



# 2. BACKGROUND

## Historical Background

The first recorded history of activity in the South St. Paul area tells of small bands of Native Americans from the Sioux tribe under the leadership of Little Crow. By 1862, almost all of the Native Americans were gone from the area. Beginning in the 1880s, early pioneers began moving in to farm the land.

South St. Paul was incorporated in 1887. By 1900, the City had a population of 4,200 people, which swelled to 25,106 in 1970 due to the abundance of industrial jobs in the area. The industrial facilities were clustered in the floodplain while residences were built above the bluff. Early industries included the stockyards, meat packing, Waterous engine works (still in business in South St. Paul as Waterous International), a barrel company, brick yard, distillery, and foundry.

In 1978, the decline of the stockyards and meat packing plants began. With their decline began a long process of demolition and rebuilding. The City and the HRA have invested millions of dollars to acquire and remove stockyard buildings; these efforts have provided opportunities for new light industrial development. The BridgePoint Business Park has since become home to new jobs for residents of South St. Paul and adjacent cities.

## Demographics

The analysis of population and demographics provides an understanding of the characteristics of the community, as well as provides a foundation for planning future needs. The demographic information was collected by using information from the 2030 Comprehensive Plan, the 2010 Census, the 2016 American Community Survey, and Metropolitan Council forecasts.

# Population

## Population Levels

After peaking at 25,106 in 1970, South St. Paul's population experienced a significant decrease in the 1970s and 1980s as available jobs declined due to the closing of the meat packing plants and families moved out to newer suburbs. Since the 1980s, South St. Paul's population has gradually declined while the populations of nearby developing communities have experienced significant population growth. According to American Community Survey estimates, the City's population in 2016 was 20,281. The Metropolitan Council has forecasted slight increases in South St. Paul's population through the year 2040, from 20,160 in 2010 to 21,800 in 2040.

Figure 2.1: Historic and Projected Population and Households

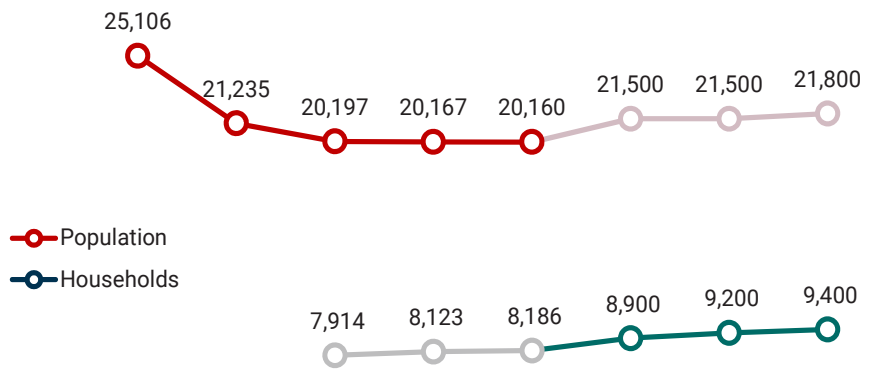
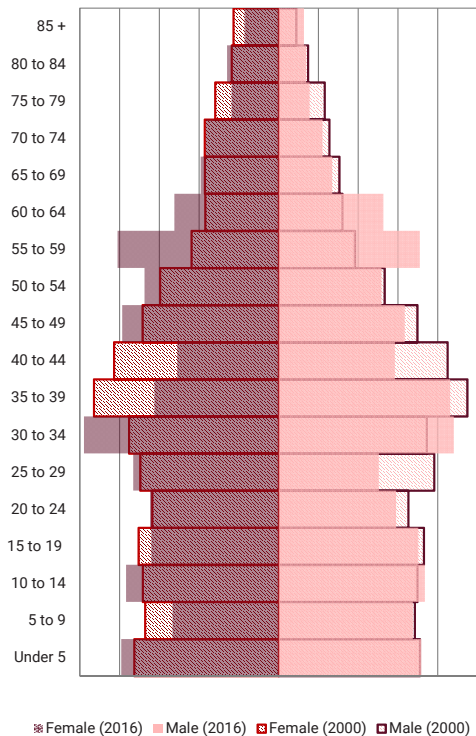


Figure 2.2: Age Distribution by Gender



Source: 2012-2016 ACS, 2000 Census.

1960	1970	1980	1990	2000	2010	2020	2030	2040
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Source: Metropolitan Council.

## Population Age

South St. Paul's population is younger than Minnesota as a whole, with a median age of 35.3 years compared to Minnesota's median age of 37.8 years. However, as with other first ring suburbs, and the region as a whole, the City is aging. Table 2.1 shows the population age change from 2000 to 2016 for South St. Paul.

As illustrated in Figure 2.2, South St. Paul has experienced an increase in population ages 30-34. This group has increased by almost 2% in the last 16 years, from 7.5% in 2000 to 9.3% in 2016, suggesting that South St. Paul has been successful at providing the types of employment opportunities, amenities, and housing that attract Millennials.

The group that has experienced the largest increase in population since 2000 is the age group between 54 and 56 years of age. As this aging trend is expected to continue, the City is proactively addressing aging in this Comprehensive Plan.

Table 2.1: Age Distribution Table

Age Range	2000		2016	
	Number	Percent	Number	Percent
Total Population	20,167		20,281	
Under 5	1,448	7.2%	1,530	7.5%
5 to 14	2,759	13.7%	2,750	13.6%
15 to 19	1,446	7.2%	1,362	6.7%
20 to 24	1,298	6.4%	1,255	6.2%
25 to 34	3,001	14.9%	3,139	15.5%
35 to 44	1,894	9.4%	2,617	12.9%
45 to 54	1,393	6.9%	2,649	13.1%
55 to 64	1,524	7.6%	2,608	12.9%
65 to 74	1,314	6.5%	1,266	6.2%
75 and over	1,260	6.2%	1,105	5.4%

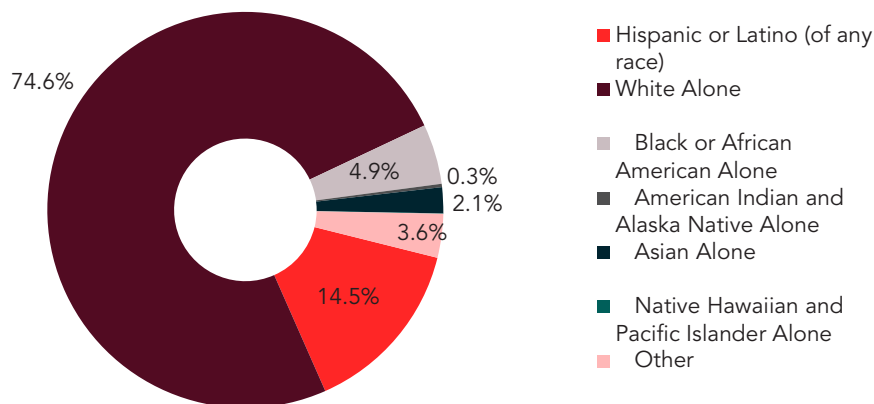
Source: 2012-2016 ACS, 2000 Census.

### Race and Ethnicity

Historically, the City of South St. Paul had a diverse ethnic heritage, due in large part to the numerous employment opportunities provided by the stockyards and meat packing industry which attracted people from throughout the United States and Europe. Early settlers included people from eastern and western Europe.

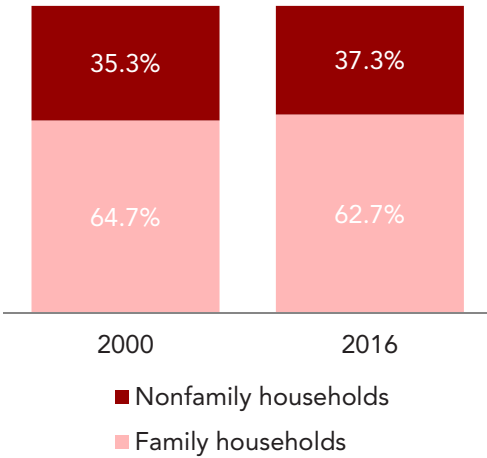
Today, South St. Paul is once again changing as new immigrants come to the area from Asia, Africa, and Latin America. Between 2000 and 2016, the percentage of the population identifying as white dropped from 93% to 84%. Over those years there was a significant increase in the percent of the population identifying as Black or African American and Asian. The percentage of the population identifying as Hispanic or Latino also rose from 6% to 15%.

Figure 2.3: Race and Ethnicity Diversity in South St. Paul



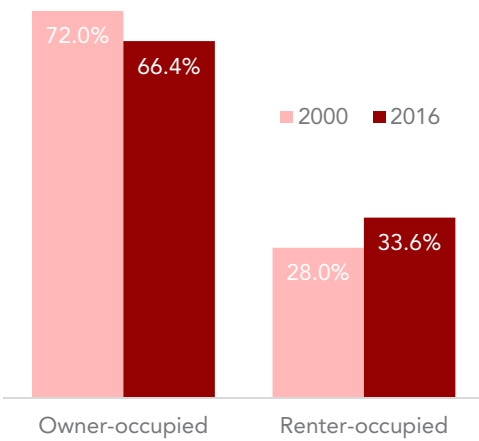
Source: 2012-2016 ACS.

Figure 2.4: Household Type



Source: 2012-2016 ACS, 2000 Census.

Figure 2.5: Owner- and Renter-Occupied Units



Source: 2012-2016 ACS, 2000 Census.

## Households

As shown in Figure 2.1, the City of South St. Paul experienced a slight increase in households from 2000 to 2016. As South St. Paul's population increases, so will the number of households. Metropolitan Council projections estimate the City will add more than 1,200 households by 2040. Additional characteristics of South St. Paul's households include:

- » Of the 8,247 households in 2016, 5,172 or 62.7% were families, comprised mainly of married couples. Approximately 44% of all households have children in South St. Paul (Figure 2.4).
- » The City also saw the number of people per housing unit decrease slightly between 2000 and 2016 from 2.43 to 2.35. This trend of decreasing average household size is expected to continue to 2.32 by 2040
- » While there was an increase in the percentage of attached single family units such as rowhouses and townhomes from 3.2% in 2000 to 5.3% in 2016, single-family detached homes remain the predominant housing type at 67.2%.
- » Housing units are occupied by renters approximately 33.6% of the time and owners 66.4%; this is a decrease from 72% ownership in 2000 (Figure 2.5).

## Education

The City's educational attainment level has increased since 2000 with 90% of residents 25 years and over holding a high school diploma or greater and 24% holding a bachelor's degree or higher. Table 2.2 compares the educational attainment rates of the City of South St. Paul with those of Dakota County and the State of Minnesota. South St. Paul has higher educational attainment rates for both high school diplomas and bachelor's degrees and higher than Dakota County (86% and 14%, respectively), but lower rates than the State of Minnesota (92% and 34%, respectively).

Table 2.2: Educational Attainment Rates, 2016

	South St. Paul	Dakota County	Minnesota
Less than High School Diploma	10.0%	13.9%	7.5%
High School Diploma	27.0%	30.2%	26.1%
Some College or Associate's Degree	39.0%	41.5%	32.6%
Bachelor's Degree or Higher	24.0%	14.4%	33.7%

Source: 2012-2016 ACS

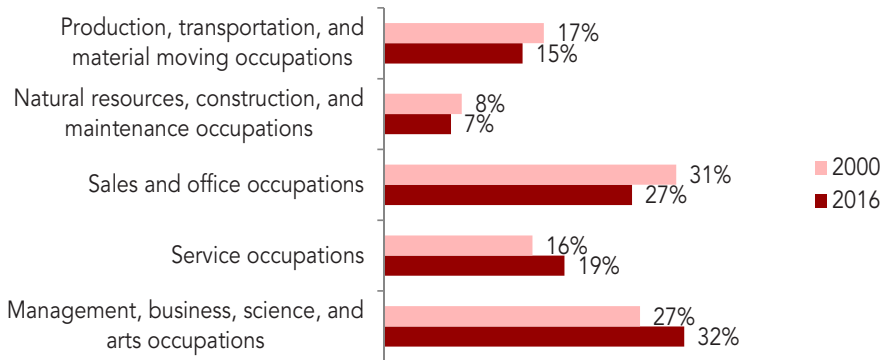
## Economic Overview

The economic health of a community plays a critical role in encouraging and maintaining high standards of living for the existing residents, as well as attracting new residents. The City has experienced a decline in the percentage of the population 16 years and over who are in the labor force since 2000, with unemployment levels at 4.6% in 2016 according to the American Community Survey. However, employment levels are forecasted to increase in the future, with over 2,000 new jobs forecasted by 2040 by the Metropolitan Council.

In 2016, the median household income in South St. Paul was \$54,777 and the median family income was \$66,698. As shown in Figure 2.6, South St. Paul's median income levels are lower than those of both Dakota County and the State of Minnesota.

According to data from the US Census, the majority of employees in the City of South St. Paul are not actually residents. Figure 2.7 displays the employment inflow and outflow from the year 2014, which shows that only 13.3% of South St. Paul's 6,760 jobs were taken by residents of the community. Over 9,600 City residents work outside of South St. Paul, which is reflected in data relating to commuting time (20.3 minute mean travel time) and mode of transportation (82% drive to work alone in a personal vehicle).

Figure 2.8: Occupations

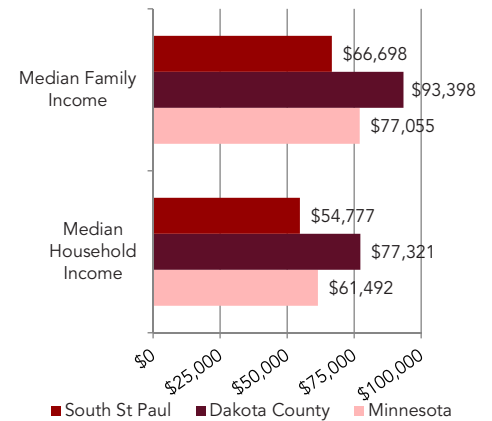


Source: 2012-2016 ACS, 2000 Census

As seen in Figure 2.8, the most common occupation category within South St. Paul's labor force is management, business, science, and arts occupations at 32%, followed by sales and office occupations at 27%.

Almost 45% of all jobs in the City are in one of three sectors (Educational Services and Health Care and Social Assistance, Retail Trade, and Manufacturing). Figure 2.9 shows that the City's largest industry is the Educational Services and Health Care and Social Assistance industry, employing 23% of South St. Paul's civilian population, with Retail Trade coming in second at 11%.

Figure 2.6: Median Income

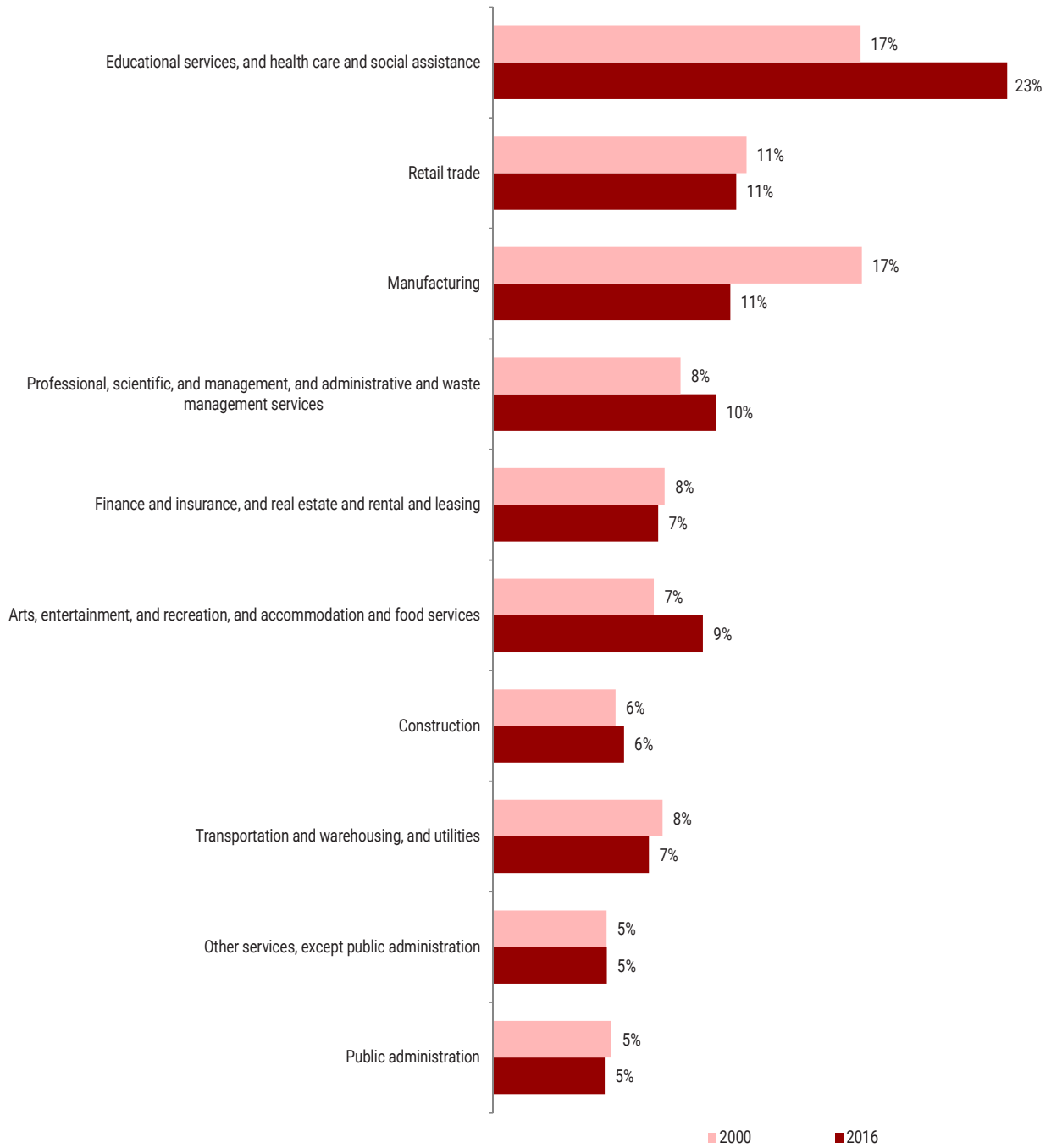


Source: 2012-2016 ACS.

Figure 2.7: Inflow-Outflow



Figure 2.9: Industry



Source: 2012-2016 ACS, 2000 Census.

In general, the growth in “service sector” employment for South St. Paul residents is consistent with the shift towards a decidedly more service-oriented economy throughout the Twin Cities region and the country as a whole as production and skilled trade-oriented employment becomes harder to find with technological innovations that have reduced the reliance of those industries on labor.

## Tax Base

As shown in Table 2.3, South St. Paul has the smallest tax capacity of the large suburban cities in Dakota County. One of South St. Paul’s goals is to increase the taxable value in the City through additional development in the Industrial /Commercial areas of the City, particularly in the areas east of the bluff. Creating more taxable commercial and industrial property in these areas will help to improve the City’s financial position and lessen its dependence on local government aid, which is highly susceptible to fluctuation. Another benefit of the new commercial and industrial development is that it will also lessen the property tax burden on residential property owners.

Table 2.3: Taxable Values for Cities in Dakota County

City	Local Tax Capacity
Eagan	\$92,141,892
Lakeville	\$75,772,521
Burnsville	\$70,727,744
Apple Valley	\$55,787,798
Inver Grove Heights	\$38,635,111
Rosemount	\$27,989,373
Mendota Heights	\$22,351,468
Farmington	\$19,885,717
Hastings	\$19,554,232
West St. Paul	\$17,866,374
South St. Paul	\$14,705,759

Source: 2018 Values for Taxes Payable in 2019 (Dakota County)

