

November 5, 2010

Zoning Committee
St. Paul Planning Committee

Dear Committee Members,

As owner of the lot next door to the 1870 Old Hudson Road, I would like to oppose the approval of the zoning change.

Some of you might know my property at 1880 Old Hudson Rd. was under a contract to sell to TOTI Development, LLC for development of an assisted living facility since December of 2009. TOTI was about to secure a funding from National Health Investors, Inc (NHI) just before the news announced that the Minnwest Bank Metro has signed a purchase agreement with a developer to convert the hotel to an assisted living facility. Under deep concern of over supply of the assisted living beds in the area, NHI has since withdrawn their loan commitment. Our project has since been in jeopardy.

I have to thank City of St. Paul for providing two grants; Met Council Grants in amount of \$374,400 and two STAR grants in amount of \$90,000 to allow the hotel to tear down the 44-year-old asbestos-contaminated buildings on my lot and also thank Council member Kathy Lantry for arranging one of the two STAR grants in amount of \$25,000 to allow us to complete the demolition job. The use of the grants has prepared the lot for building a new assisted living facility.

The timing of the zoning request of 1870 Old Hudson Rd cannot be any worse than now. While working with another lender for the project, TOTI has to cancel the purchase contract just few days ago to my greatest dismay. While representing me in this hearing, Mr. Brian Wings, the owner of TOTI, shall be allowed to present his personal view on the matter.

I propose the zoning change approval of 1870 Old Hudson Rd shall be delayed for a minimum of one year to allow my property to complete the development of an assisted living facility and see if the market would absorb the demand. It will harm the city to see two identical projects going up next door to each other and compete head to head against each other. The chance for both projects to succeed is very slim in my opinion.

Thank you very much for your attention.

Most Sincerely,

Lee Tzong Chen
President
Starbound St. Paul Hotel, LLC

Zoning Committee
Planning Commission
25 W. Kellogg Blvd.
Saint Paul, MN 55102

5 November, 2010

Re: Proposal to rezone and request for CUP at 1870 Old Hudson Rd.

The District 1 Community Council is concerned about the proposal to rezone this location and the owner's application for a conditional use permit in order to convert the La Quinta Hotel to an assisted living/memory care facility. The adjacent property has recently gone through a similar process and the city has already invested around \$60,000 to assist with asbestos mitigation in order for another assisted living/memory care facility to be built.

The Council is deeply concerned that two such businesses adjacent to each other will insure that neither facility will succeed. There have been many delays with construction of the other facility while those developers have tried to negotiate with the changing owners at 1870 Old Hudson. With this proposal, it appears that those difficulties could be related to competitive interests.

In the meantime, these two properties remain either vacant or severely underused. We have had problems with illegal activities of various sorts here as a result. The negative impact on the surrounding neighborhood is dramatic.

As a result of these concerns, we suggest that these requests be denied and that the city look to preserving the investment it has already made at 1880 Old Hudson. By doing so, we feel that the best interests of the surrounding residents will also be served.

Respectfully submitted,

Betsy Leach
For the Land Use Committee