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July 8, 2014

Mayor Christopher B. Coleman  
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Saint Paul, Minnesota 55102

Shari Moore, City Clerk  
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310 City Hall  
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Kathy Lantry, Council President  
Saint Paul City Council  
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Chris Tolbert, Councilmember  
Saint Paul City Council  
Ward #3  
310-C City Hall  
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Saint Paul, Minnesota 55102

Re: Proposed Highland Village Streetscape  
Hearing Date: **July 9, 2014**  
File #19162

Owner: American Blue Ribbon Holdings, LLC d.b.a. Bakers Square  
Property Addresses: 2235 and 2239 Ford Parkway, St. Paul, MN  
Parcel ID #s 17-28-23-12-0044 and 0045

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Dear Mayor Coleman, Council President Lantry, Councilmembers, and Ms. Moore:

This firm has been retained by American Blue Ribbon Holdings, LLC (ABRH) to provide a written statement on the company's behalf regarding the proposed Highland Village Streetscape project scheduled for a hearing on July 9, 2014, at 5:30 pm. We wish to file our objection regarding the approval of this project, as ABRH currently owns two parcels for which the estimated assessment will total \$51,746.55. Although a hearing to ratify this assessment will be held separately, this amount is so exorbitant that it must be considered in light of the project's purpose, necessity, and fairness to and ability of the affected property owners to pay for such a project. The assessment ratification hearing will serve little purpose because the project will have been completed at that time and if the actual costs are at least as near, if not as much as or higher, than the estimated costs, the council will be pressed to approve the assessments to the owners along Ford Parkway as proposed by the City of Saint Paul.

Although the company has requested more detailed information of the proposed project, ABRH has only been provided with a photo of the proposed light fixture; a 10-page PowerPoint presentation; and a drawing as to where the light poles are proposed to be installed (see the enclosed). There is no information provided as to how the City of Saint Paul arrived at its estimated costs, what construction is required, proposed contractor bids, appraisal reports, and the variable factors that may increase the costs. This raises serious questions regarding the fairness of this hearing and whether this project has really been provided due consideration and is really necessary. Even if details are provided by the City at the hearing, there is no opportunity for the property owners to adequately prepare its opposing arguments. Property owners should be provided details sufficient to make a determination on matters such as the following:

1. Whether the assertions that the City of Saint Paul are making are supported by specific facts and data. For example, the City makes a cost comparison between a full light system replacement with a partial light system replacement, apparently under the assertion that all existing light fixtures along Ford Parkway requires some partial replacement at this time. However, it provides no data supporting this assertion, any information as to how it arrived at its projections, or any fact regarding each existing light fixture. Such information should be provided to determine the true extent of the wear and aging and the necessity of replacement and whether the City's assertion of a partial light system replacement required for each light fixture is fair and accurate.
2. Whether the City of Saint Paul's project is feasible, the estimate is reasonable or realistic, or if certain costs of the project can at least be curtailed or the proposed construction altered in a more acceptable manner, or whether alternative solutions exist.
3. Whether there are unknown variables or assumptions which could significantly raise the actual costs of the project (and hence, the assessments to the affected property owners), and whether they have been addressed by the City of Saint Paul. Without a detailed plan, actual costs can easily exceed the estimated costs, and once the council approves of the project, the property owners are powerless to prevent potential cost overruns.

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Additionally, the documentation that has been provided to ABRH presents only the apparent need of new lighting but fails to balance the burden that the costs of the project will have on the proposed assessed property owners. No alternatives to funding the project has apparently been addressed. No impact study has been conducted or input from the affected property owners obtained as to how the proposed assessment would affect the financial situation or economic viability of their businesses. No input from the assessed property owners has been requested to determine if they believe that such a project is worth the proposed assessment. The project merely assumes that the proposed assessed property owners will receive a benefit and can or should bear the burden of the improvement.

This is an unusually high assessment. ABRH was just last year assessed \$4,608.02 for "Right-of-Way" Assessments (sidewalk and alley improvements) and "Above-Standard Lighting." The latter item was assessed to ABRH at \$3.45/foot or a total of \$969.45. This proposed streetscape, however, is estimated to burden ABRH with an assessment for "Commercial Lighting" at \$182.55/foot, or approximately 53 times higher than its most recent lighting assessment. At the same time, the City of Saint Paul is silent and provides no information showing how this proposed project will provide any increase in the property value of the owners.

Per Minnesota Statute Section 429.051, the assessment for the cost of any improvement must be based upon the benefit received. If all that this project entails is light fixture replacements, this project serves little public purpose because it is not needed. Given the estimated cost provided by the City of Saint Paul, the new proposed project is expected to require ground breaking, new wiring and conduits, a new source of power supply, and all new light fixtures. In contrast, there currently exists operating and wired light fixtures in Highland Village. These are deemed by the City to already be "Above-Standard Lighting," and ABRH was just recently charged assessments for these fixtures. It is difficult to understand how this "Above-Standard Lighting," which was assessed to ABRH in 2013, is now being argued as obsolete. Although the proposed new lighting fixtures may save \$17.28 per year on energy costs per fixture, this savings will not be passed to the assessed property owners. Furthermore, even if it is, the total savings over the proposed life of the lighting fixtures, i.e., thirty years (per the City's own PowerPoint presentation slide #2), at a total of about 169 fixtures per the Lighting Map drawing, will equal only \$87,609.60 ( $\$17.28 \times 169 \times 30$ ). This means that the assessed property owners together could at best recoup only about 5% of the estimated total project cost (assuming such savings are passed on to them).

Given the extraordinary amount of the assessments to each property owner being assessed, the City of Saint Paul must be required to justify the need for such a high cost for this project. If the primary benefit to the owners is merely the replacement of new light fixtures, it is clearly outweighed by the burden of the affected property owners to pay for the project cost.

Additionally, the proposed method of assessment appears unfair. The street lighting is not just for the benefit of the property owners who are currently being assessed, but more so, for the general public. ABRH, for example, receives no more benefit for light poles abutting the abandoned Ford plant than the general public walking along Ford Parkway. Accordingly, it is unfair to impose the entire assessment cost just to the proposed property owners as there is no special benefit being imparted to them.

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Wherefore, for all of the foregoing reasons, we urge that the St. Paul City Council consider our objections and deny any approval of this proposed project.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Alvin Chua". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Alvin Chua, Esq.  
Attorney at Law

Encl.