

# WEST MIDWAY INDUSTRIAL STRATEGY

## Executive Summary



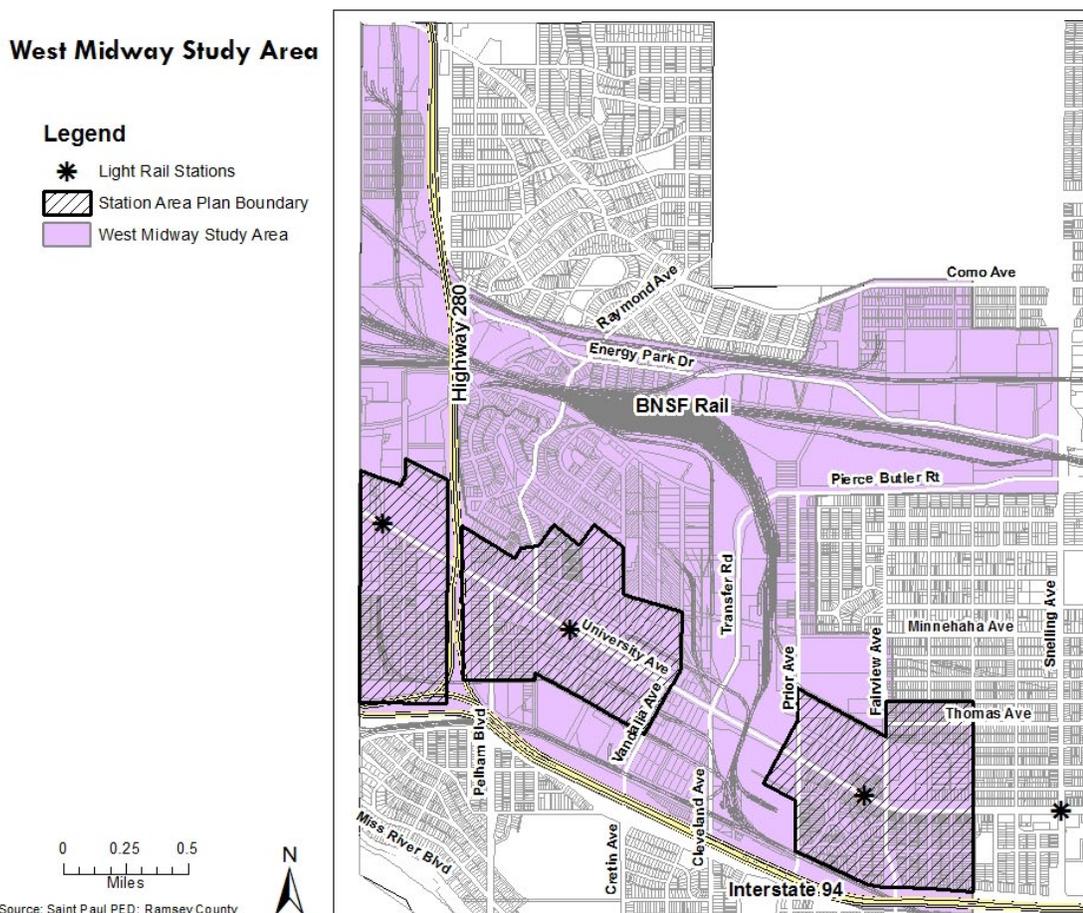
***The West Midway Industrial Area contains some of the most productive industrial activity in the Twin Cities Metropolitan Area. Yet, its best destiny as an economic powerhouse lies in its future – a future that can take maximum advantage of the current infrastructure, the local work force, its central location, and the potential for larger-parcel redevelopment.***

# WEST MIDWAY INDUSTRIAL STRATEGY

The West Midway Industrial Strategy is intended to foster reinvestment and redevelopment in the West Midway Industrial Area. Industrial business is the engine that drives the city's growth in livable-wage jobs, and helps stabilize the property tax base. As such, it is in the community's best interests to help local business grow, while attracting new industrial investments. Industrial investments are increasing nationally and locally. According to the Federal Reserve Bank of Chicago, manufacturing continues to grow at .75 percent to 1.0 percent per annum. And, the Federal Reserve Bank of Minneapolis is projecting 2013 to exceed the growth of 2012 in seven of the eight industrial growth indicators. (Source: January 3, 2013 issue of fedgazette)

The West Midway Industrial Area needs to be prepared to attract and accommodate investments in both existing businesses and new development. The improving economy, completion of the Green Line LRT and its central location suggest that NOW is the time to prepare the Area for industrial business and developer investments. However, the improving economy, great location and LRT are not enough to realize major industrial growth in the West Midway Area. Antiquated or abandoned buildings, small development sites, and lack of a coordinated strategy will keep the Area from realizing its best potential unless the community takes action. The actions proposed by this Strategy will require cooperation and intensified efforts by the business community and public sector (primarily the City of Saint Paul/Port Authority), with assistance from the greater Saint Paul community and the philanthropic sector.

To proceed, this Strategy first looks at the existing assets of the **location** of the West Midway Industrial Area and the **strength** of the existing industrial sector. Then, the actions of this Strategy focus on **business collaboration** and **strategic public investments** to set the table for increased private industrial investment.



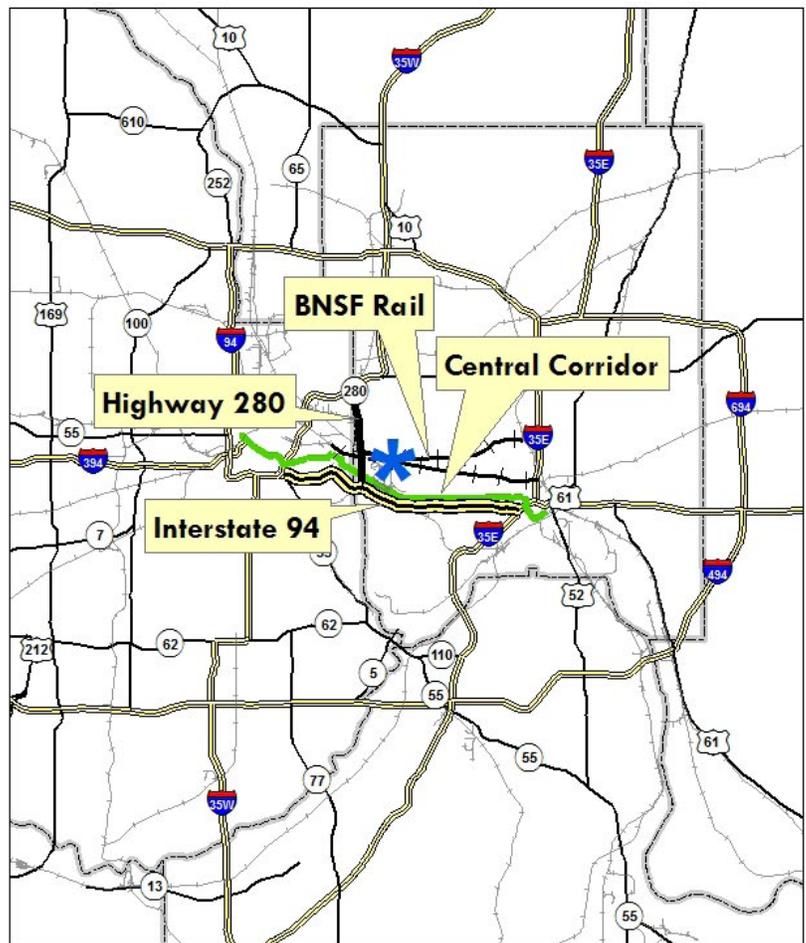
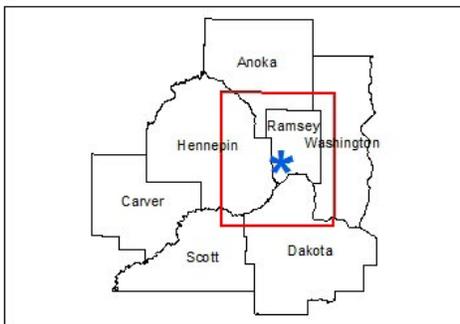
# WEST MIDWAY REGIONAL CONTEXT

The West Midway Industrial Area is ideally located for industrial development, with access to transportation infrastructure and an employment base unparalleled in the region. At the northern edge of West Midway is the mainline track for the BNSF railroad – connecting the massive Chicago freight rail hub to the northern Great Plains and the Northwest/Pacific Rim ports. Through the southern portion of West Midway is the soon-to-be completed **Green Line LRT, which will carry 45,000 to 60,000 riders per day** and connect the three largest employment concentrations in the state (the University of Minnesota Minneapolis Campus, downtown Minneapolis and downtown Saint Paul). On the southern edge and through the western portion of West Midway are Interstate 94 and Highway 280. In combination, access to rail, transit and highways is unparalleled in the metropolitan area. In addition to the transportation network, the West Midway Industrial Area is in the geographic middle of a very dense concentration of workers. Situated halfway between the two downtowns and **within a 20-minute commute of over 900,000 potential workers** makes the area ideal for businesses to access a qualified workforce. (ESRI Community Analyst, 2012; residents ages 18-65)

## West Midway Regional Context

### Legend

-  West Midway Study Area
-  County
-  Central Corridor LRT
-  Interstate
-  US Highway
-  State Highway
-  Rail lines

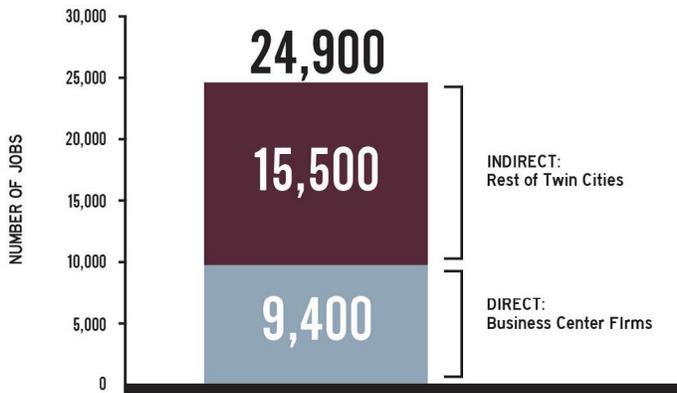


Source: City of St. Paul Planning and Economic Development; Metropolitan Council; MnDNR

# INDUSTRIAL BUSINESS: THE ECONOMIC ENGINE

Industrial business is the engine that drives the city's growth in livable-wage jobs. Industrial jobs, manufacturing jobs in particular, have tremendous ripple effects in the economy that create other jobs, substantially bolster the property tax base and provide livable-wage employment for all skill-levels in the workforce. Numerous studies from throughout the country have validated that industrial jobs create other jobs at a high rate (1.65 to 2.00 additional jobs for every 1 industrial job in Saint Paul.)

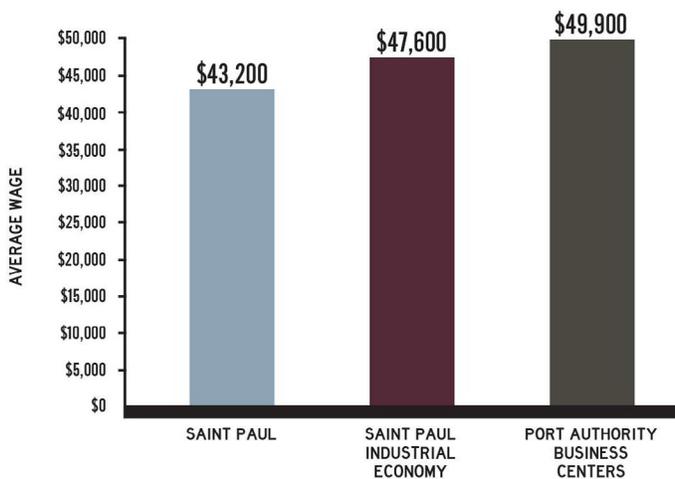
## Industrial Job Creation from Port Authority Business Center Firms, 2011



SOURCE: Bureau of Labor Statistics, ICIC analysis

Although job creation has accelerated recently, only 1 in 4 new jobs in the U.S. pay livable wages. (Source: Bureau of Labor Statistics.) This is NOT true for industrial jobs, where salaries start in the \$15/hour range for semi-skilled works – jobs that have opportunities for advancement into very well-paid positions.

## Overall Job Creation from Port Authority Business Center Firms, 2011

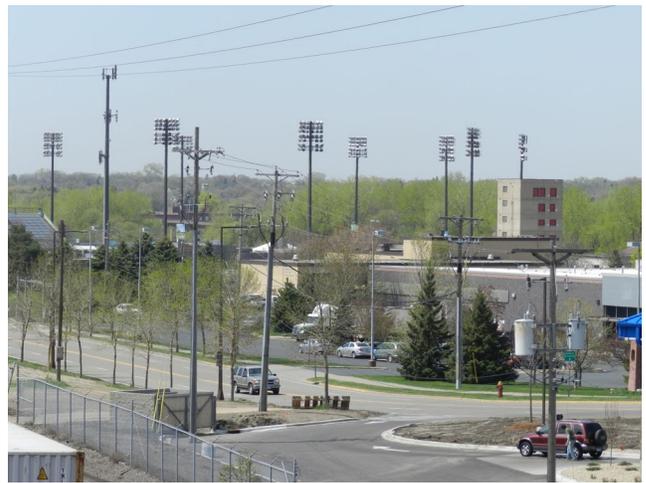


SOURCE: Bureau of Labor Statistics, ICIC analysis

Through this Strategy and ongoing efforts of City departments and the Port Authority, Saint Paul is positioning West Midway as THE area for major industrial investment in the near future.

# THE CENTRAL CHALLENGE

The central challenge for creating high-value employment and bolstering tax revenue is to empower the local business community while focusing public actions in support of new investments. Individually, businesses have little power to impact industrial growth, except in rare circumstances for very large companies. However, collectively businesses can have profound impacts on business growth strategies, marketing, and public investments. With over 80 businesses in the West Midway area, the broader community has a major stake in the success of individual businesses as well as the prosperity of the entire area. At the same time, the public sector recognizes its responsibility to invest strategically in both infrastructure improvements and land assembly/marketing.



## » BUSINESS COLLABORATION

**Collaboration among businesses is essential to attracting reinvestment and new investment in industrial development.** The local business community needs to improve the chances for industrial redevelopment through collaborative strategies and actions, through private investments in site improvements, and through aggressive marketing. This Strategy includes a program of coordinated efforts among the business community:

- Develop a “**West Midway Industrial Partnership**” among local industrial business leaders, developers/leasing companies, the Port Authority and the City
- Promote area-wide physical improvements – possibly employing **Business Improvement Districts (BIDs)**
- Create a “**Good Neighbor**” strategy which defines common ground with surrounding neighborhoods.
- Promote **environmental stewardship** in keeping with sound business practices, including sustainability principles regarding stormwater, energy use, and alternative commuting choices.
- Undertake a **public relations campaign**, initially focused locally to enlist greater support from other businesses, developers and the community; and then focused on the regional/national business community to attract more investment.
- Elicit the active **support of the Greater MSP Initiative**, to assist in seeking business prospects as well as providing expertise concerning investment trends and business requirements.
- Support efforts to **retain** stable work spaces for **small-scale**, small-batch manufacturing, artisan and creative enterprises (based in part on the Greenpoint Manufacturing and Design Center models).
- Actively pursue **site assembly** for new industrial development business growth and job creation and retention. Priority will be given to underutilized and vacant land. All viable financing alternatives will be sought and utilized.
- Seek **eminent domain authority** to acquire vacant and blighted buildings, splinter parcels and smaller strategic parcels.
- Improve the **design of new industrial buildings**.



## » STRATEGIC PUBLIC INVESTMENTS

**Government – City, State, Federal – need to work together to facilitate industrial investments and business growth.** The focus of public action must be on supporting existing businesses while setting the stage for future industrial investments. In addition, strategies are needed to ensure that the quality of new development and reinvestment in existing industrial sites respects the surrounding residential community:

- Retain and **protect current industrial land from conversion** to non-industrial uses.
- Expand **workforce connection** efforts that can fill the divide between the skills of prospective workers and the needs of business, including: timely training; a focus on existing workforce within the city; and increased connections between business and local colleges & universities.
- Seek better **options for truck and auto traffic in the Westgate Industrial Area.**
- Enhance **boulevard landscaping.**
- Reduce workers' use of single-occupant vehicles by employing a **Transportation Demand Management tool kit.**
- Improve the physical environment for workers via **sidewalk construction and bicycle facilities** on selected streets.
- Improve **problematic edges** between neighborhoods and industrial uses.
- Invest more aggressively in the **street and roadway network:**
  - Press Minnesota Department of Transportation to redesign Highway 280 from the Como Avenue interchange south to I-94, with particular attention paid to access at Franklin Avenue and Energy Park Drive.
  - Pursue funding for reconstruction of the Vandalia/I-94 Interchange.
  - Direct truck traffic to Vandalia south of Ellis by reconstructing Ellis between Transfer and Vandalia and installing interstate trailblazing signage.
  - Direct truck traffic to Highway 280 North via Territorial Road with road reconstruction, a truck route designation and trailblazing signage.



## » RESOURCES NEEDED

The array of resources needed to implement this Strategy are varied, and **require the coordinated efforts of the business community, the adjacent neighborhoods, the philanthropic sector, and the public sector for their implementation.** Collective political action and a sound strategy will require long-term commitments. Such commitments should be in writing, wherever practicable. The resources needed for implementation include:

- Business Leaders, Chamber of Commerce, City, and Port Authority sustained commitment to the Strategy – which will include **dedication of staffing resources** by all.
- A strong and **sustaining partnership** among the Public, Private and Philanthropic (P3) sectors; focused on livable-wage jobs, tax base, and business retention/expansion.
- **Funding for site assembly** and preparation, such as the use of Tax Increment Financing, and Federal HUD/EPA assistance.
- **Funding for major highway improvements** from Metropolitan Council, MnDOT, USDOT and City investments.
- Legal authority essential for ongoing industrial redevelopment, particularly the power of **eminent domain.**
- Public staffing work must include:
  - Department of Safety and Inspections work on continually **improving permitting and regulations administration.**
  - Department of Planning and Economic Development work on **business outreach, prospecting** for State and Federal assistance and ongoing research into improved methods of **redevelopment finance.**
  - Saint Paul Port Authority continued work on industrial site assembly, pollution remediation, business expansion, **business outreach, site assembly and targeted marketing.**
  - Department of Public Works continued work on **infrastructure** improvements.

### CHARGE FOR THE STRATEGY:

The Saint Paul Planning Commission, on May 21, 2010, established the West Midway Industrial Study Task Force to make recommendations to strengthen the city's industrial sector and employment base while AND fit with the existing residential neighborhoods and the three Central Corridor [Green Line] station areas. The resulting West Midway Industrial Strategy is intended to amend the City's Comprehensive Plan.

### MORE INFORMATION:

The complete strategy may be found on the City of Saint Paul Website:

<http://www.stpaul.gov/westmidway>

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