



February 6, 2014

Ms. Cecile Bedor, Director
Department of Planning and Economic Development
City of Saint Paul
25 West 4th Street
Saint Paul, MN 55102

Dear Cecile ---

Thanks much to you and your staff for our recent meeting to discuss our concerns about the proposed street grid system in the Draft West Side Flats (WSF) Development Strategy. We appreciate your request for the Port Authority's industrial vision and strategy in the study area; together we have a valuable effort underway to reach agreement on a development strategy that achieves both of our objectives for industrial development and other revitalization of this area.

Riverview and Riverview West are a couple of our oldest business centers and certainly show their age and outdated design and functionality. We believe that our strategy for the industrial component of the WSF strategy is quite complementary to the good work PED and the Task Force have developed on the other components of the Draft strategy.

The ICIC consultants provided some excellent recommendations; we recognize that PED has taken some of them into the Task Force Draft, and we appreciate this effort.

Our industrial strategy includes implementing as many ICIC recommendations as possible, along with using our proven approaches to generating business retention and growth; job growth at good wages; and tax base growth. The following outlines our strategy and the underlying concepts:

I. Implement the ICIC/Initiative for a Competitive Inner City Report's Recommendations:

Overall:

- Recognize that modern industrial development represents a range of activities involving Production, Repair, and Distribution of goods and materials (many cities now use the "PDR", rather than "industrial" to more accurately describe this sector). Examples of uses include laboratories, flex space, distribution centers, and purpose-built manufacturing. Logistics/freight transportation is also important to the Saint Paul's economy, hence "P, D, R, & L".
- Provide zoning certainty and environmental remediation as part of generating additional land availability.
- Retain and promote industrial uses and growth.
- Ensure that industrial zoning is retained, encroachment by other uses is minimized, and infrastructure around industrial land is maintained and/or improved.
- Provide industrial land availability and improvement of existing roads infrastructure, which constitute the best path to continued growth.
- Create an inviting feeling by promoting landscaping, signage, streetscapes, sidewalk upgrades, and other improvements that can encourage new and infill development in the employment centers.
- Use buffers --- such as storm water management systems, dense landscaping, street design, and setbacks --- to separate industrial and other uses.

In Older Industrial Areas:

- Incorporate modern amenities, features, and aesthetics to retain businesses and avoid negative perceptions; both functional and cosmetic.
- Promote landscaping, signage, streetscapes, and other improvements to encourage new and infill development.
- Develop a strategy to help coordinate site assembly, improve gateways, upgrade local infrastructure, and promote new investment.
- Provide a clear property management presence for both exterior spaces ("clean and safe improvements") and interior common areas of multi-tenant Business Center facilities, perhaps through an Industrial Business Improvement District (I-BID).
- Consider alternate uses for the acres of underutilized existing surface parking, to free up land for further industrial business growth, undertaken in partnership with all parties.
- Create more open space in Riverview (landscaping, signage, public art, etc.) while strengthening its industrial presence (Seattle as an example).
- Convert appropriate older multi-story industrial buildings into complementary productive uses ("creative enterprises", incubator, etc., uses); this is a very small niche market that may be worth investigating.

Other Big Picture Findings:

- Older industrial districts lack a cohesive feel and identity; they were generally not well-designed or attractive or environmentally sustainable.
- A heightened focus on industrial activity and growth holds the key to preserving livable-wage jobs that are accessible to residents across the educational attainment spectrum, reversing recent diminishment of economic growth, and reducing income inequality.
- Saint Paul has an opportunity to leverage its industrial assets into a sustainable vision that promotes growth and reverses recent economic struggles; it's important to maximize the City's economic potential.
- The development of clean, modern, centrally located and well-managed Business Centers benefit businesses and create a sense of place.
- Saint Paul can emerge as the urban hub of the region's modern P, D, R, & L economy.

II. Port Authority Additional Redevelopment Strategies: Business Retention and Expansion & Job Growth at Good Wages

- A. Retain existing businesses, jobs, and tax base through addressing customers' site/building needs, and undertaking land redevelopment and financing.
- B. Acquire obsolete properties from willing sellers, complete contamination clean-up and site preparation, and sell land to expanding businesses (we have identified a potential opportunity or two in this area, to date). Please see the attached plat maps of a couple of modern Business Centers and photos of buildings developed in additional Port Authority modern Business Centers. These are examples of the type of buildings we foresee enhancing the revitalized Riverview and Riverview West industrial areas. Please note that the variety of lot sizes and configurations were created with the needs of P, D, R, & L businesses in mind.
- C. Use the Port's Development Criteria with business customers regarding jobs, wages, construction value, design, energy efficiency, and sustainability.
- D. Undertake activities based on market-driven demand and industrial site development principles (refer to my letter of January 2, 2014), which include the avoidance of unnecessary street grid system development.
- E. Assist multi-tenant property owners as appropriate in backfilling vacant lease space by referring potential tenants to them.
- F. Provide financing and appropriate economic development incentives to existing businesses intending to expand and businesses that move into this area, as appropriate and feasible.

III. City of Saint Paul and Port Authority Joint Responsibilities to Ensure Marketable Commercial Land

- A. Saint Paul and the Port Authority will collaborate over time to maintain certainty that current and future investments and financing of industrial property in the area will not be jeopardized by future planned infrastructure which may not materialize for many years and may not be of the suggested configuration that is supportive of business growth and development needs.
- B. Where site assembly and/or replatting is being considered, the City, with technical assistance from the Port Authority and existing P, D, R, & L businesses, will ensure that the physical characteristics of the resulting lots and associated land controls lend themselves to building types/products that currently exist and serve P, D, R, & L in the commercial real estate marketplace. This includes appropriate lot dimensions, adequate truck turning radii on city streets and within lots, and appropriate infrastructure for P, D, R, & L uses.

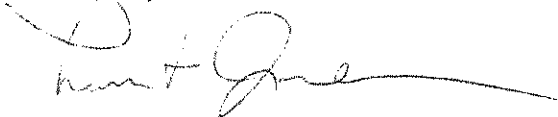
IV. Summary of Port Authority's Industrial Strategy Vision

- A. A robust inventory of industrially-zoned land, which is supported and protected by public policy via the City's Comp Plan and the West Side Community Plan.
- B. Based upon private sector business and growth needs, public sector redevelopment guidance that encourages business expansion.
- C. The provision of ready-to-develop cleaned up P, D, R, & L sites and related amenities, and business expansion incentives as appropriate that result in jobs at livable wages, enhanced supplier networks, and tax base growth.

Cecile, we look forward to our next meeting to discuss reaching common ground on the industrial part of the WSF strategy. We also would appreciate some further information then on your concept of utilizing an Official Map as part of the WSF strategy, since we remain concerned about the implications of it on financing potential and property values of industrial property there.

We will initiate another meeting soon with you and your team, and we look forward to seeing you then.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis F. Jambois", with a long horizontal flourish extending to the right.

Louis F. Jambois
President