utilize the business and professional experience of recent immigrants who are not employed in their field of expertise. Similar to work being done in Toronto, these programs could help recent immigrants accelerate their entry into commerce in the U.S.

The City's Minority Business Development and Retention (MBDR) program will continue to focus on promoting equal business opportunity in the City's contracting process to minority and women's business enterprises. MBDR will also work through community partners to expand technical assistance and training to minority businesses throughout the community. A recent study by The Milken Institute (Mainstreaming Minority Business: Financing Domestic Emerging Markets) concludes that economic growth cannot be sustained without the inclusion of minority businesses and an infusion of capital into those businesses. The study states that there is a fundamental mismatch between the primary sources of job creation and access to capital, especially within the minority community and that "resolving this mismatch is the greatest economic policy challenge in the new century." The City's MBDR program is focused on addressing this challenge.

F. MetroMSP Regional Economic Development Website

Saint Paul will participate in a public/private collaborative creating a new 11 County, GIS-based regional economic development website to be used by site selectors and others. PED will serve on the steering committee and the Port Authority will serve on the stakeholder committee. This regional collaborative strategy is a model for future regional economic development efforts.

3. Invest Saint Paul Area Initiatives

Building on the Invest Saint Paul initiative, the City will work with neighborhood CDCs in the Invest Saint Paul geographic areas to support micro entrepreneurs. As noted above, small businesses generally create significant local economic impact as the revenue stays close, investment in physical infrastructure is visible within the local area, and often employees live within a 10 mile radius or less.

A. Business Outreach

The City will spearhead an outreach and marketing effort to provide enhanced access to capital and technical assistance for micro entrepreneurs in Invest Saint Paul areas. Working with the Small Business Administration, area colleges, CDCs, ethnic Chambers and others, the City will develop a Business Outreach

Team to do intensive outreach to businesses in the Invest Saint Paul areas and commercial corridors to determine the specific technical assistance needs of individual businesses. Once identified, student resources from area colleges will provide assistance on marketing, business plan development, merchandising, etc.

B. Economic Analysis

Recognizing the important role neighborhood commercial corridors play in the Invest Saint Paul areas, the City will conduct a comprehensive analysis of the economic vitality of each corridor, including identifying and mapping businesses along each corridor to identify vacant and underutilized properties. Once the assessment is complete, a menu of options available through the City and its partners will be provided to businesses through the Business Outreach Team.

C. Central Corridor Business Mitigation Plan

Working through a number of organizations, partnerships and initiatives already underway to plan the Central Corridor project, the City will assist the Metropolitan Council in communicating with businesses along the corridor. The communications program will begin prior to the start of construction and continue throughout the construction period. In addition, City staff will work to identify resources (be in loans and/or technical assistance) to ensure existing businesses remain successful during and post construction of the light rail line.

D. Central Corridor Strategic Acquisition Plan

PED, in cooperation with its partners, will plan for the strategic acquisition of properties to support implementation of the Central Corridor development strategy, which includes the World Cultural Heritage District, and support redevelopment efforts in the Invest St. Paul target areas.

4. Streamline the Development Process

A smooth development and permitting process is key to facilitating investment. The private sector responds best when the rules are clear, are consistently applied and are efficiently implemented. Inconsistent and confusing processes for development and relocation that cause delays, raise costs, and create uncertainty are not consistent with being a “Fast City” that welcomes investment and supports entrepreneurship.

A. Formalize the Economic Development Function within the City

The City will establish a formal economic development function within the department of Planning and Economic Development to work with developers/companies on major projects. This will include hiring an Economic Development Team Leader who will oversee business retention, expansion and recruitment activities as well as ensure high quality customer service for companies seeking to do business with the City on economic development projects.

B. Re-engineer the Process

To address perceived inefficiencies, delays and confusion in the development and permitting process, the City will convene private sector experts in business process re-engineering to examine the entire development approval process at the City and develop recommendations to streamline the process (both credit review process and DSI review). Once the internal re-engineering recommendations have been implemented, the City will explore the concept of having a Business Concierge to personally walk prospective business owners or developers through the City’s process. A Concierge for Business follows in the same fine tradition as its hotel counter-part, but would provide the personal support and service to make sure that the experience of doing business in Saint Paul is positive and accommodating.

5. Workforce Development

An educated and skilled workforce is one of the most important factors in an area's ability to attract businesses and help them grow and prosper. In addition, job creation efforts have the greatest impact on the economic condition of the community when the jobs created can be filled by unemployed or underemployed local residents. Employment of local residents create "chain reactions" in the job market where already-working residents advance and where unemployed or underemployed residents fill those vacant positions. Therefore, building the skills of our most competitive asset---our human capital---is critical for success.

A. Enhance PK-12 Initiatives

The City of Saint Paul will continue to develop a set of initiatives designed to prepare our future workforce, including early education scholarships for high quality early learning experiences; Second Shift positive youth development opportunities; coordinating resources in order to make more efficient use of current resources; promoting college access to get youth to think about possibilities and the necessity of going to college and providing resources to meet this via libraries and rec centers.

Additional work will be done by the City and the Ramsey County Workforce Investment Board (WIB) to focus resources on building the "pipeline" in our schools by ensuring that graduates have the basic skills employers are demanding, especially computer skills. The City and school district will explore the feasibility of requiring that every public school student take and successfully complete computer courses. Some cities are even going further and requiring every high school student to demonstrate computer proficiency as a condition for earning a high school diploma.

B. Increase Post High School Educational Achievement

The City will promote greater linkages and seek more affordable efforts to connect residents to the array of post secondary institutions located in and around Saint Paul. A promising new effort is the partnership of Metro State and other funders called "The Power of You, which provides the first two years of college tuition free to Saint Paul high school graduates. Further, the Mayor has convened a working group of representatives of K-12, higher education systems and institutions to create a framework for community-based college access and workforce preparation centers in Saint Paul libraries and recreation centers. These centers will provide college access resources, access to technology, parent workshops and one-on-one mentoring for students with a goal that Saint Paul will be recognized as a city where every student has the opportunity and the desire to go to college.

C. Promote Access to Technology

Information technology has revolutionized the workforce. Nearly all workers today must be equipped with basic computer skills. Currently Saint Paul's top economically influential industries (based on size, number of establishments and payroll) include healthcare services and financial services - both of which rely heavily on the use of computers. The City and the Ramsey County Workforce Investment Board will work to create a partnership of private sector firms, such as Lawson Software, Securian, Comcast and others to develop and guide a major computer literacy program across the City. Such a program would use donated computer equipment and corporate volunteers to provide computer training in rec centers, public housing facilities, community centers, etc. to enhance computer skills of Saint Paul residents, including recent immigrants, retirees, unemployed and working adults.

D. Youth Workforce Preparation

The City will provide summer workforce training opportunities for 400 youth in partnership with the Department of Parks, the Mayor's Office, and Ramsey County Workforce Solutions Department.

E. Customized Job Training Program

Employer Solutions, Inc. (an organization owned by the Saint Paul Port Authority and Chamber of Commerce) will implement a customized job training program that will provide training opportunities for disadvantaged workers.

6. Downtown Revitalization

A vital downtown is critical to the economic health and well being of Saint Paul. It provides not only a great place to live and work, but is also an important recruiting tool for businesses trying to attract the most qualified workers to the area. An attractive, active downtown increases land values, which in turn increases the tax base. Saint Paul has amassed a strong base to build upon as it looks to further redevelop and revitalize its downtown. The Xcel Energy Center, which annually brings \$23 million in non-resident visitor spending to Saint Paul, is an anchor to downtown. In addition, strategies to increase the number of residents and workers will help strengthen downtown and support additional retail.

Much of the work outlined in the 2003 Saint Paul Downtown Development Strategy remains to be done. At the same time, priorities and roles among the City's Economic Development Partners were outlined in 2006. Together these documents and relationships are the core team working on downtown.

A. Create and Implement the Office Occupancy Plan

Lead by the Capital City Partnership, Saint Paul economic development partners will create a matrix of action steps based on the 2006 Office Occupancy plan to ensure higher occupancy in downtown. The focus will be on retention of downtown tenants with leases expiring in 2008/2009 and recruitment of tenants as outlined in the Office Space Occupancy Plan.

B. Short-Term Retail Strategy

Given the importance of providing goods and services throughout 2008 related to the Republican National Convention, as well as ensuring the image of Saint Paul conveyed to visitors and media during this period, the City and its partners will develop a short term strategy to attract retail to downtown in 2008.

Because one of the biggest factors impacting the success of existing retail, as well as contributing to a perceived lack of vitality downtown, is the prevalence of vacant storefronts, the City and its partners will begin by filling prominent vacant storefronts. According to the retail study done in 2003 by the Capital City Partnership, existing retailers said, "the second biggest challenge facing retailers, next to short-term parking, was the lack of occupied space. Empty storefronts lead to perceptions of no activity and result in less traffic." After identifying the 20 most visible storefronts, the partners will work with those landlords, with established Twin Cities retailers, and with micro-entrepreneurs to fill those spaces with temporary retail for the period leading up to and including the RNC. The partners may provide financial assistance to offset the cost of leases, fixtures, and moving.

The Partners recognize that it is not possible to artificially force or "create" a market for increased downtown retail. Over the long term, increased growth of downtown retail will be dependent upon success in filling office space and attracting new residents to downtown. It will also depend upon the success of broader revitalization strategies, which include public infrastructure improvements, investments in the arts and entertainment sector and investment in downtown redevelopment. Nevertheless, this short-term retail strategy may lead to the execution of long-term leases.

C. Downtown Façade Improvement Program

An attractive, inviting downtown will not only retain residents, but will also help employers retain employees. Thus, privately-owned buildings must be properly maintained. To assist in this effort, the Downtown Façade Improvement Program will provide funds to building owners for improvements to the

facades of buildings located in the B-4 and B-5 downtown zoning districts. Funds will be available on a first come basis and will be repaid through a special assessment on the building being improved.

Next Steps

The City and its economic development partners will engage the local business community, district councils, and minority, ethnic chambers and business associations to gain feedback on the strategies contained in this document, learn what more can and should be done, and define their and others' roles in the success of achieving our mutual economic development goals.

Conclusion

Committed partners, patience and planning will ensure that Saint Paul achieves its economic development objectives. By working together, by focusing on strategic priorities, and by thoughtful application of incentives to leverage private sector investment, Saint Paul will become the most livable city in America by providing economic opportunity for all its residents.

Addendum

Following are several other strategies that the Partnership will explore implementing in the future:

Automotive Condominium

Support private sector initiatives to develop an automotive service condominium. This project will address land use issues facing automotive businesses and will provide greater opportunity to build this sector and increase employment. This sector is largely immune to outsourcing and is also attractive as it provides employment for a range of skill levels. In addition, automotive service businesses tend to congregate in the same areas as the Invest Saint Paul strategy and are often not welcomed into neighborhoods or viewed as good neighbors. Concentrating them in attractive and economically sustainable space will help address the perceived negatives of this sector.

FIRE (Finance Insurance Real Estate)

Utilizing the Capital City Partnership, the City will work with existing downtown financial and insurance companies to identify vendors and customers who may benefit from being located near these anchor companies and develop CEO to CEO recruitment strategies.

Nonprofits

Saint Paul will build on its strength as home to myriad non-profit entities with a focus on recruiting more non-profits to leased space throughout the City. Nonprofits are a major source of economic health and growth and provide the equivalent of over 45,000 full-time jobs in Saint Paul (including healthcare). They are a major source of personal income and property tax revenues (through leased space and payment in lieu of taxes) and provide services and programs to serve city residents. Employees of nonprofits live in the City at a much higher rate than other industry sectors, so that the City is more likely to gain property and personal income tax revenues from them. Nonprofits also stimulate neighborhoods through their business locations.

Trade Associations/State Capital Support Cluster

Saint Paul will recruit organizations that do business at the State Capital, including trade associations, lobbyists, vendors to state government, etc. An estimated 60% of the more than 140 trade associations in Minnesota conduct business at the State Capital. And, many of these associations own or lease office space in the Twin Cities metro. For-sale and lease space in Saint Paul, both downtown and in areas adjacent to the Capitol complex will be inventoried and marketed to these entities. The City will also work with the Capitol Area Architectural and Planning Board to free-up land for development around the Capitol. Compared with Madison, Wisconsin, for example, Saint Paul's capitol remains isolated and unattractive for adjacent development.

Stimulate Private Development of Market Rate and Rental Housing

The City will continue to support and encourage development of market rate housing to meet demand. The City will leverage public and private sector investments, with a focus on achieving efficient use of resources and land. Incentives will be targeted to dense and unique housing projects, with a priority on projects that revitalize existing buildings. Because students and people in their 20s add immeasurably to the vitality of downtown, the City will also prioritize rental housing projects downtown which are attractive to this demographic.