



The Value of Downtowns: Comparisons

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

A 2021 PUBLICATION CREATED BY
THE INTERNATIONAL DOWNTOWN ASSOCIATION



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The International Downtown Association is the premier association of urban place managers who are shaping and activating dynamic downtown districts. Founded in 1954, IDA represents an industry of more than 2,500 place management organizations that employ 100,000 people throughout North America. Through its network of diverse practitioners, its rich body of knowledge, and its unique capacity to nurture community-building partnerships, IDA provides tools, intelligence and strategies for creating healthy and dynamic centers that anchor the well-being of towns, cities and regions of the world. IDA members are downtown champions who bring urban centers to life. For more information on IDA, visit downtown.org.

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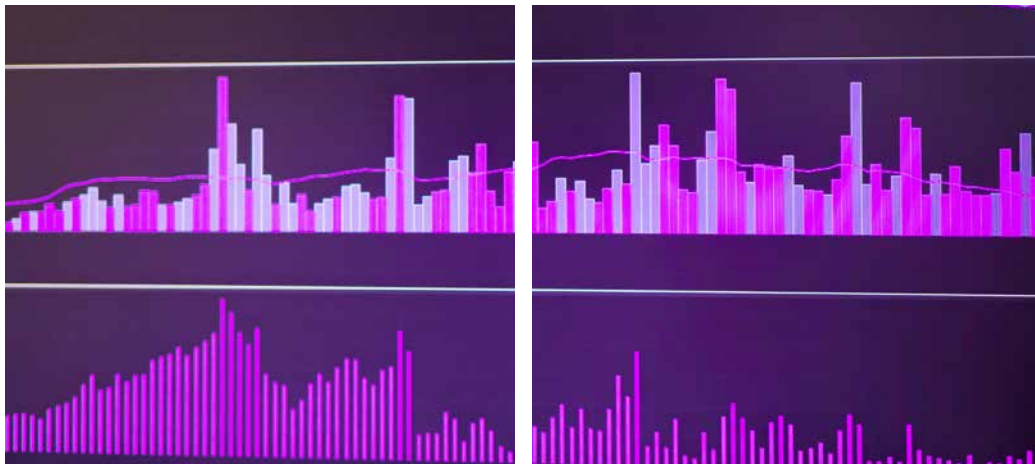
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THE VALUE OF DOWNTOWNS: COMPARISONS



Stantec's Urban Places

Project Advisors for The Value of U.S. Downtowns and Center Cities

Stantec's Urban Places is an interdisciplinary hub bringing together leaders in planning and urban design, transportation including smart and urban mobility, resilience, development, mixed-use architecture, smart cities, and brownfield redevelopment. They work in downtowns across North America—in cities and suburbs alike—to unlock the extraordinary urban promise of enhanced livability, equity, and resilience.

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CONTENTS

Comparative Analysis

Overview	6
Methodology	7
The Value of Downtowns Principles	8
Economy	9
Inclusion	15
Vibrancy	24
Resilience	27
Conclusion	29

Appendix

Benchmarking Downtown Tiers	32
Full List of Value of Downtowns Participants	33

References

Endnotes	35
Photo Credits	35

COMPARATIVE
ANALYSIS



Overview

A medium-sized urban core, downtown Saint Paul has clear appeal and an appetite for growth as shown by low vacancy rates for rentable residential and commercial space. Its proximity to its twin across the Mississippi has cut two ways: Minneapolis's downtown draws activity to the region but also competes with downtown Saint Paul, siphoning of certain industry sectors and tourist traffic. On the whole, Saint Paul offers a compact, less expensive alternative to downtowns of similar scale around the country. An ambitious wave of new development and efforts to boost downtown vibrancy have begun to pull new attention to downtown and stimulate growth.

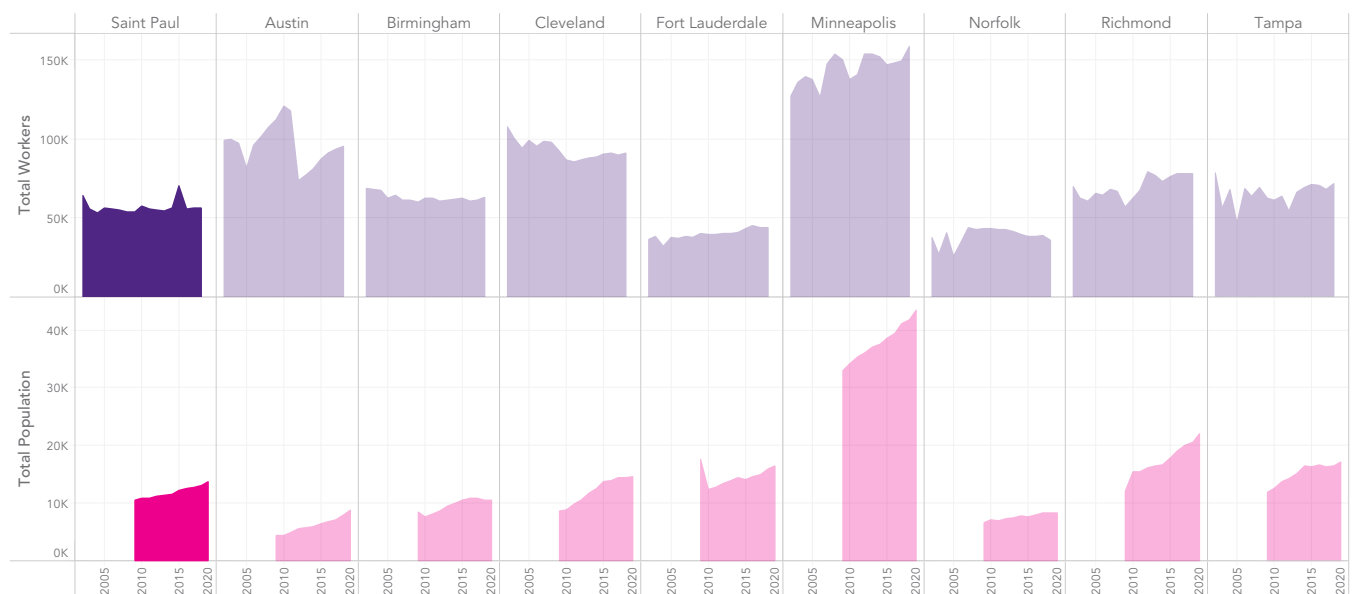
As we collectively reemerge from pandemic lockdowns, the health of urban districts and their ability to rebound concerns many stakeholders, but the density and vibrancy of walkable urban places—what's made them so popular for workers and residents—will draw people back. This density plays a central role in “fostering economic growth, social capital and civic engagement, and healthier, more sustainable communities.”¹ Despite the changes that the pandemic has brought to dense

Key Points

- Downtown fits well with this peer group on most metrics, typically scoring somewhere near the average.
- On some measures, the proximity of downtown Minneapolis likely has an impact on Saint Paul—namely in selected employment sectors and in tourism.
- Downtown Saint Paul ranks as quite inclusive by all measures; representation of racial/ethnic groups and socioeconomic demographics aligns closely with regionwide demographics.

downtowns and urban districts, as recovery begins to take shape, downtowns will continue to serve as the heart of their city. Leading urban thinkers, such as Richard Florida, argue that “given their strategic locations at the very center of major metro areas, Central Business Districts are perfectly positioned to be remade as more vibrant neighborhoods where people can live and play as well as work.”²

Study Area Worker and Resident Population Change Over Time Across Peers



Source: Worker data from On the Map (2002–2018); Resident Population from U.S. Decennial Census (2010) and American Community Survey 5-Year Estimates (2009–2019)

Methodology

IDA worked closely with the Saint Paul Downtown Alliance to define the study area and align it to census tract boundaries for ease of incorporating publicly available data from the U.S. Census. The study area extends beyond the boundaries of the downtown core, as geographic parameters vary across data sources and don't typically align with a place management organization's jurisdiction.

This comparison assesses how downtown Saint Paul performs in key metrics across the principles of economy, inclusion, vibrancy, identity, and resilience. It compares downtown to its peers using three distinct approaches:

1. All Value of Downtowns Participants

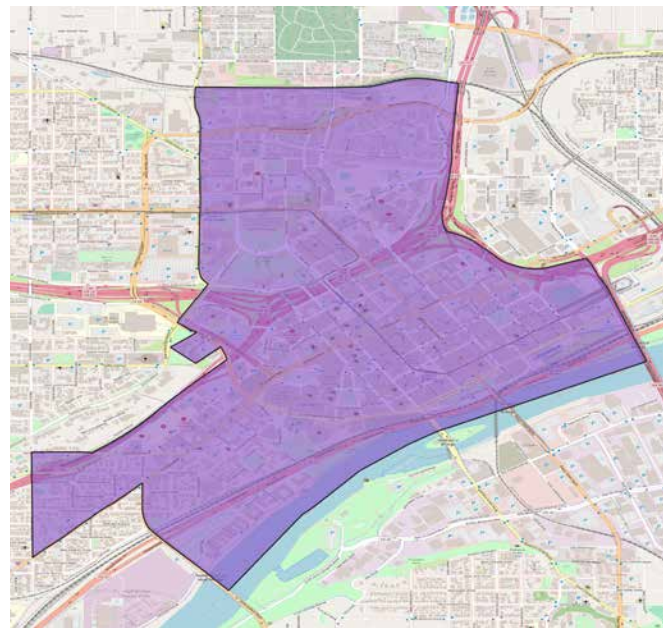
IDA has conducted its *Value of U.S. Downtowns and Center Cities* analysis for more than five years. To date, the study has collected extensive data on 44 downtowns and commercial districts across the country, creating the basis for this comparisons report. The full list of downtowns and their tier classification appears in the Appendix.

2. "Growing" Tier

The *Value of U.S. Downtowns and Center Cities* study series uses the collected data to identify three tiers of districts, defined by their stage of development. Saint Paul falls into the "growing" tier, districts with a lower proportion of citywide significance in jobs and residents—averaging 5% of citywide population and 24% of citywide jobs—but have medium-high densities and noticeable growth across many real estate categories. Smaller downtowns in this tier have the fastest pace of growth of all downtowns in the study.

3. Comparisons Peers

Downtown Saint Paul's peer group includes the downtowns in Austin, Birmingham, Cleveland, Fort Lauderdale, Minneapolis, Norfolk, Richmond, and Tampa. They represent downtowns in our *Value of U.S. Downtowns* database closest to downtown Saint Paul in population, jobs and density. We included Minneapolis despite its larger size, due to its proximity to and regional significance for Saint Paul.



Note: Nearly all data, apart from real estate figures, are pre-pandemic and show the trajectory for downtown Saint Paul and its peers prior to COVID-19. Although the local specifics of recovery could affect patterns of growth in every downtown, on balance we expect a resumption of trends that prevailed up to 2020.

The Value of Downtowns Principles

ECONOMY



Downtowns and center cities are valuable due to their roles as economic anchors for their regions. As traditional centers of commerce, transportation, education, and government, downtowns and center cities frequently serve as hubs of industry and as revenue generators, despite their only making up a small fraction of the city's or region's land area. Downtowns support high percentages of jobs across many different industries and skill levels. Because of a relatively high density of economic activity, investment in the center city provides a greater return per dollar for both public and private sectors than investments elsewhere.

INCLUSION



As the literal and figurative heart of their cities, downtowns represent and welcome residents, employees, and visitors from all walks of life. Residents of strong downtowns often come from a wide range of racial, socioeconomic, cultural, and educational backgrounds, and from across all ages. This diversity ensures that as an inclusive place downtown has a broad appeal to all users and a strong social fabric. Downtowns provide access for all to opportunity, essential services, culture, recreation, entertainment and civic activities.

VIBRANCY



The ability of vibrant places to attract visitors and new residents, as well as a regionwide consumer base, creates value. Vibrancy means the buzz of activity and excitement that comes with high-quality experiential offerings like breweries, restaurants, theatres, or outdoor events. Many unique regional cultural institutions, businesses, centers of innovation, public spaces and activities are located downtown. As the cultural center of their cities, downtowns typically attract a large share of citywide visitors and account for a large share of citywide hotels and hotel rooms.

IDENTITY



Downtowns and center cities often serve as iconic symbols of their cities, creating a strong sense of place that enhances local pride. The authentic cultural offerings in downtown enhance its character, heritage, and beauty, and create an environment that other parts of the city can't easily replicate. Combining community history and personal memory, a downtown's cultural value plays a central role in preserving and promoting regional identity. Downtowns and center cities serve as places for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civic society.

RESILIENCE



Downtowns and center cities play a crucial role in building stability, sustainability, and prosperity for the city and region. Their diversity, concentration of economic activity, and density of services better equip them to adapt to economic and social shocks than more homogenous communities. They can play a key role in advancing regional resilience, particularly in the wake of economic and environmental shocks, which often disproportionately affect less economically and socially dynamic areas.

Economy

Downtowns play a central role in the regional economy due to their concentration of employment, commercial real estate, and tax-revenue generation. The average downtown represents about three percent of all citywide land but contains one-quarter of a city's jobs, contributes 17% of property tax revenue, and commands the city's highest commercial real estate values per square foot.



Employment

	DOWNTOWN SAINT PAUL	GROWING AVERAGE	COMPARISONS GROUP AVERAGE	STUDY AVERAGE
GROWTH IN EMPLOYMENT (2002–2018)	-12%	38%	7%	19%
CITYWIDE JOBS	34%	24%	33%	25%
CITYWIDE KNOWLEDGE JOBS	44%	27%	39%	28%
CITYWIDE CREATIVE JOBS	72%	34%	44%	33%
RESIDENTS WITH A BACHELOR'S DEGREE OR HIGHER	58%	57%	60%	49%

Source: LEHD On the Map (2018) and American Community Survey 2015–2019

Job Growth

Downtown has 34% of citywide employment, a strong concentration on par with other downtowns in the peer group and one that beats the averages of both growing downtowns and all study downtowns. Leading that concentration are knowledge jobs, which tend to be well-paying and fast-growing. In Saint Paul's case these knowledge jobs fall largely in the health care and finance and insurance sectors. According to research from the Brookings Institution, these sectors, particularly "information, finance, and professional and business sectors demonstrated both strong job growth and a consistent preference for downtowns."³ Early trends indicate that these sectors, "despite having jobs with a high potential for remote work [...] tend to require more office time,"⁴ which will aid downtown as the economy slowly recovers from COVID.

Growth in employment has remained a chronic challenge for downtown, but a close examination looks less harsh than the raw numbers suggest. Downtown has yet to fully recover from a sudden drop in employment it experienced

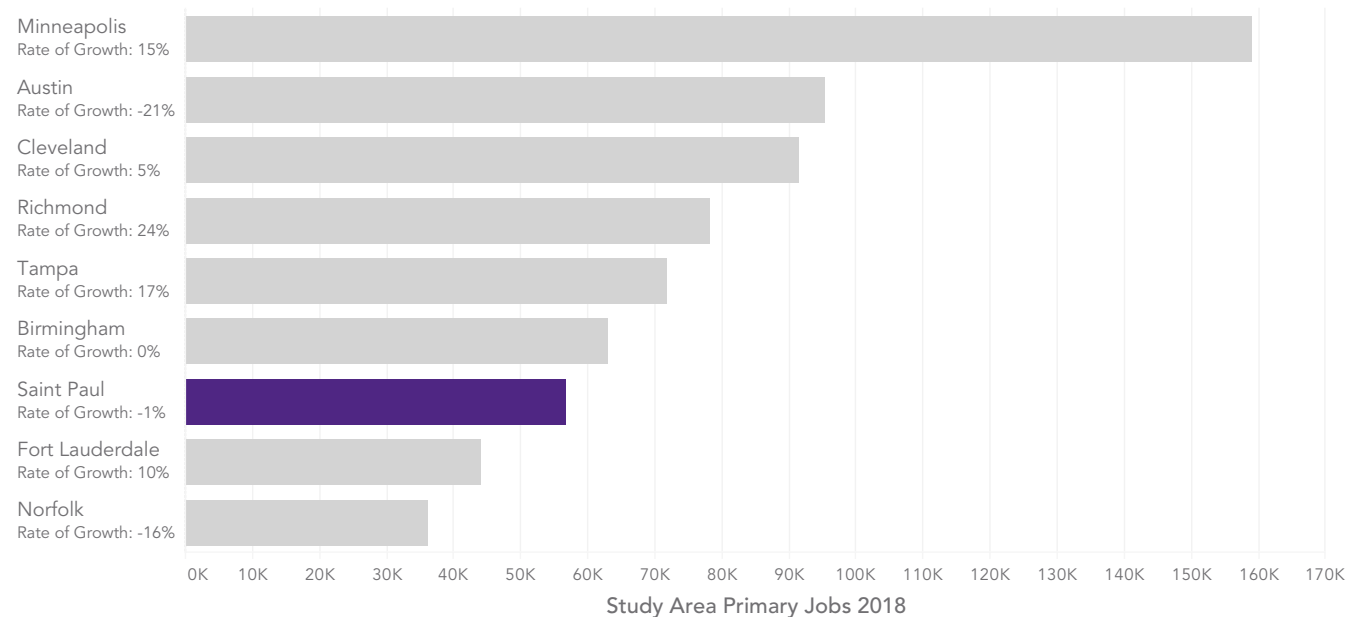
in the early 2000s. The 12% loss shown in the table occurred almost entirely before 2005; since then, downtown's total jobs have held roughly steady at around 56,000. Ideally, jobs would have grown, but keeping employment steady through the Great Recession to the present demonstrates a resilient economic foundation.

Creative jobs—arts, entertainment, and recreation—cluster in downtown, even more so than in Saint Paul's peers. Downtown's 72% (2,200) of citywide creative jobs underscores its role as the center of cultural experiences for the city, but downtown does face competition from downtown Minneapolis, which has 3,700 of these jobs. Still, downtown Saint Paul offers incredibly strong cultural draws, including sports venues like CHS Field and Xcel Energy Center; arts attractions like Ordway, Park Square Theater, and Palace Theater; and museums such as the Science Museum of Minnesota. These and more make it a strong regional draw for cultural experiences.

The majority of downtown residents have completed some kind of higher education, in line with other fast-growing downtowns in the growing tier and fitting in among this peer group. The wealth of educated talent living downtown acts as a strong draw for prospective employers seeking talent, and downtown leaders understand this. In an article on the subject, Aaron Barnard, a senior director with C&W/NorthMarq, said “the talent pool is moving downtown, and it’s coming from all age groups and demographics. This is a place where employers will look to attract the best talent and maintain that talent.”⁵

Among its peers, downtown has shown the third-lowest job growth since the early 2000s, with few notable changes since the pre-2005 job loss. Notably, however, downtown weathered the Great Recession surprisingly well. Several peer downtowns, even those that finished with a positive growth rate, saw sharp employment loss between 2008 and 2011. By contrast, Saint Paul saw minimal change in employment—in fact jobs grew slightly, by 3%.

Downtown Jobs Comparison 2010–2018



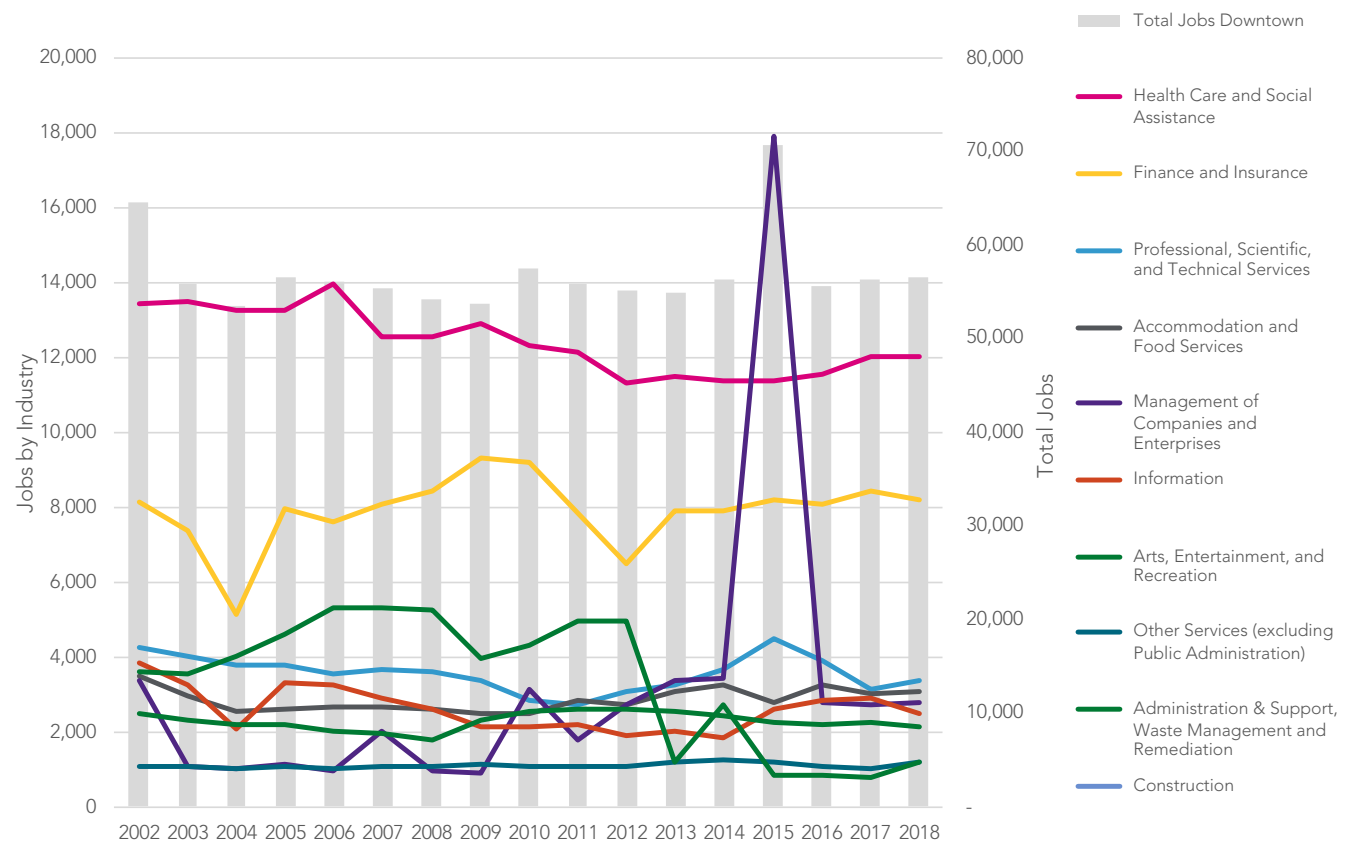
Source: LEHD On the Map 2010–2018

Jobs by Industry

The chart of job totals by sector over time shows that even in the absence of net growth in downtown employment, different sectors saw plenty of movement, with sporadic gains and losses in the top 10 industries. The chart shows that the loss of jobs in the early 2000s occurred largely in three sectors: management of companies and enterprises; public administration; and information. Two sectors outside the top 10, wholesale trade and retail trade, also saw sharp losses in the early 2000s. Since then, both public administration and management of companies and enterprises have rebounded, but wholesale retail and retail trade have not returned to 2002 levels.

The peers chosen for a comparison of jobs by sector most closely match Saint Paul on industry breakdown and scale; this comparison also includes Minneapolis. Public administration leads downtown employment (30% of jobs), followed by health care (21%) and finance and insurance (14%). Together, these three sectors account for 65% of downtown's jobs. In terms of scale and industry presence, Richmond looks like downtown's closest match, with employment figures in the three sectors most comparable to those in Saint Paul. The chart also shows Minneapolis's influence as a regional competitor. A downtown of Saint Paul's scale would typically have more workers in the professional, scientific, and technical services sector, which typically concentrates in dense urban places. On average these jobs make up 12% of a downtown's employment, but here they only account for 6%. Meanwhile these jobs make up 22% of jobs in downtown Minneapolis, where the sector has grown 45% since 2002.

Job Change in Top 10 Industries Downtown

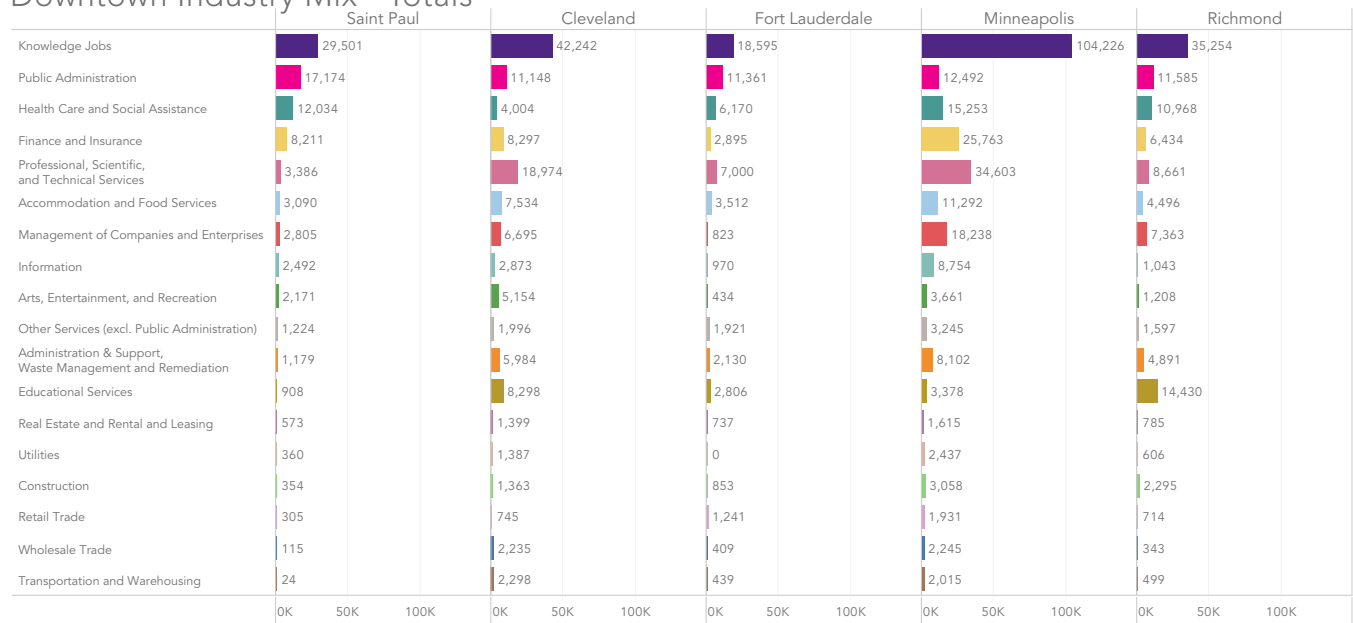


Source: LEHD On the Map (2002–2018)

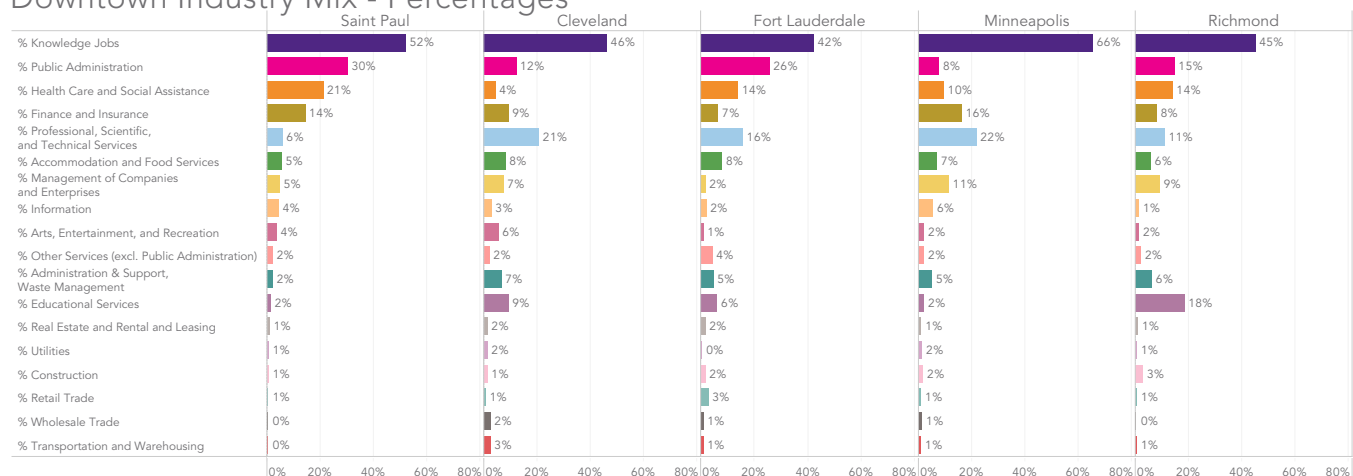
Among its peers in the below charts, downtown Saint Paul relies most heavily on its top industries; employment in the rest divides among more sectors. While 30% might look like a lot of jobs dedicated to public administration, many participants outside this peer group rely much more heavily on public administration; in one downtown it reaches 60%. Despite some negative stereotypes, public administration represents a desirable sector to have in downtown. It stands as one of the most resilient areas of employment and offers its workers good pay and benefits.

Looking at a breakdown of employment by percentage shows how much downtown's economic DNA resembles that of Fort Lauderdale and Richmond, but with more concentration in its top industries. By contrast, Cleveland counts a much higher share of its jobs in professional, scientific, and tech with fewer jobs concentrated in Saint Paul's main sectors. How a downtown similar in scale to Saint Paul has succeeded in attracting these jobs merits exploration. While not chosen as a peer for comparison, due to its smaller size, Durham, North Carolina, may also deserve study for its success in building the same sector despite regional competition from a larger neighbor, Raleigh.

Downtown Industry Mix - Totals



Downtown Industry Mix - Percentages

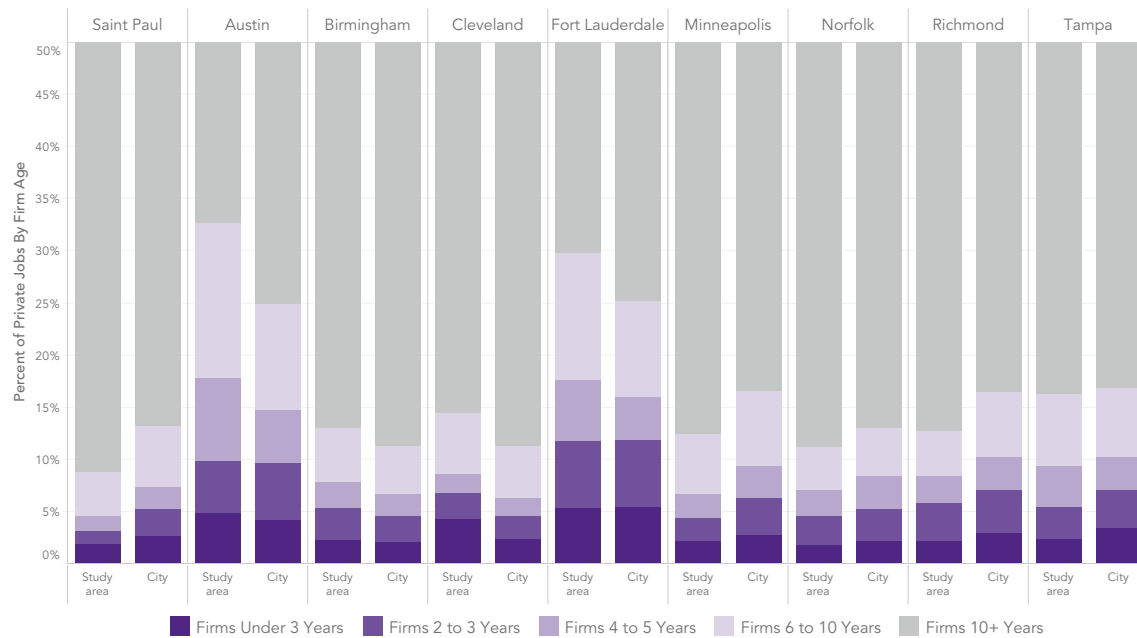


Source: LEHD On the Map (2018)

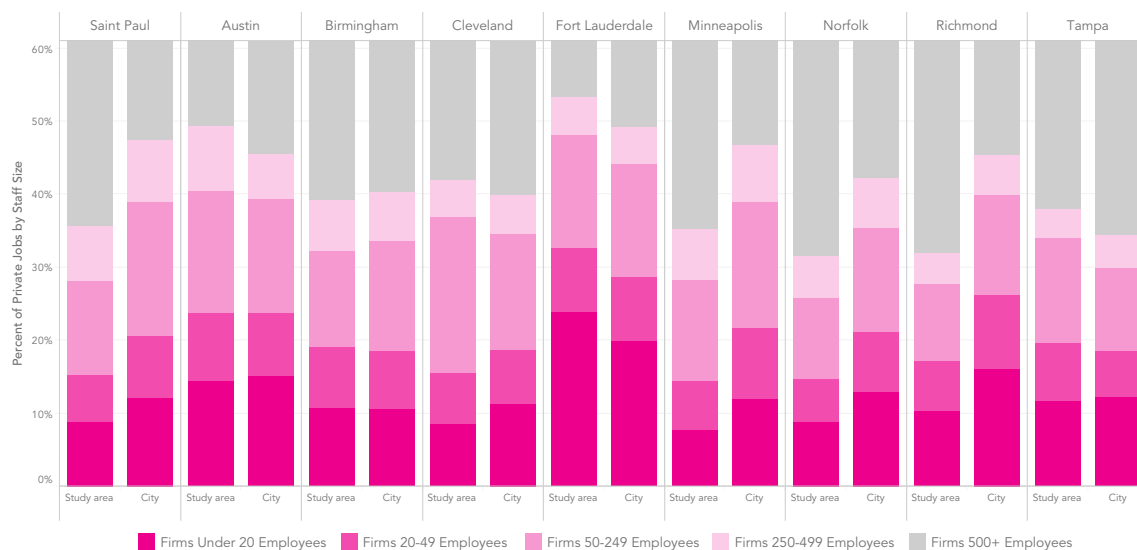
Entrepreneurial and Small Business Environment

Focusing on private jobs provides a clearer picture of the dynamic business environment. Within the peer group, downtown has the lowest share of jobs at firms younger than 11 years old (9%) and one of the lowest shares at firms with fewer than 500 employees (36%). These numbers have improved since 2011, with particularly encouraging increases in the number of people working at firms of fewer than 20 people (up 20%) and the number working at firms less than 3 years old (up 22%).

Entrepreneurial Environment - Jobs by Firm Age



Entrepreneurial Environment - Jobs by Firm Size

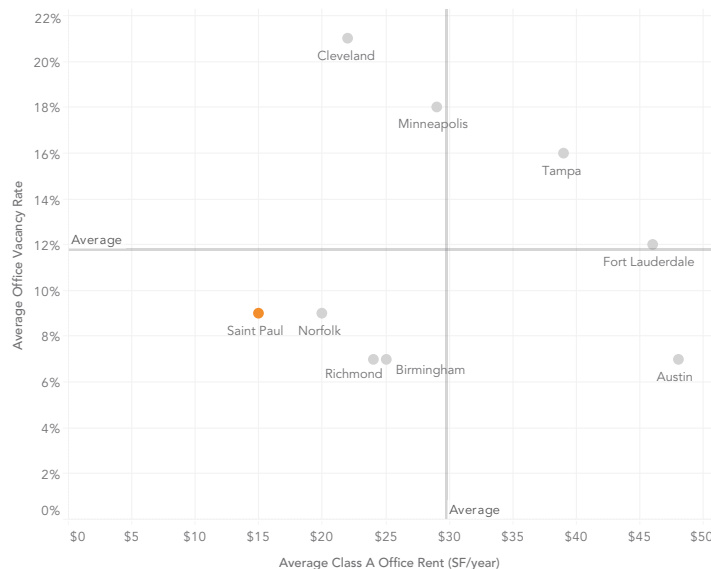


Source: LEHD On the Map (2017)

Office Rent and Vacancy

The cost of renting downtown office space falls well below the peer group average—in fact, it makes Saint Paul the most affordable in the comparison. Minneapolis's costs per square foot are nearly twice as expensive, despite a much higher vacancy rate. On vacancy, Saint Paul and Norfolk land in the middle of the pack. In tandem, these figures show that even though demand for office space exists within downtown, it hasn't yet become strong enough to drive rental prices up.

Office Rent and Vacancy (Most Current Data Year)



Source: All rents and vacancies are the most recent available in each downtown, which could be from Q12021 or Q42020. Sources include JLL, Colliers, CoStar, and Cushman & Wakefield, as reported by each local partner.

Assessments

Downtown generates \$3.14 billion in assessed value per square mile and accounts for 14% of citywide assessed value. These figures land the study area just slightly below the growing tier average and overall study average, but they put it below the comparisons group average thanks to particularly high assessed values in Austin and Norfolk. This demonstrates the solid concentration of value expected in a downtown of this scale and density. As a proportion of citywide value, downtown falls a few percentage points behind the comparison downtowns, mostly because Saint Paul itself has a high citywide assessed value per square mile of \$703 million, fifth highest in the full study cohort.




Land Value and Assessment

	DOWNTOWN SAINT PAUL	GROWING DOWNTOWNS	COMPARISON GROUP AVERAGE	STUDY AVERAGE
AVERAGE ASSESSED VALUE PER SQUARE MILE	\$3.14B	\$3.47B	\$5.4B	\$3.3B
% OF CITYWIDE ASSESSED VALUE	14%	20%	18%	14%
% OF CITYWIDE PROPERTY TAX	13%	16%	16%	22%

Source: Metro GIS (2021) and assessor's office in each UPMD partner city or county.

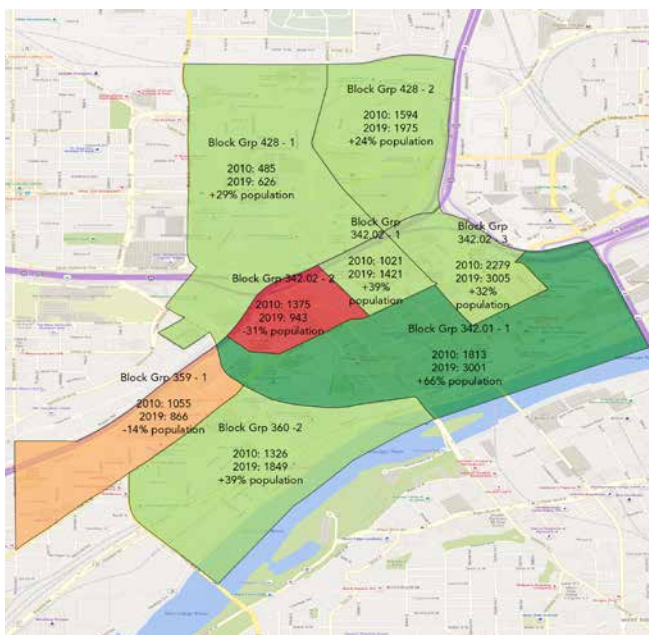
Inclusion

As the economic center and heart of the city, a downtown must include all populations and represent the city around it. Downtowns and center cities provide access to opportunities and essential services for diverse users, positioning them as highly inclusive urban nodes. On average, residents of study downtowns are 46% non-white and 18% foreign-born; 48% hold a bachelor's degree or higher. In most downtowns a large share of the population falls between the ages of 18 and 34, on average accounting for 41% of residents.

 Residents	CORE DOWNTOWN SAINT PAUL	DOWNTOWN SAINT PAUL	GROWING AVERAGE	COMPARISONS GROUP AVERAGE	STUDY AVERAGE
% OF CITYWIDE POPULATION	2.7%	4.5%	5%	6%	5%
% OF CITYWIDE 25-TO-34-YEAR-OLDS	4.6%	6%	6%	9%	7%
RESIDENT GROWTH AVERAGE 2000–2019	55%	35%	61%	61%	40%
DENSITY RESIDENTS / ACRE	21	13	9.7	13	11.7
DIVERSITY INDEX	58.6	66.5	59.8	62	62.8

Source: American Community Survey 2015–2019 and ESRI Business Analyst

Downtown Saint Paul Population Change 2010–2019

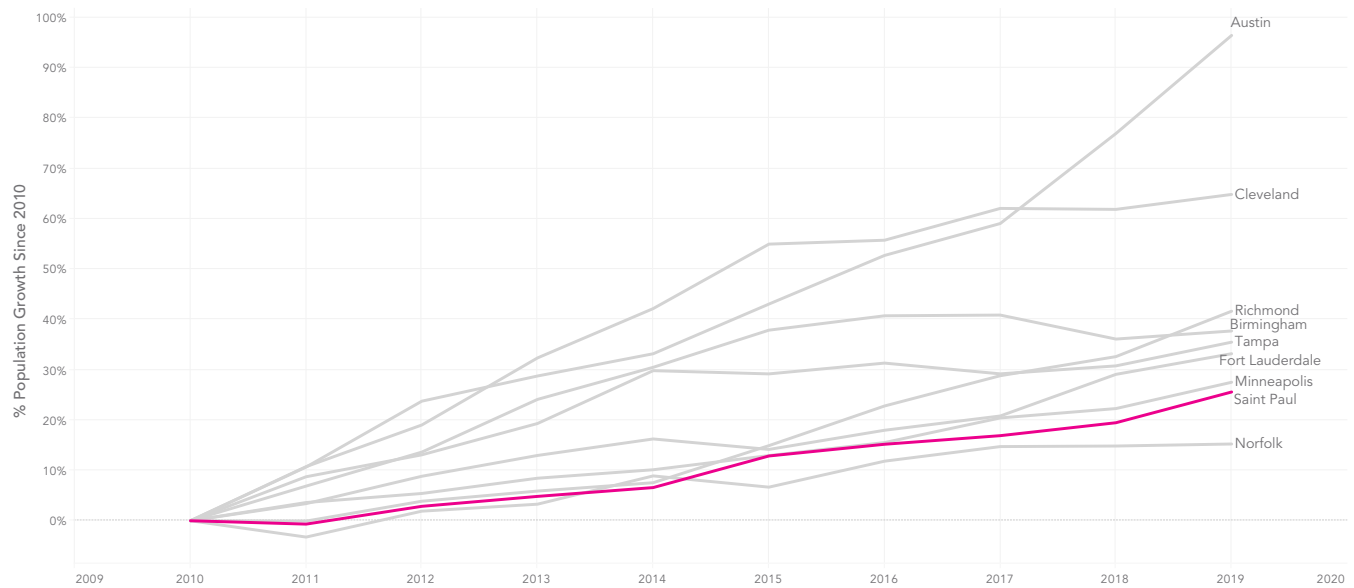


With 4.5% of the city's population downtown, Saint Paul stands on par with the averages for its growing-tier and comparison-group peers. Its population growth rate, at 35%, is fairly strong, although downtowns such as Austin and Cleveland—including in the tier and the comparison group—grew by 128% and 105%, respectively, which significantly raised the averages for both groups. In the smaller downtown core (south of I-94 and east of Kellogg Boulevard), residential population has grown by 55%. The accompanying map further highlights differences in growth rates from 2010 to 2019 among different parts of downtown, from a 66% increase in Block Group 342.02-1 to a 31% decline in adjacent Block Group 342.02-2. On the whole, however, both the denser core and the larger study area have gained population.

Population Growth

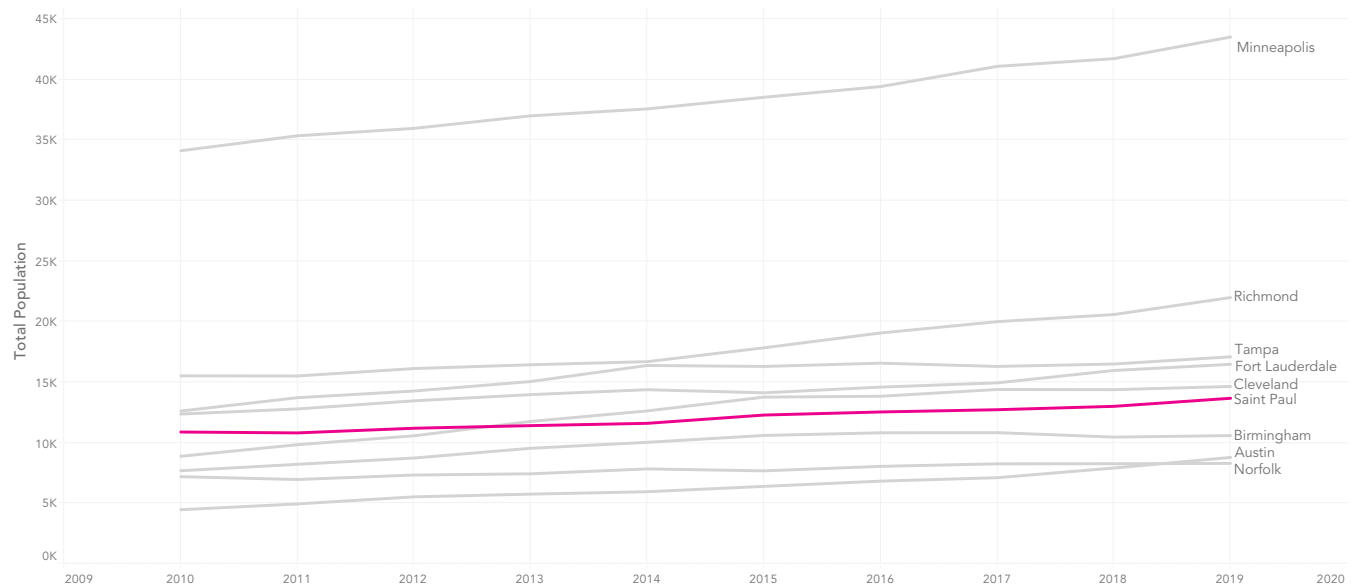
Within the tier of rapidly growing downtowns, Saint Paul registered the second-slowest rate of growth from 2010 to 2019. Slow-but-steady growth, however, may prove more sustainable; several faster-growth downtowns, like Birmingham's and Cleveland's, saw growth slow or fall during the period, while growth in Saint Paul seemed to gain momentum.

Population Growth - Percentage



Source: American Community Survey 5-Year Estimates (2010–2019)

Population Growth - By Year



Source: U.S. Decennial Census (2010) and American Community Survey 5-Year Estimates (2009–2019)

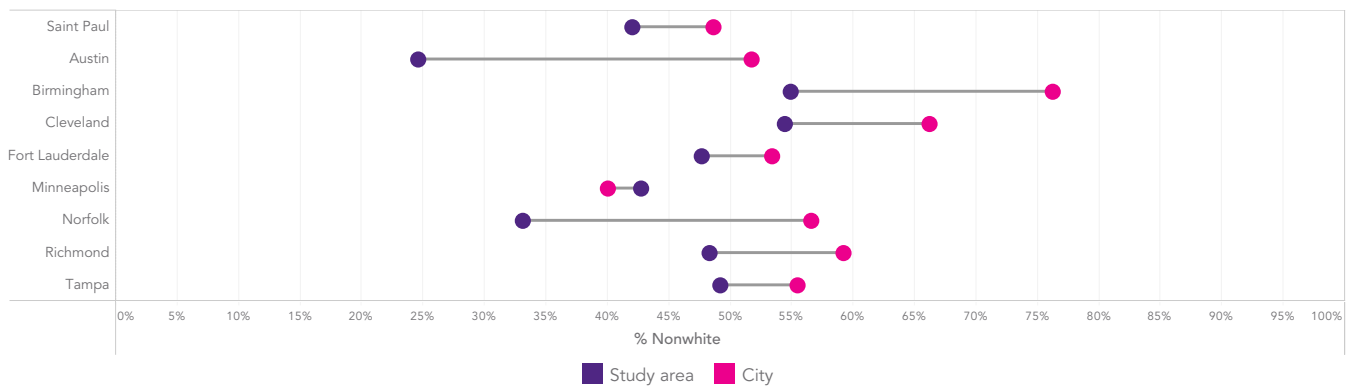
Race and Diversity

Downtown residents comprise a mix of racial groups: 58% White, 20% Black, 12% Asian, 4% Hispanic or Latino, and 5% of two races or more. Downtown has a slightly lower share of nonwhite residents (42%) than the rest of the city (49%). Nevertheless, their relatively similar shares suggest that downtown largely reflects citywide demographics.

Considering the mix of racial groups offers another way to evaluate diversity, with downtowns with more racial and ethnic groups considered more diverse than those with one dominant group. Downtown achieves a score of 66, slightly less than the entire city, but on the whole its mix of demographic groups matches citywide proportions fairly well. Amongst its peer downtowns, it has the third-highest score on the Diversity Index.

The Diversity Index measures the likelihood that any two randomly selected people within an area will identify as a different race or ethnicity.

Percentage of Nonwhite Residents Study Area to City

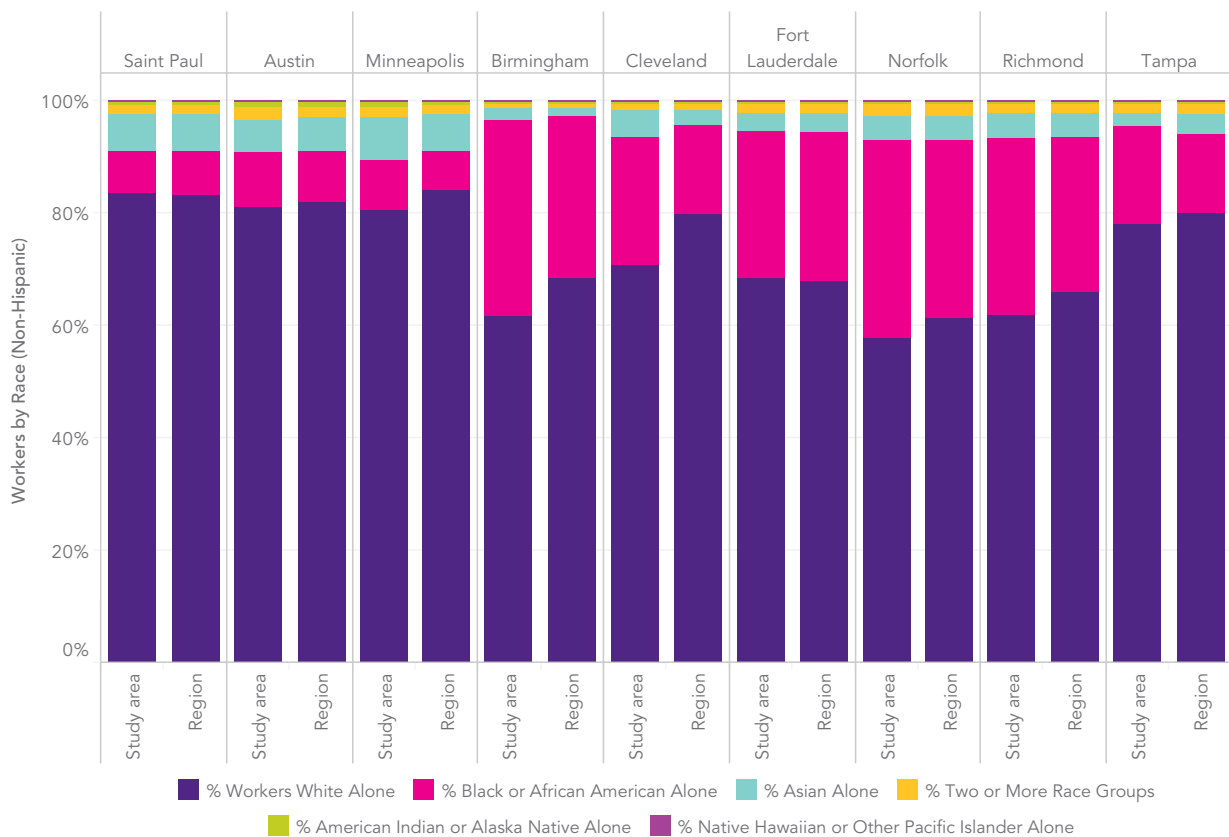


Source: American Community Survey 5-Year Estimates (2015–2019) *Nonwhite includes residents who are of Hispanic/Latino ethnicity

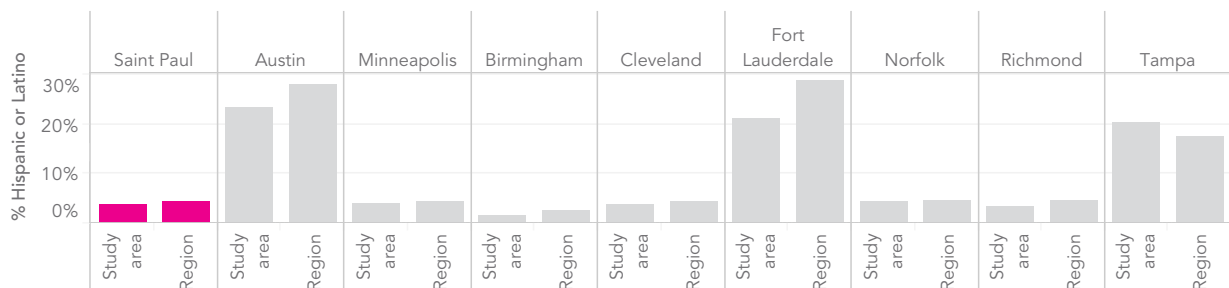
Employment by Race

Turning to worker diversity, downtown employees are 84% White, 7% Asian, 7% Black, and 2% of two races or more. 4% of workers identify as Hispanic or Latino ethnicity. (The percentages don't add to 100% because some people of Hispanic ethnicity also identify as White, Black, Asian, or other racial categories). The downtown workforce's racial and ethnic representation nearly matches the region's. That alignment suggests that workers of all races can find employment opportunities as easily within downtown as in the region at large.

Workers by Race



Workers by Race % Hispanic or Latino



Source: LEHD On the Map (2018)

Workers by Hispanic or Latino ethnicity are displayed on a second chart as the workers by race data does not separate out Hispanic/Latino from the other racial groups.

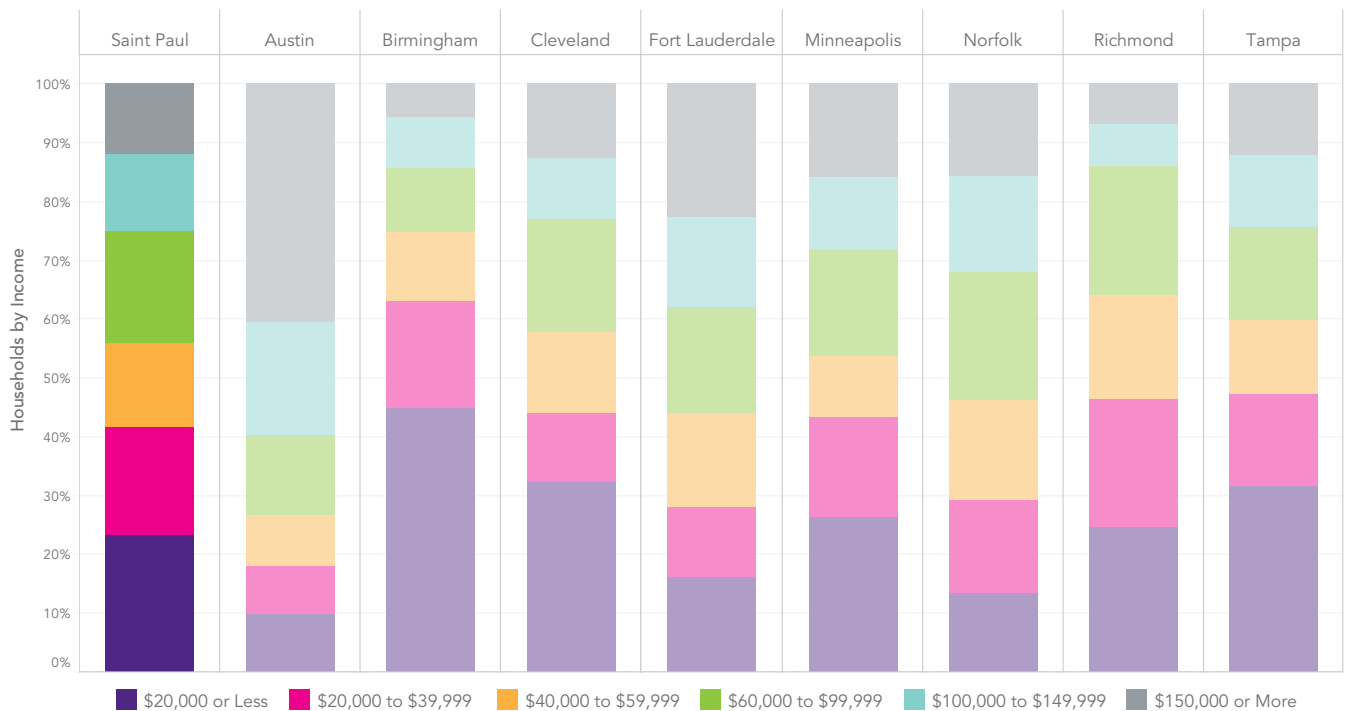


Income and Housing

	DOWNTOWN SAINT PAUL	GROWING TIER AVERAGE	COMPARISON GROUP AVERAGE	STUDY AVERAGE
MEDIAN HOUSEHOLD INCOME	\$51,614	\$57,778	\$65,213	\$50,298
MEDIAN GROSS RENT	\$1,111	\$1,325	\$1,356	\$1,156
MEDIAN HOME PRICE	\$220,813	\$461,379	\$318,790	\$367,228

Source: American Community Survey (2015–2019)

Percent of Households by Income



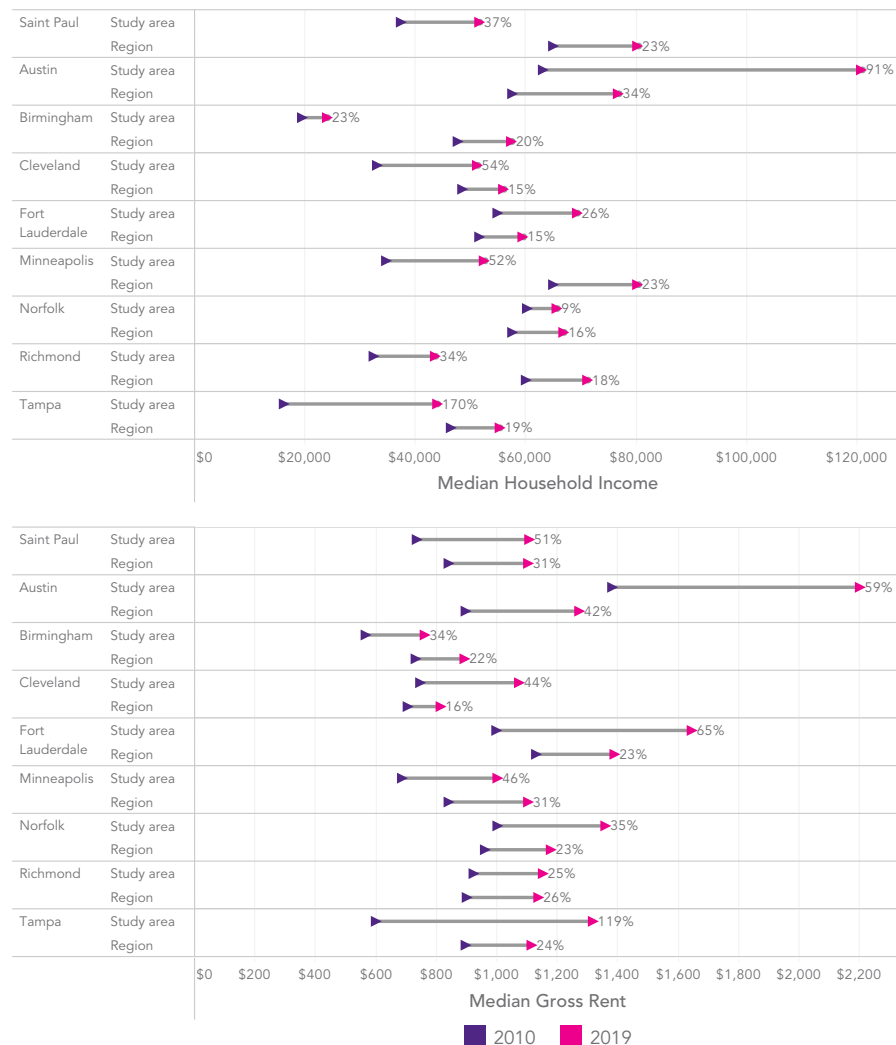
Source: American Community Survey 5-Year Estimates (2015–2019)

Household Income and Affordability

At more than \$50,000 annually, downtown's median household income lands in the ballpark of the growing tier and the study averages but falls about \$14,000 short of the comparison-group average. Relative to these groups, downtown offers more affordable rental units and significantly greater opportunities for affordable homeownership. Relative to the region, a much higher proportion of downtown households earn less than \$20,000 and \$20,000 to \$39,999 annually, and a smaller proportion of households reach the highest income brackets. In fact, downtown looks quite similar to downtown Minneapolis on this metric, except for the \$150,000-plus income bracket, where Minneapolis has notably more households. In the regional context, again, downtown Saint Paul appears quite affordable. Many peer downtowns present the opposite profile, with wealthy households accounting for much larger shares of downtown housing than in the region.

Median household income downtown has risen by 37% (\$14,000) since 2010, outpacing the regional gain of 23% (\$15,000) but not yet matching regionwide value. Median gross rent downtown has increased 51% (\$373) to draw even with the regional median. Peer downtowns show no universal trend, but nearly all saw median income and rent rise faster than they did regionally. Tampa, Fort Lauderdale and Austin in particular saw dramatic changes in income and rent.

Household Income and Rent Growth Over Time Study Area and Region

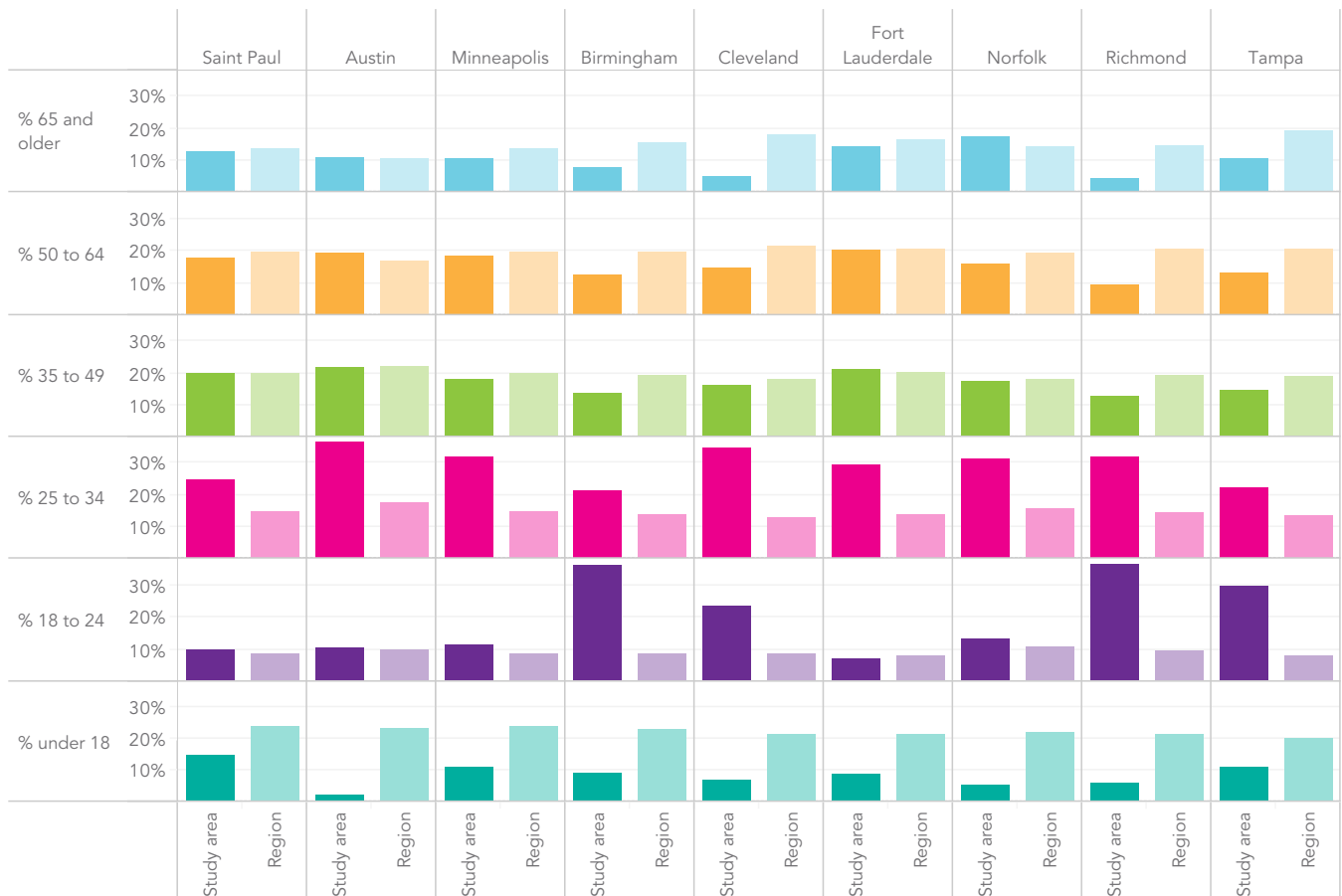


Source: American Community Survey 5-Year Estimates (2006–2010, 2015–2019)

Age

Compared to the region, downtown has a smaller share of children under 18 (15%) but a greater share of residents aged 25 to 34 (25%). We see this across the peer group and as a notable trend study-wide. In a few peer downtowns—Birmingham, Richmond and Tampa—18- to-24-year-olds claim the biggest share of downtown population due to the presence or proximity of college campus.

Residents by Age

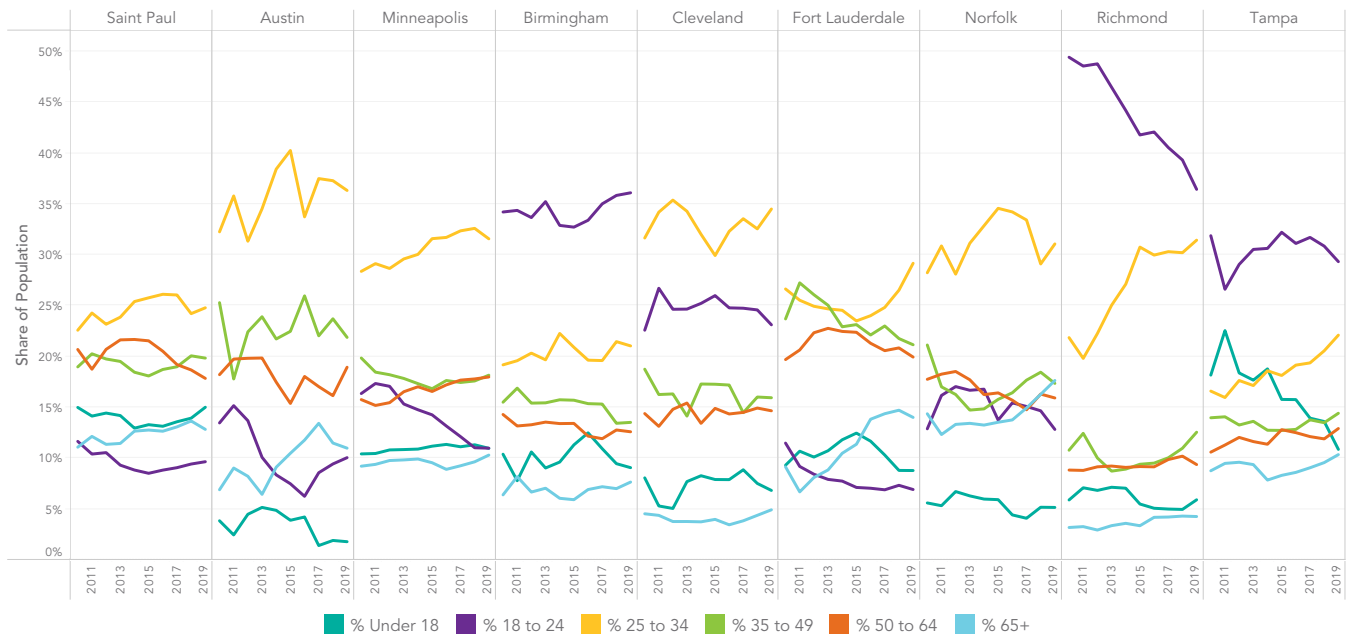


Source: American Community Survey 5-Year Estimates (2015–2019)

Residents by Age over Time

Over time downtown has seen residents aged 25 to 34 become the dominant age bracket, mirroring a trend in the entire peer group. In fact, apart from the downtowns with large universities, the 25-to-34 age group has become the dominant group in each downtown.

Percent of Residents by Age Over Time

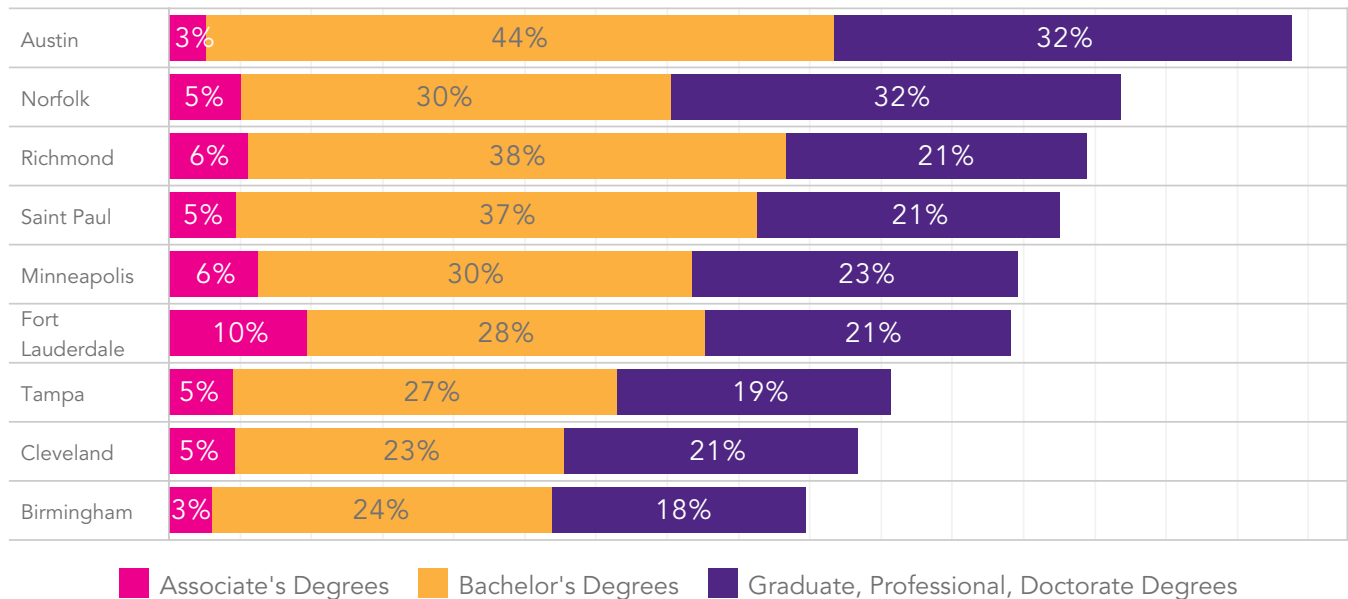


Source: American Community Survey 5-Year Estimates (2010–2019)

Residents by Education

Downtown Saint Paul ranks as the fourth most-educated downtown in this peer group, with 63% of residents having completed some form of higher education. This share puts downtown slightly ahead of downtown Minneapolis. Downtown has the third-largest share of residents with bachelor's degrees and lands in the middle of the pack for residents with advanced degrees.

Percent of Residents by Education



Source: American Community Survey 5-Year Estimates (2015–2019)

Vibrancy

Vibrancy and urban amenities make downtowns rich, attractive environments. Thanks to density of people and connectivity to jobs, resources, and amenities, downtowns support a vibrant variety of uses. Study downtowns outpaced their respective cities in residential growth between 2000 and 2018, growing an average of 40% against a group citywide average of 15%. Downtowns also serve as regional centers of shopping, nightlife, and entertainment. The average study downtown accounts for 12% of all citywide retail sales dollars, contains 32% of all hotel rooms, and generates \$452 million in retail sales per square mile—more than five times the citywide average.

Downtown generates 12% of citywide retail sales, which equals roughly \$301 million across 222 storefront businesses. The measures of density in the table look relatively low against the comparison metrics due to the way retail clusters within the study area. Certain parts of downtown, such as Lowertown, the area around CHS Field, have corridors of dense storefronts, while other parts, such as the area around the administrative buildings near City Hall, have few storefronts.



Retail

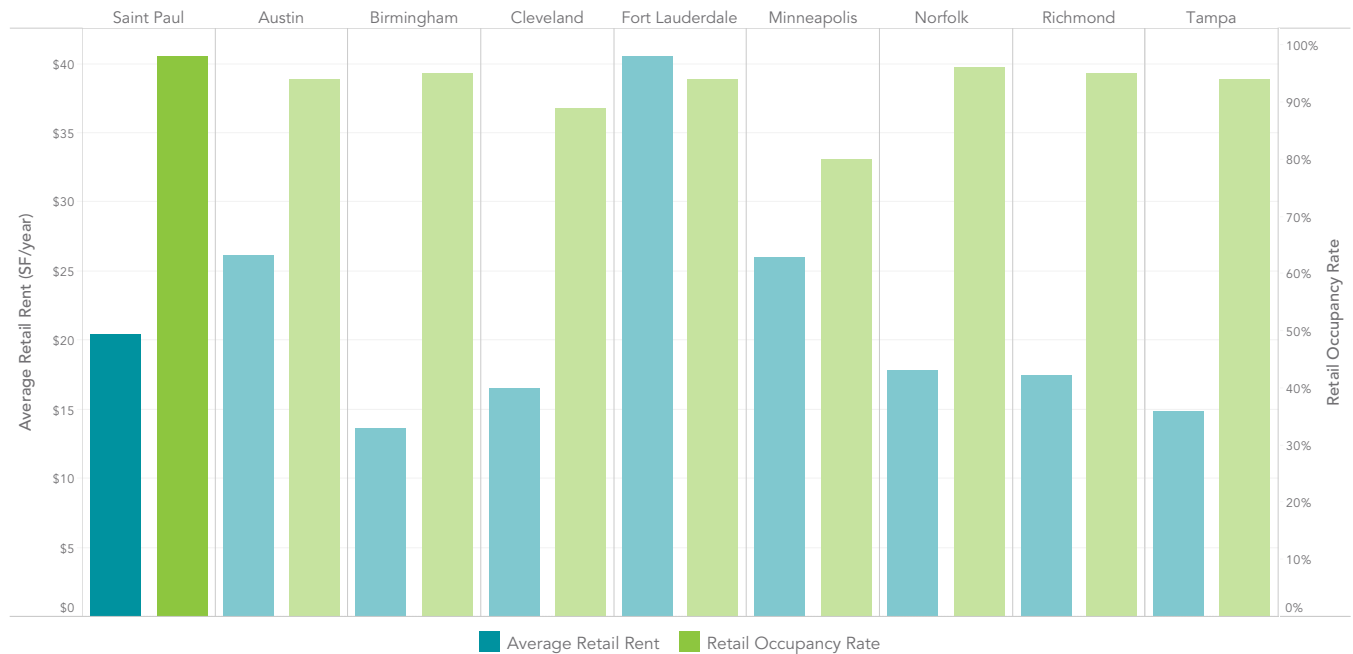
	DOWNTOWN SAINT PAUL	GROWING TIER AVERAGE	COMPARISON GROUP AVERAGE	STUDY AVERAGE
% CITYWIDE RETAIL SALES	12%	10%	14%	11%
RETAIL SALES PER SQUARE MILE	\$181M	\$302M	\$246M	\$390M
RETAIL BUSINESSES PER SQUARE MILE	134	230	198	263

Source: ESRI Business Analyst

Retail

The average retail rent in downtown runs \$21 per square foot with only 2% vacancy in 2021. This 98% occupancy rate for retail space ranks highest in the peer group, yet the price per square foot remains competitive to comparable places. Clearly, demand for downtown retail space exists, and an occupancy rate this high suggests sufficient demand for building more.


Retail Price Per Square Foot and Occupancy Rate



Source: All rents and vacancies are the most recent available in each downtown, which could be from Q12021 or Q42020. Sources include JLL, Colliers, CoStar, and Cushman and Wakefield reported by each local partner.

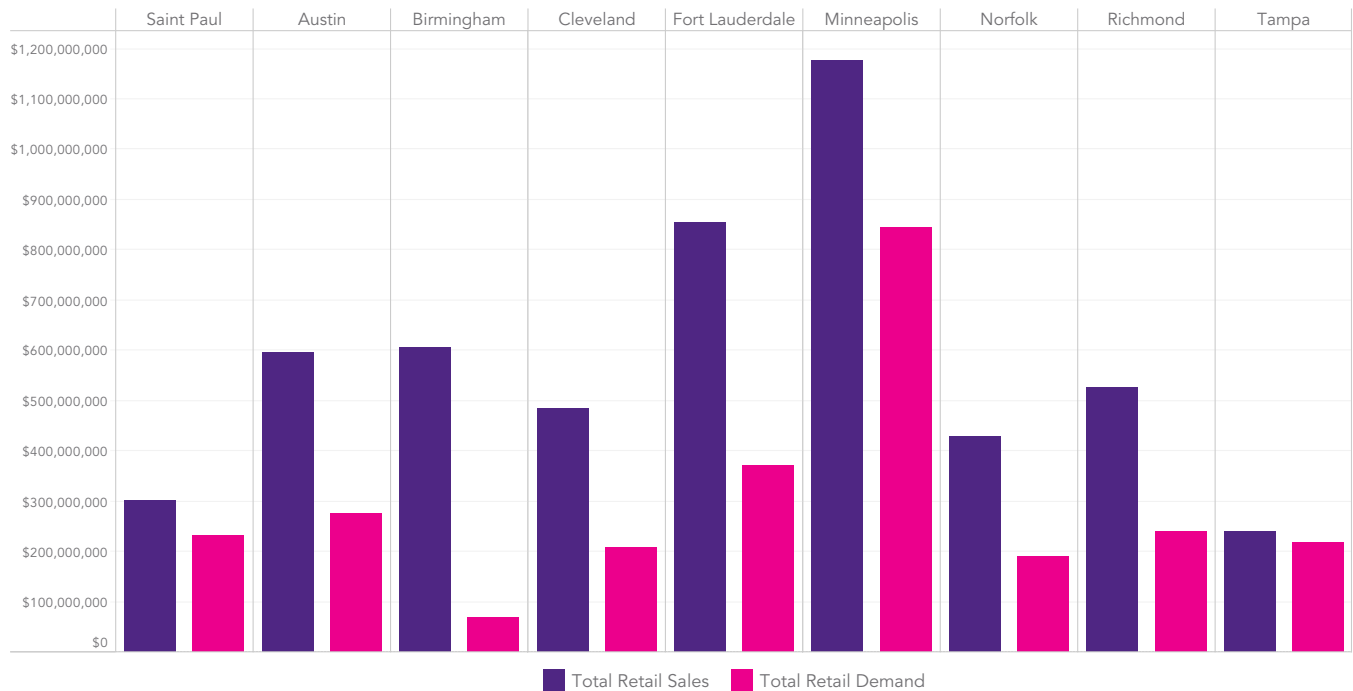
Hotels

Downtown has relatively few hotels and hotel rooms compared to other downtowns of similar scale—less than half of any of the comparison averages. Again, competition with Minneapolis, a direct competitor for tourism 37 hotels and 8,700 hotel rooms, may suppress the Saint Paul figure.

	Hotels	DOWNTOWN SAINT PAUL	GROWING TIER AVERAGE	COMPARISON GROUP AVERAGE	STUDY AVERAGE
	HOTELS	8	35	40	21
	HOTEL ROOMS	1,572	3,699	5,639	4,599

Source: All urban place management organization partners in the Value of Downtowns study. See full list of downtowns in the Appendix.

All Retail + Food and Beverage Sales and Resident Demand



Source: ESRI Business Analyst (2017)

Retail demand represents estimated spending by residents on retail and/or food and beverages. Of course, this spending doesn't take place exclusively in the study area; some portion occurs outside of downtown. Because we lack reliable data linking purchases and location, however, we use the full figure for this comparison between spending and demand across all peer downtowns.

Retail Sales and Demand

With the second-lowest figure in the peer group, downtown's total retail sales almost match the demand generated by its residents. This indicates that retail offerings downtown don't attract many workers and visitors, as we typically see that sales in downtowns with strong retail far exceed the demand generated by downtown residents. In particular, food and beverage sales in downtown far exceed resident demand, indicating that downtown restaurants act as destinations, making lots of sales to workers and visitors.

To give this finding further context, several downtowns on this list represent the only dense urban core in their region. Saint Paul, of course, competes with Minneapolis, which generates significantly higher retail sales, as a regional draw for retail and food and beverage. While still a notable weak point, this unusual situation bears considering when comparing downtown to its peers.

Data suggests growth in downtown retail. Between 2010 and 2018 the accommodations and food services industry added 500 employees and retail trade added 300, signaling momentum and storefront growth.

Resilience

The mixed-use nature of a downtown puts residential and commercial uses alongside each other, connected by a variety of mobility options. Downtowns in this study consistently rank significantly higher than their cities on the 100-point scales of Walk Score (86 downtown, 49 city), Transit Score (61 downtown, 35 city), and Bike Score (77 downtown, 52 city). Diversity and density of economic activities, resources and services equip downtowns to rebound from economic, social, and environmental shocks and stresses more easily than other parts of the city and region.

Health

Although existing data don't yet say much about COVID recovery, community health generally serves as a critical element of downtown's social resilience. Downtowns that have greater access to green space and residents with more access to health insurance have longer life expectancies and enjoy a higher quality of life.

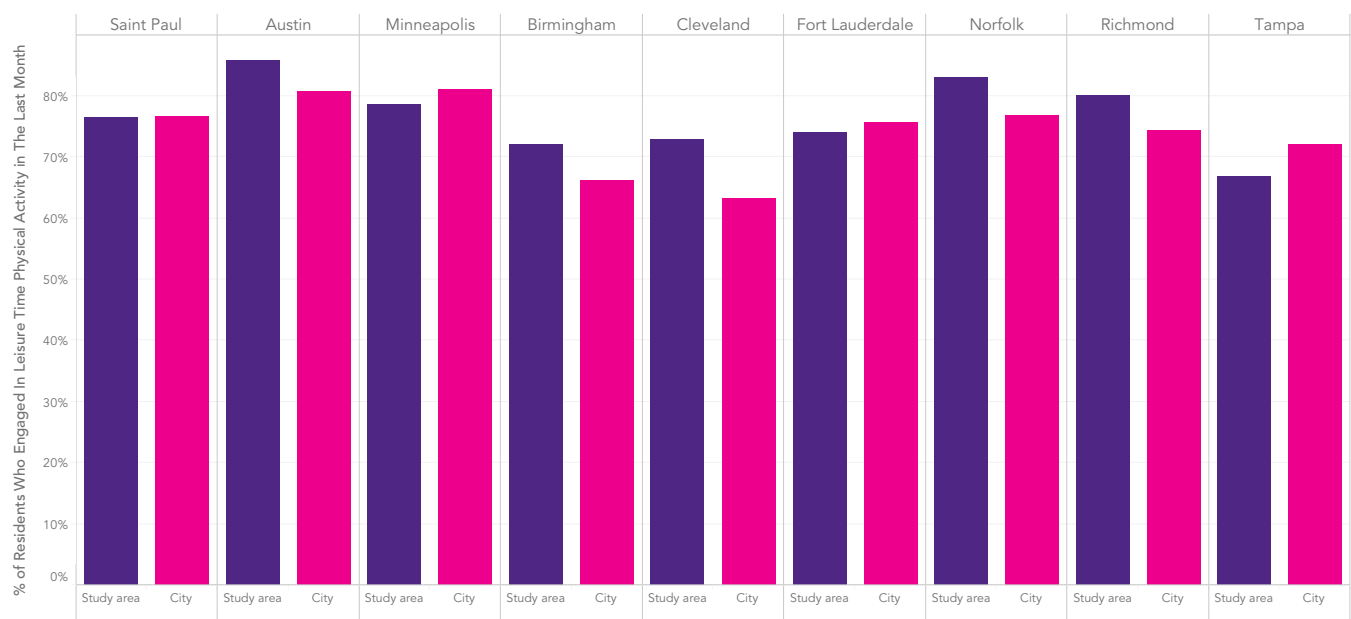
Life expectancy for residents of most downtowns falls slightly below that of residents countywide. That gap typically reflects a greater share of residents of lower-income in downtown than the county at large. Downtown Saint Paul has the fourth-highest life expectancy of any downtown in the peer group but does not beat the county average. Norfolk's downtown has an impressively high life expectancy; a lower-than-average life expectancy countywide results in its beating the county

average. Richmond and Cleveland both have life expectancies comparable to downtown Saint Paul but have counties with lower life expectancy.

Leisure-Time Physical Activity

Downtowns typically offer residents many opportunities for physical activity in their leisure time, with an abundance of fitness classes, gyms, and parks and plazas. In Saint Paul, downtown residents report just as much leisure-time activity as residents citywide, with only 23% of residents reporting that they had not engaged in physical activity in their leisure time. This puts downtown Saint Paul in the middle of its peer group.

Leisure Time Physical Activity Study Area and City



Source: CDC 2018

Commuting Patterns

With 40% of downtown residents taking a sustainable mode of transit to work, Saint Paul beats comparison averages by 10 percentage points on sustainable commuting. 60% of downtown residents still drive alone to work, but only Cleveland and Minneapolis have lower drive-alone rates. Downtown has seen a concerning trend of driving alone increasing over the last several years, as it often does when population grows before transit infrastructure has a chance to catch up. More people take transit, but the share of commuters walking has diminished rapidly.



Sustainable Commute

DOWNTOWN
SAINT PAUL

40%

GROWING
TIER AVERAGE

29%

COMPARISON
GROUP AVERAGE

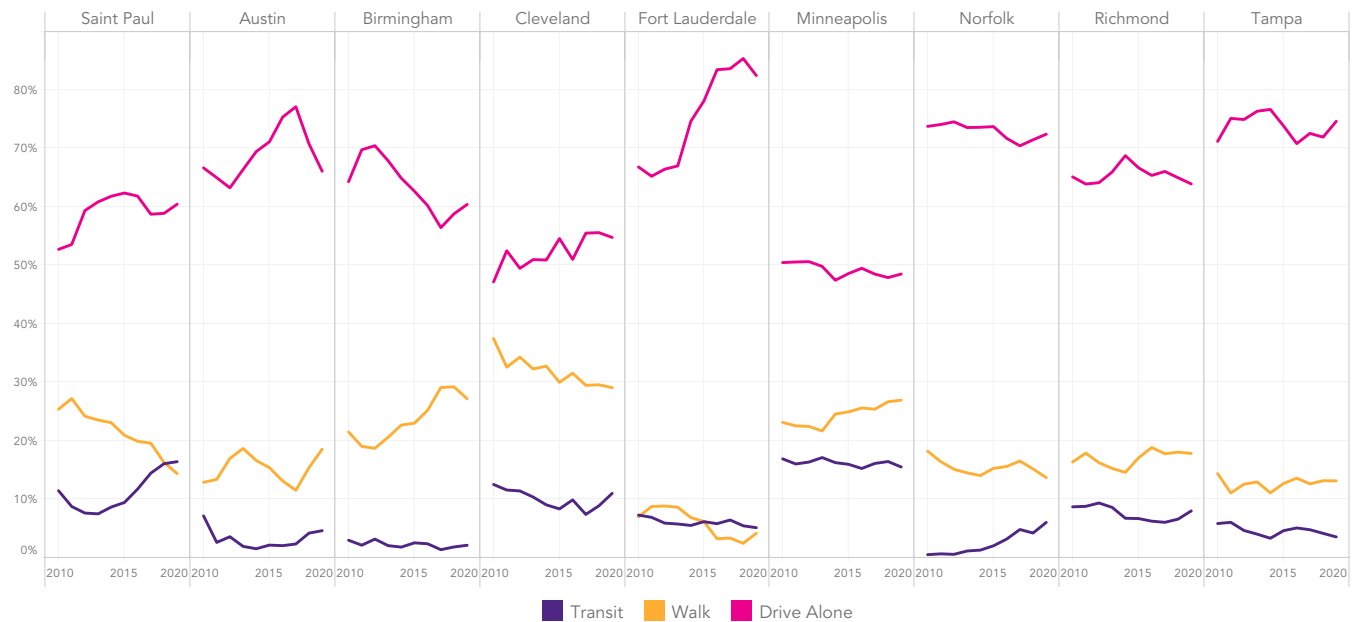
30%

STUDY
AVERAGE

30%

Source: American Community Survey 2015-2019

Resident Commute by Mode



Source: American Community Survey 5-Year Estimates from 2009 to 2019

Conclusion

Downtown Saint Paul compares well with several other downtowns of similar scale but has yet to hit its stride for rapid growth like several comparison peers. It does seem poised for stronger growth, though, with low vacancy for rental space and significant new development projects in the pipeline. Younger, more educated residents have led downtown growth and could prove a draw to employers seeking to capitalize on the talent pool living downtown. On top of that, downtown has become more vibrant in recent years—thanks in no small part to the Saint Paul Downtown Alliance—and vibrancy attracts both residents and employers looking to locate somewhere active and special.

Downtown is inclusive, with a demographic breakdown that closely matches its context and doesn't skew toward a single race or income bracket any more than anywhere else in the city or region.

Downtown's largest gaps appear in metrics for tourism and visitation, like retail activity and hotels. In both areas, Minneapolis competes directly for visitors and dollars, and that represents a significant challenge. On the flip side, downtown's strongest asset lies in its status as a vibrant yet competitively priced market for commercial space and housing in a thriving region. Given the low vacancy of residential and commercial space, many businesses and residents seem to agree that space in downtown is well worth the cost.



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Target Stage
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APPENDIX

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Appendix

Benchmarking Downtown Tiers

Based on the data collected for this study, IDA identified three tiers of downtowns, defined by stage of development. We divided the study downtowns that have participated into “established,” “growing” and “emerging” tiers. Our analysis compared downtown figures to study-wide medians in three areas:

- Density
 - Jobs per square mile
 - Residents per square mile
 - Assessed value per square mile
- Significance to city
 - Percentage of citywide jobs
 - Percentage of citywide residents
- Long-term growth
 - Percent growth in jobs (2002–2017)
 - Percent growth in population (2000–2017)

Established – These downtowns contain high proportions of their cities’ jobs and residents, are dense and highly valuable to their cities.

Growing – These downtowns have not yet hit a critical level of density and citywide significance but show steady movement toward that critical mass. This group includes both larger downtowns with lower growth rates, and smaller downtowns with exceptional growth rates.

Emerging – Varying sizes and growth rates mark these downtowns, which generally have lower density and a low proportion of citywide jobs and residents. Because the study examined growth rates since 2000, many downtowns that struggled during the recession had a harder time demonstrating significant growth over the longer term despite stronger growth in recent years.

The compendium summary *The Value of U.S. Downtowns and Center Cities*, available on the IDA website, has additional data on the performance of emerging, growing, and established tiers of downtowns.

Full List of Value of Downtowns Participants

Tier	Downtown/District Participant	Population (2019)	Jobs (2018)	District Land Area (sq. mi.)
Established	Baltimore	50,417	122,072	3.69
	Fort Lauderdale	16,491	44,077	2.38
	Miami	89,743	173,504	5.05
	Minneapolis	43,527	159,095	3.35
	Pittsburgh	17,319	111,287	2.72
	Richmond	22,007	78,207	3.2
	San Francisco	44,173	271,458	1.2
	Seattle	74,389	248,199	2.73
	Waikiki	17,901	31,464	0.77
Growing	Ann Arbor	13,911	20,921	1.05
	Atlanta	29,336	129,115	3.37
	Austin	8,798	95,334	1.56
	Boise	3,695	40,238	1.59
	Charlotte	44,136	158,227	9.3
	Dallas	46,291	260,996	10.63
	Durham	10,589	23,812	2.91
	Huntsville	13,428	28,992	4.86
	Indianapolis	25,951	154,099	5.69
	Lexington	31,719	40,773	4.41
	Los Angeles	77,616	315,955	6.68
	Norfolk	8,307	36,159	1.12
	Sacramento	21,275	98,581	5.00
	Saint Paul	13,686	56,671	1.66
	Santa Monica	4,659	22,584	0.69
	Tempe	3,843	32,041	0.93
Emerging	Albuquerque	1,422	16,622	0.49
	Birmingham	10,602	63,112	3.22
	Cleveland	14,660	91,453	3.24
	El Paso	4,334	11,347	1.08
	Evansville	2,558	17,875	1.22
	Grand Rapids	5,434	42,744	0.95
	Greensboro	16,328	29,395	3.71
	Hollywood	26,631	31,494	1.40
	Lancaster	4,634	3,226	0.69
	Little Rock	7,820	40,722	4.37
	Oklahoma City	8,736	54,149	4.28
	San Antonio	3,160	35,055	1.36
	Spartanburg	2,028	8,627	1.44
	Tampa	17,111	71,771	2.86
	Toledo	3,452	16,544	1.18
	Tucson	2,921	23,127	0.78
	Tulsa	3,625	29,746	1.39
	Wichita	1,751	25,216	0.99

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Visit Saint Paul. *River and skyline at dusk*. Saint Paul, MN.

Page 30

Visit Saint Paul. *River and skyline in afternoon*. Saint Paul, MN.



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