

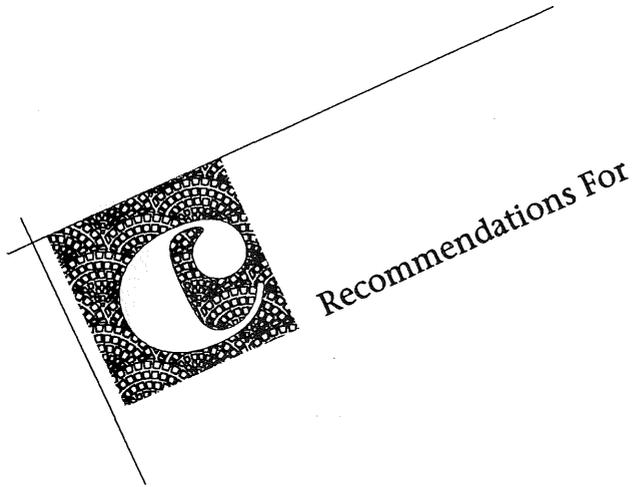
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Minnesota's Capital City: Saint Paul - A Vibrant Center for Visitors, Education and Culture

From the
Capital City Cultural Resources Commission

February 23, 1993

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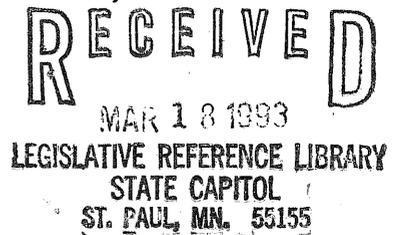
EXECUTIVE SUMMARY OF THE CAPITAL CITY CULTURAL RESOURCES COMMISSION REPORT

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The Capital City Cultural Resources Commission, was charged by the legislature in the spring of 1992, with recommending the "proper use of state and local financial resources to develop Saint Paul as a Cultural Capital, a resource for the state and region." The 22 members of the commission were designated by the legislation and drew from elected officials, labor, members of various museum and cultural organizations, the Minnesota Office of Tourism, the Minnesota Humanities Commission, and the Downtown Community Development Council.

The Commission met from June 1992 through February 1993 to articulate a vision - a capital city strategy for downtown Saint Paul that builds on the impressive collection of arts, educational, and cultural attractions - and to review a variety of proposed projects ranging from the Civic Center and Science Museum Expansion to newly proposed projects such as the Labor Interpretive Center, the Cultural Area Trolley, interactive exhibits and offices of the Minnesota Safety Council, and an aquarium. The final report issued by the Commission focused on the following three key areas:

1. Building on Saint Paul's Visitor Attractions
2. Maximizing the Riverfront
3. Completing Cass Gilbert's Dream for the Capital City



Recommendations include:

- Strong support of the Civic Center expansion plans, as the Civic Center is seen as the centerpiece of the visitor industry in Saint Paul, and its out-of-town attendees generate millions of dollars for the city.
- Strong support of the Science Museum expansion - in downtown Saint Paul
- A small area plan of the cultural corridor
- A coordinated marketing plan targeting downtown as a visitor destination and promoting the retail and cultural and hospitality industries
- A future attractors fund to support the development of complementary projects that mature from the idea or vision state to a viable project with a high likelihood of implementation
- A cultural trust fund - an endowment fund to provide support in two areas - facilities support and access support
- The MNRRA Interpretive Center and National Parks Service Headquarters for Harriet Island should be aggressively pursued by Saint Paul
- Integration of infrastructure and development plans between the capitol area and the downtown

The finance committee of the commission, with additional representation from the business community and neighborhoods, looked at mechanisms for funding parts or all of the vision. Various sources of funding were reviewed ranging from state bonding, private investment, and federal funds, to a variety of taxes with the assumption that each project would draw on a different combination of sources. It became apparent, however, that little could be accomplished in any area without a city wide sales tax that would generate a significant amount of money. The committee therefore recommended a city wide sales tax with the caveat that it must provide city wide benefits, and recommended the possible use of additional stakeholder taxes as well.

The Commission after reviewing the committee recommendation, voted to support a 1/2 cent city wide sales tax, with the assumption that it would raise approximately \$135 million dollars over 15 years. The commission, although not charged with reviewing projects outside the downtown, recognize that our neighborhoods have many needs and proposals which need funding and voted to recommend the following distribution of sales tax proceeds:

40-50% Neighborhoods - with projects and priorities to be determined by district councils, neighborhood business organizations, community development corporations, and city policymakers – possibly in a program based on a URAP model

- the state should be asked to match these funds

30-40% Civic Center - renovations and expansion

- \$25 million should be requested in state bonding

10-30% Downtown and Cultural Corridor area projects and infrastructure

- private sector and charitable foundations should be asked to match funds;
- state bonding should be requested for projects with statewide support
- federal funds should be sought for riverfront related projects

Conclusion:

We must carefully shape the nature and direction of our city, for what we do now - or fail to do now - can make a difference for years to come. If we act boldly - both downtown and in our neighborhoods - not only can we prevent the downward cycle of disinvestment, decay and social devastation threatening many cities across the country, but we can move it into a competitive position for the next century.

We realize that a tax increase is never popular, but without the sales tax, we will be able to do almost nothing to revitalize our downtown, to renovate our Civic Center, to ensure that our neighborhoods keep Saint Paul a distinctively liveable community.

With a sales tax, Saint Paul would show its willingness and determination to roll up its sleeves and build its future. The state and county should join us as willing partners in revitalizing Saint Paul, Minnesota's Capital City.

We have a bold vision for Saint Paul's future. We intend to move Minnesota's capital city into a competitive position for the 1990's and beyond by proclaiming Saint Paul Minnesota's Cultural Capital and aggressively marketing our diverse and quality attractions.

We intend to make our vision a reality by building on Saint Paul's strengths — its historic charm and character, its family friendly environment, its identity as the capital city, its location on the Mississippi River and its numerous educational and cultural institutions. We are building partnerships to accomplish our task by bringing together labor and the business community, our neighborhoods and our cultural community, and city, state and federal governments.

We are already well on the way to making Saint Paul a prominent visitor destination. Our unique blend of visitor industry, cultural and educational attractions draw 4 million visitors each year. And whether the visitors are Minneapolis or Duluth school children spending the day at the Science Museum of Minnesota or residents from Brainerd or Mankato enjoying a play at the Ordway Theatre, they join our residents in appreciating our city's rare combination of old and new; magnificent Art Deco and Victorian reminders of the past nestling next to sleek skyscrapers, the natural beauty of the Mississippi River co-existing with commerce and riverfront development.

While our vision carries the best of our past into the future, we have ambitious new plans for tomorrow. We envision our Civic Center, a visitor engine, renovated and expanded to draw nearly 2 million people a year to downtown Saint Paul — a capital city home to the state hockey, basketball, wrestling and gymnastics tournaments and a state-of-the-art site for state, regional and national conventions and conferences.

We see an expanded Science Museum of Minnesota that will serve an even larger number of Minnesota and Upper Midwest citizens with innovative new exhibits and programming that will stretch our imaginations and bring the science of the 21st Century home to our children.

Historic lighting down Kellogg Boulevard from the History Center to the Civic Center and sweeping back through downtown and up to the Capitol will spread the charm of the new freeway bridges both north and south and the Cultural Area Trolley system will help to physically pull together the Capitol area and downtown.

New signage complementing the newly finished easy access freeway ramps and a visitors welcome center will make it easier than ever for visitors to enjoy the Capitol, the History Center, the new Children's Museum, the Ordway Theatre, the Science Museum, and a score of other exciting arts and education facilities.

And we plan to attract growing numbers of visitors from every corner of the state, region and country by adding other attractions and by implementing a coordinated and comprehensive marketing effort.

Capital City Strategy

Many of Saint Paul's government, business and cultural leaders agree that while any future vision must embrace Saint Paul's magnificent architecture and natural attributes, it also must aggressively market and build on its impressive collection of arts, educational and cultural attractions. They reason that linking Saint Paul's individual attractions to a whole and then showcasing them will inject vitality into the Downtown and Capitol areas; give the city added appeal as an exciting visitor destination; help spur an economic rebound by attracting more businesses and residents downtown, and spark a sense of renewed confidence and optimism about Saint Paul's future.

Promoting a capital city strategy that makes arts, education and entertainment one of the central building blocks for economic development gained momentum and direction after a study by national urban affairs expert Neal Peirce reaffirmed that a standard business promotion strategy won't work in the 1990's. Peirce challenged the city to capitalize on its strengths and to put together a massive culture and arts development promotion campaign to "fire up an exciting and growing" visitor economy and lure business and residents downtown by furthering the city's image as a desirable place to visit, live and work.

Nearly 90 years earlier Capitol architect Cass Gilbert predicted that by closely associating government and culture Saint Paul would draw "swarms of visitors from all over this country and from foreign lands."

Legislative Charge

The Minnesota Legislature assisted Saint Paul in developing its strategy to become a visitor, educational and cultural magnet and to use its attractions as a catalyst for economic development by establishing the Capital City Cultural Resources Commission in 1992. The Legislature asked the Commission to recommend the "proper use of state and local financial resources to develop Saint Paul as a Cultural Capital, a resource for the state and region."

While the legislation asked the Commission to focus its recommendations on downtown and the Capitol Area, the Commission recognized that downtown development issues cannot be separated from the needs of Saint Paul's neighborhoods. The health of downtown and the Capitol Area is closely bound to the health of Saint Paul's neighborhoods — one part of a city will not long remain healthy unless all of its parts are healthy.

Therefore, although neighborhood development is outside the charge of this Commission, we recognize that our neighborhoods, as well as the downtown and the Capitol Area, need substantial new economic development resources. However, we did not attempt to determine neighborhood priorities, since that work must appropriately be done by neighborhood business organizations, neighborhood district councils, community development corporations and city policymakers.

Commission Objectives

The recommendations of the Commission have been developed to achieve these objectives:

- To focus on projects that will have the broadest economic impact, both immediate and long-range.
- To develop the capital city as a center for the visitor industry, education and culture that would serve as a resource for the state and region.
- To integrate the Capitol Area with downtown Saint Paul, including the Mississippi Riverfront, along the lines envisioned by Cass Gilbert.

Key Areas for Attention

After hearing presentations by representatives from city and state government and many of Saint Paul's visitor, educational and cultural attractions, it became obvious to the Commissioners that there were numerous projects of merit. However, most of these projects are currently at the conceptual stage and are not fully developed in terms of specific plans, costs or timelines. Thus, the Commission could not make a thorough financial review or project-by-project analysis at this time.

Nonetheless, the Commissioners are strongly committed to the vision of Saint Paul as a center for the visitor industry, education and culture. The Commission focused on the following three areas which build on our vision:

- Building on Saint Paul's Visitor Attractions.
- Maximizing the Riverfront.
- Completing Cass Gilbert's Dream.

Building on Saint Paul's Visitor Attractions

Situation analysis: Saint Paul's downtown arts and educational institutions speak to the soul of our society, and an estimated 4 million people visit these attractions and the Civic Center every year. The attractions are rich in variety and include such destinations and organizations as the Minnesota State Capitol, the Science Museum of Minnesota, the Minnesota Museum of American Art, the Landmark Center, the Ordway Music Theatre, the World Theatre, the Saint Paul Chamber Orchestra, the Minnesota Opera, Park Square Theatre, the Refreshment Committee Theatre, the Great American History Theatre, Minnesota Public Radio, Rice Park, the Minnesota Humanities Commission, the Composers Forum, the Saint Paul Public Library and the Hill Reference Library, and a wide variety of galleries. In October of 1992, another major attraction was added with the opening of the Minnesota History Center. Attendance is already running well ahead of projections. In 1995 Saint Paul will welcome yet another attraction when the expanded Children's Museum of Minnesota opens the doors of its new building at 7th and Wabasha.

The cultural and educational institutions, the Civic Center, the hospitality industry, and the retail industry should participate in and contribute financially to the marketing effort.

3. Cultural Trust Fund. An endowment fund should be established to provide support for the cultural industry in two areas: facilities support and access support. The facilities support would be used to sustain a healthy operating environment for our cultural organizations. Access support would provide ticket subsidies to allow greater and more varied groups (such as school children and other under-served populations) to attend the diverse cultural and educational events in the capital city. The cultural institutions, because of reduced admissions, would become "classrooms" outside of school buildings.

The state and city should seed the fund, and corporations and foundations should match these dollars.

4. Future Attractors Fund. As we noted earlier, a key to making our capital city a vibrant center for visitors, education, and culture, is building a critical mass of attractions. In fact, we want Saint Paul visitors to have so much to see and do that they come back again and again. Thus, the commissioners recommend that a future attractors fund be established to seed the development of future visitor attractions in the Cultural Corridor and other downtown and capital area locations.

We recommend that the future attractor fund be supported by proceeds from the proposed sales tax.

We have listed below a few possible future attractions that fit our vision for Saint Paul as a center for visitors, education, and culture.

The Minnesota Safety Council, which conducts extensive safety training, is outgrowing its current space and will be relocating its administrative and training offices. It is also considering building a learning center to train children, workers, and citizens about safe practices - a sort of "Epcot of Safety" - which would include high-tech interactive displays and an almost life sized village. It is estimated that the facility could draw 100,000 visitors the first year and 200,000 by the year 2000. Because of the state-wide nature of this organization and its working relationship with various state agencies and businesses, we recommend that funding for planning and the project come primarily from the state agencies and the businesses that are clients. The City of Saint Paul should assist in site identification.

The Labor Interpretive Center, is currently being assisted by the Capital Area Architectural and Planning Board in developing program and identifying potential sites in downtown and the Capitol area. The center is envisioned as a 50,000 to 70,000 square feet of exhibits, theater space, a teacher resource center, meeting spaces, and possibly a restaurant. Planning for the Labor Interpretive Center has been supported by the state. We recommend that actual building and implementation of the project be supported by the state and various labor interests and that the city help with site identification.

State Arts High School - The Cultural Corridor in downtown Saint Paul is a perfect location for the State Arts High School. Students would have easy access to professional facilities, and the school could develop cooperative-use agreements with such existing facilities as the Ordway, (which already has a cooperative agreement with the Saint Paul School District for use of its dance studio) and the KTCA-TV studios. The Science Museum of Minnesota, the Minnesota Museum of Art galleries and Lowertown studios could serve as extensions of the campus. On a broader basis, the Arts High School and the Saint Paul public schools might expand the opportunities to additional students by establishing the school as a metro-wide desegregation magnet as well as a residential, statewide facility. We envision that the State Arts High School would be funded through continued state support for the residential and metro-desegregation components. The Saint Paul School District could contribute some facilities support, in exchange for increased student enrollment. The high school would be helped by cooperative agreements with various Cultural Corridor organizations and facilities.

7th Place Theatre District - The Cultural Corridor Steering Committee commissioned Ben Thompson, Architects to study renovating the Orpheum Theatre on 7th Place into two smaller performance spaces that would become permanent homes for the Great American History Theatre and the Park Square Theatre. With these two organizations as the permanent tenants, the concept calls for filling out the production season by giving access to a broad spectrum of producers and audiences. The overall intent of the plan is to provide reasonably priced facilities so many organizations can bring their productions downtown. This renovation, in conjunction with an upgraded 7th Place Theatre, would form the core of a theater and entertainment district in the Seventh Place Plaza with additional retail and restaurant facilities. The public ranked the plaza very highly in the recent visual preference survey completed as part of the Downtown Urban Design Plan, especially during the months when the Farmers Market is in operation. Because the 7th Place Plaza is the geographic heart of the Cultural Corridor, the Commission believes that development of this space is critical. Primarily private donations with corporate and foundation support should be used in the development of the theaters, with city assistance in the development of the plaza.

Utilizing the Riverfront Resource

Situation Analysis: With 29 miles of river shoreline within its city limits — more than any other city along the waterway — much of Saint Paul's history and commerce have been influenced by the Mississippi River. Significant efforts have been made in reclaiming the riverfront and investing in infrastructure, and it is time to encourage additional attractions that would help ensure that the area reaches its potential for visitor activities and economic development.

Over the last several years, \$20 million has been invested in improvement and site recovery projects, such as removing toxins and reclaiming the riverfront. The city has contributed \$8.8 million toward a \$20 million floodwall project that protects 300 acres of land in the area targeted for redevelopment efforts to preserve, revitalize and promote the riverfront. And the Saint Paul Parks Department is in the process of making improvements to Harriet Island/Lillydale Park totaling \$28 million. The four bridges leading into downtown Saint Paul have recently been replaced, rebuilt or are scheduled for reconstruction. The High Bridge opened in 1987, the Robert Street and Lafayette Bridges have recently been refurbished, and the Wabasha Bridge will be replaced in 1994-95.

In 1988, the federal government designated a 72-mile stretch of the Mississippi in the Twin Cities area as the Mississippi National River and Recreation Area (MNRRA). The National Park Service has recommended a site on Harriet Island for one of the National Park Services interpretive centers and headquarters. The center will stress the river's importance in the development of both Saint Paul and Minnesota, and it would be a significant addition to the educational and cultural package provided by Saint Paul. It could also accelerate future riverfront development. It is essential that the center have a link to downtown and that it be included in cooperative marketing and promotional efforts.

Recommendations

1. Saint Paul should continue to aggressively pursue the National Park Service Interpretive Center for the Mississippi National River and Recreation Area on Harriet Island.
2. City, state and federal governments and private developers should collaborate to determine the feasibility of constructing an aquarium on the riverfront. The aquarium's close proximity to the proposed National Park Service Interpretive Center would provide a cluster of complementing attractions. This is an example of attractions that could spin off from the government's past investment in the riverfront.
3. Additional Metro Parks funds should be invested in the Harriet Island/Lilydale park plan.

Completing Cass Gilbert's Dream

Situation Analysis: Architect Cass Gilbert envisioned Minnesota's State Capitol as the visual, functional and historic focus of Saint Paul and its neighborhoods. But instead of a strong link between the Capitol and the commercial center of downtown, the two areas have been physically separated by the freeway system constructed in the 1960's.

Integrating the Capitol area and downtown retailers, restaurants, and attractions as a total entity can maximize visitorship to such buildings as the Capitol, new Judicial Building and Vietnam Veterans Memorial and make the area a destination and resource for all Minnesotans. The Capitol should serve as one of the focal points for visitors to the city. In 1992, extensive reconstruction of the freeway system in the downtown area included reconstruction of freeway bridges, which now provide a visual link between the two points. But much still needs to be done to reconnect the two areas, physically and conceptually.

Drastic improvements are needed in infrastructure, such as signage, additional lighting, parking and marketing. Saint Paul can become recognized as a "walking capital," but a series of attractive, informative and easy-to-see signs showing the way among attractions would remind visitors of where things are and make the city more "user-friendly." At the same time, it is unrealistic to ask all visitors to walk from one attraction to the next, especially in inclement weather. In the spring of 1993 the Cultural Area Trolley will begin operation to move people between attractions and to link the Capitol Area and downtown.

Whether visitors — or residents — are walking or driving in the Capitol and downtown areas, it is critical that they enjoy Saint Paul's multitude of attractions in a safe environment. Saint Paul has long enjoyed a reputation as a safe and friendly haven for visitors, and ensuring that this climate not only continues, but grows even more positive, will do much to enhance return visits.

Recommendations

1. **Infrastructure improvements** like the incorporation of historic lighting and other streetscape amenities should be coordinated between the Capitol area and downtown to provide a uniformly pleasing city fabric. The city and state should both have a funding role in these improvements.
2. A new, multi-media visitors center to serve both the Capitol Area and downtown should be constructed with easy access to the freeways and skyway system. This one-stop center would be the initial point for all visitors to begin their capital city experience, and it should offer maps, informative displays on each attraction and, perhaps, a videotape introduction to the city and to state government. The city and state should share in funding the center.
3. New government office structures should be constructed in ways to enhance a positive physical and visual link between the Capitol area and downtown Saint Paul.

Funding Sources

Saint Paul should move forward building on its strengths to become a more prominent destination for visitors and educational and cultural activities. The Commission believes that Saint Paul should vigorously pursue this vision encouraging the growth of its visitor industry throughout the downtown, Capitol area, the Cultural Corridor and the riverfront.

The Commission recognizes that Saint Paul has many pressing needs and citywide goals which must be addressed if it is to maintain its vitality and economic balance. Further, government's limited financial resources must be carefully allocated throughout the city. It is with the understanding of these needs and limitations that the following finance recommendations were formulated.

First, the Commission considered such potential funding as:

- State bonding,
- A local sales tax,
- Revenue bonds,
- Private investment
- Corporate and foundation funds,
- Federal bonds,
- Stakeholder taxes (such as a parking surcharge, a downtown food/beverage tax),
- And state matching funds.

During the review, commissioners agreed on several points:

1. Each project would require and should seek a different mix of sources.
2. A variety of stakeholder taxes, such as the parking surcharge or food and beverage tax, could provide some funding for appropriate proposals. The commission strongly believes that those who would benefit from the improvements should contribute in this way.
3. A citywide sales tax is necessary to significantly move the vision forward, because it is the only source that can provide a significant portion of the needed funds. However, if a citywide sales tax is imposed in Saint Paul, the Commission believes that the benefits derived from the tax should also be citywide.

The proceeds of a 1/2 cent sales tax over the next 15 years would equal approximately \$135 million. The proceeds, divided between the Civic Center project, the proposed downtown improvements and the neighborhoods, would have a significant impact on achieving the city's goals. Millions of dollars could be pumped into neighborhood commercial revitalization, residential rehab, and social programmatic needs identified by the community. The Civic Center improvements would allow a steady and growing stream of visitors to be drawn to Saint Paul, and the downtown, Capitol and riverfront would be positioned for further growth.

Proposed Sales Tax Distribution

Civic Center: 30% - 40%

- Yields approximately \$40 million to \$55 million*
- State should provide \$20 million to \$25 million in bonding.
- Revenue bonds and commercial sponsorships should be used for parking ramp, ballroom and additional improvements.

Neighborhoods: 40% - 50%

- Yields about \$55 million to \$67 million*
- Money to be used for commercial strip revitalization, housing rehab and possibly programmatic support which targets identified social needs such as family resource centers, after school and summer youth programs, and job training.
- State should enact matching URAP and CRP-type funding.

Downtown and Cultural Corridor: 10% - 30%

- Yields about \$14 million to \$40 million*
- Funds should be used to address three categories:
 1. Capital Projects
 - Infrastructure (e.g. signage, historic lighting, parking, streetscape improvements and a Capital City Welcome Center jointly built and run by the state and city)
 - Future Attractors Fund
This fund effectively stretches out the timeline during which proposed projects can be considered and encouraged.
 2. Marketing
 - An umbrella marketing organization targeting downtown and the Capitol Area as a visitor destination and promoting the cultural, retail and hospitality industries.
 3. Cultural Trust Fund
An endowment fund matched by foundation and corporate donations and state money. Recognizing the statewide services and benefits that the cultural industry in Saint Paul provides for Minnesota residents, the fund provides support for both facilities and access support.

* These estimates are based on a rough preliminary revenue projection of \$135 million over 15 years.

In Addition:

1. Stakeholder taxes, such as food and beverage taxes or a parking surcharge, should be the same as in downtown Minneapolis. These taxes could be used to fund some of the above programs and projects.
2. The Department of Planning and Economic Development should redefine this proposal, and the city Finance and Budget Department should do the necessary revenue projections and financial analysis in order to inform the city Council debate on the proposed sales tax.

Conclusion

This is a critical moment in Saint Paul's history. While our city has moved the best of its past into the present, we must have ambitious new plans for tomorrow. We must carefully shape the nature and direction of our city, for what we do now - or fail to do now - can make a difference for years to come. If we act boldly - both downtown and in our neighborhoods - not only can we prevent the downward cycle of disinvestment, decay and social devastation threatening many cities across the country, but we can revitalize Minnesota's capital city and move it into a competitive position for the next century.

But regardless of how good our plan for the future may be, it will remain only a dream unless we step forward to make it a reality. We realize that a tax increase is never popular, and in these difficult economic times, a sales tax increase may be a bitter pill to swallow for elected officials, the business community, and the citizens of Saint Paul. But without the sales tax, we will be able to do almost nothing to revitalize our downtown, to renovate our Civic Center, to ensure that our neighborhoods keep Saint Paul a distinctively liveable community, and to further develop Saint Paul as a cultural capital for the state and region. (It should be noted that with this recommended 1/2 cent sales tax increase, Saint Paul's sales tax would be similar to those in Minneapolis, Bloomington, Duluth, Rochester and Mankato).

With a sales tax, Saint Paul would show its willingness and determination to roll up its sleeves and build its future. All of Minnesota's residents have a stake in keeping Saint Paul a vital, stable and economically sound resource and visitor destination, and the state and county should join us as willing partners in revitalizing Minnesota's capital city.

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