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March 17, 2014

Ms. Cecile Bedor
Director
City of Saint Paul
Planning and Economic Development
1300 City Hall Annex
25 West Fourth Street
St. Paul, MN 55102

Re: West Side Flats Master Plan

Dear Cecile:

Thank you for your letter of March 11, in which you respond to previous correspondence from me, regarding the West Side Flats Master Plan. It is clear that you were not persuaded by our objections to the draft plan. I'm afraid that we are equally unpersuaded by your response.

The Port Authority's goal is to protect industrial land; our professional experience tells us this plan will reduce it. I believe, therefore, we are at an impasse.

Our conclusions are based on our track record. The Saint Paul Port Authority has been in the industrial redevelopment business for over 50 years; and by all tangible measures (nearly 2 square miles of recycled property, nearly 600 businesses and nearly 24,000 jobs), we're pretty good at it. Truly, our accomplishments and commitment to Saint Paul should speak for themselves. Even during the economic slowdown of the previous five years, there have been several successful Port-sponsored industrial developments in the City. One of the primary reasons for the Port's success is that we make good judgments about which distressed properties to purchase for redevelopment, and which properties to ignore. Simply put, the Port buys properties that - post building demolition, contamination cleanup, platting and infrastructure installation - will be attractive to private businesses for their next big investment.

We stay away from properties that don't meet that test. Again, our history of success suggests that we are right about these judgments much more often than we are wrong. In the past, the Port Authority has been granted significant flexibility by the City in planning and platting our business parks, and the businesses have responded positively.

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The West Side Flats Master Plan sets a new course by effectively creating the plat first, with the expectation that industrial development will follow. For the foreseeable future, we don't believe that industrial businesses and development companies will support the plan. We certainly don't support it. We believe that the current draft West Side Flats Master Plan places insurmountable impediments to near-term industrial redevelopment prospects. Indeed, it appears the City's ultimate goal is to transition the West Side Flats area out of industrial development and into office/commercial space - uses for which there is currently a very limited near-term market in Saint Paul's core. We recognize that the City has ultimate planning and zoning authority over all properties within Saint Paul. So, while we will continue to object to this plan, we know that it may actually come to fruition. Should that be the case, the following are likely outcomes:

- Upon seeing their property divided by future streets and other infrastructure, current property owners will stop investing in their property. (Seriously, how many of us would continue to invest in our homes if we knew the City planned to build a road through them?)
- The value of the current properties will drop as a result of the impediments and uncertainty created by the plan. (If a road was planned to run through our homes, who would we sell them to?)
- The Port likely will not be the buyer of property that couldn't be repurposed in the near term.
- The area will deteriorate with an attendant loss of jobs and tax base until such time, if ever, that the private business community finds uses for the properties that are consistent with the plan.

A plan of this nature requires extensive public investment and intervention. Absent that, we expect this deterioration to happen over the course of several years. We sincerely hope we're wrong.

As you know, Port staff has recently hosted several of your economic development team members at local commercial real estate events. We would be happy to host a meeting between your West Side Flats Master Plan planners, industrial real estate brokers, and industrial business owners. Your planning team could present the draft plan and solicit feedback. It might be worth the time.

Thank you, Cecile.

Sincerely,



Louis F. Jambois
President

LFJ:amk