DEPARTMENT OF PLANNING &
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DATE: March 2, 2018

TO: Planning Commission

FROM: Bill Dermody & Allan Torstenson, PED staff

RE: Industrial Zoning Study

ISSUES

During recent deliberations on a set of zoning cases to permit additional residential uses in an industrial district at 2103 Wabash Ave., the Zoning Committee and Planning Commission expressed interest in directing staff to conduct an industrial zoning study. Before beginning staff work on such a zoning study, it would be helpful to receive better direction on the issues to be considered in the study.

Fundamentally, an industrial zoning study could result in:

- the rezoning of certain industrial properties (e.g. from I2 to IT); or
- changes to the permitted uses and their standards in industrial districts.

Which result does the Planning Commission anticipate?

Regardless of desired result, what should be the components of staff research into the matter? That is, what types of information or analysis should we pursue as part of the zoning study? What would help you make decisions regarding industrial zoning regulation?

BACKGROUND

To inform the discussion, it may be helpful for the Planning Commission to understand some of the recent history around industrial zoning regulation in our city. Namely, the 2013 Industrial Zoning Study and the 2014 West Midway Industrial Area Plan.

<u>2013 Industrial Zoning Study</u>

In early 2013, the Mayor and City Council adopted zoning code amendments pertaining to industrial zoning districts and regulation of industrial uses after 16 months of study and deliberation by Planning Commission and staff, including a public hearing at Planning Commission in June 2012. Among the many code amendments were:

- A reduction in the amount of first floor and basement space permitted to be dedicated to residential principal uses from 50% to 0% in the I1 and I2 zoning districts.

- A new requirement for a conditional use permit (CUP) for more than six (6) dwelling units in the I2 district. Formerly there was no limit on the number of residential dwelling units in I2 as part of a mixed residential and commercial use.
- New requirements for CUPs for several other uses in I2 that had formerly been permitted by-right, including day cares, schools, libraries, churches, reception halls, and theaters.
- Change in the nature of separation requirements for certain industrial uses (e.g. asphalt manufacturing, concrete crushing, outdoor recycling processing, solid waste composting) from being a certain distance from *existing* residential uses to being a certain distance from residential or traditional neighborhood *zoning*.
- Added an exception to the 300-foot separation for outdoor storage from certain uses/zoning, *if*: a visual screen were provided, the Zoning Administrator considered adjacent character and materials, and nearby property owners were notified.
- Added design standards tailored for the IT district (rather than referring to certain T district standards), some of which were made to also apply to the I1 district.

Notably, Planning Commission had considered removing uses like churches and schools entirely from industrial districts, before acting otherwise in the end.

The Planning Commission memo and resolution from the 2013 Industrial Zoning Study are attached.

West Midway Industrial Area Plan

In September 2014, more than four years after a task force was established by the Planning Commission to study the issue, the Mayor and City Council adopted the West Midway Industrial Area Plan (WMIAP) as an addendum to the Saint Paul Comprehensive Plan. The WMIAP was intended to foster investment and redevelopment in the West Midway Industrial Area, recognizing that "(i)ndustrial business is the engine that drives the city's growth in livable-wage jobs, and helps stabilize the property tax base." The WMIAP analyzed location-based and industrial sector strengths and trends to inform policies regarding business collaboration, workforce development, and strategic public investments to encourage private industrial investment. The WMIAP recognized that modern industrial uses do not need to be noxious, but still identified multiple "vulnerable land use edges" where the proximity of residential uses to industrial uses are a threat to industrial viability. The WMIAP also called for exploring smaller artisanal, creative business to re-use vacant buildings. No rezoning was undertaken as part of the WMIAP.

The WMIAP was informed by much research from a variety of sources, particularly including a report titled "An Industrial Strategy for the City of Saint Paul," which was prepared for the Saint Paul Port Authority by the Institute for a Competitive Inner City (ICIC), and is commonly referred to as the "ICIC Report."

Not long after the WMIAP was adopted, the Planning Commission held a retreat on December 19, 2014 on the topic of "Urban Industrial Development – Current Market & Future Trends."

Attachments

1. 2013 Industrial Zoning Study PC Resolution 13-03
2. 2013 Industrial Zoning Study PC Memo
3. West Midway Industrial Area Plan
4. ICIC Report

city of saint paul
planning commission resolution
file number 13-03
date January 25, 2013

RECOMMENDATIONS ON INDUSTRIAL ZONING STUDY TEXT AMENDMENTS

WHEREAS, Policies 2.21, 2.22, and 2.23 of the Land Use chapter of the *Saint Paul Comprehensive Plan* call for study of zoning code amendments pertaining to industrial districts and regulation of industrial uses; and

WHEREAS, § 61.801 of the zoning code calls for periodic review of the zoning code to reflect current city policies, to address current technology and market conditions, and to bring the zoning code up-to-date; and

WHEREAS, the Planning Commission, in Resolution 11-78 on September 16, 2011, initiated a study of zoning code amendments pertaining to industrial districts and regulation of industrial uses; and

WHEREAS, the Planning Commission conducted a public hearing on a draft of the industrial zoning study text amendments on June 1, 2012, notice of which was published in the *Legal Ledger* and was sent to the City's Early Notification System; and

WHEREAS, the Planning Commission referred the draft industrial zoning study text amendments to the Comprehensive Planning Committee for consideration, review of the public hearing testimony, and recommendation; and

WHEREAS, the Comprehensive Planning Committee, on January 8, 2013, forwarded its recommendations to the Planning Commission;

NOW, THEREFORE, BE IT RESOLVED, under the provisions of Minnesota Statutes §462.357 and § 61.801 of the Legislative Code, that the Planning Commission hereby recommends to the Mayor and City Council the following amendments to chapters 60, 62, 63, 64, 65, and 66 of the zoning code pertaining to industrial districts and regulation of industrial uses, as set forth in pages 2 – 17 of this resolution; and

BE IT ALSO RESOLVED, that the Planning Commission directs the Planning Administrator to forward the following draft industrial zoning study text amendments, along with the January 8, 2013, memorandum from the Comprehensive Planning Committee containing their recommendations and rationale for the recommended text amendments, to the Mayor and City Council for their review and adoption.

moved by Merrigan
seconded by
in favor Unanimous
against

NOTE: Existing language to be deleted shown by ~~strikeout~~. New language to be added shown by underlining.

Chapter 60. Zoning Code – General Provisions and Definitions; Zoning Districts and Maps Generally

Sec. 60.301. Zoning Districts established.

(d) Industrial districts.

IT~~R~~ transitional ~~river corridor~~ industrial district

I1 light industrial district

I2 general industrial district

I3 heavy ~~restricted~~ industrial district

Sec. 60.307. More restrictive or less restrictive districts.

When the code refers to more restrictive districts or less restrictive districts, the districts in order from more to less restrictive are: CV, CO, RL, R1, R2, R3, R4, RT1, RT2, RM1, RM2, RM3, T1, OS, B1, BC, T2, B2, T3, B3, T4, B4, B5, IT ~~IR~~, I1, I2, I3. The VP district shall be as restrictive as the district for which the VP district provides accessory parking.

Chapter 62. Zoning Code – Nonconforming Lots, Uses and Structures

Sec. 62.106. Nonconforming uses of structures, or structures and land in combination.

(q) Existing municipal yard waste sites that are legally nonconforming in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district~~s~~ may expand as a conditional use under the provision of section~~s~~ 61.501-61.504 and section 65.331 even though new municipal yard waste sites are not permitted in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district~~s~~.

Chapter 63. Zoning Code – Regulations of General Applicability

Sec. 63.113. Reserved ~~Outdoor storage near residential districts and uses~~.

~~In reviewing the site plan for outdoor storage in industrial districts, the zoning administrator may permit outdoor storage to be within three hundred (300) feet of a residential district or of a park parkway, or major thoroughfare, provided that:~~

~~(a) A visual screen, a minimum of six (6) feet in height, is placed between the outdoor storage and such residential district or use;~~

~~(b) The zoning administrator has considered the location and design of the outdoor storage area and visual screen in relation to any plans or guidelines approved by the city council and in relation to the design character and building materials of adjacent areas; and~~

~~(c) The zoning administrator has notified by mail the property owners within three hundred fifty (350) feet of the outdoor storage area at least ten (10) days before the administrator is to approve the site plan and has considered the property owners' comments.~~

Chapter 64. Zoning Code – Signs

Sec. 64.504. B2-B3 and I<u>T</u>~~R~~ industrial districts.

Chapter 65. Zoning Code – Land Use Definitions and Development Standards

Sec. 65.143. Mixed residential and commercial use.

Standards and conditions in B1-B3 business and ~~IR-I2~~ industrial districts:

(a) In B1-B3 business and IT industrial districts, dwelling units ~~Residential uses are~~ shall be limited to not more than fifty (50) percent of the ~~basement and~~ first floor and fifty (50) percent of a basement. ~~The e~~Entire upper floors may be ~~used~~ for residential use. At least fifty (50) percent of the ~~basement and~~ first floor shall be devoted to ~~a~~ principal uses permitted in ~~this~~ the district, other than residential uses.

(b) In I1-I2 industrial districts, dwelling units shall not be located in the basement or first floor and at least eighty (80) percent of the first floor shall be devoted to principal uses permitted in the district, other than residential uses. In the I2 district, a conditional use permit is required for a mixed residential and commercial use with more than six (6) dwelling units.

Sec. 65.645. Reserved ~~Outdoor (drive-in) theater~~.

~~*Standards and conditions:*~~

~~(a) The proposed internal design shall receive approval from the city engineer as to the adequacy of drainage, lighting and other technical aspects.~~

~~(b) Outdoor theaters shall abut directly upon a major thoroughfare, with ingress and egress available only from said major thoroughfare.~~

~~(c) There shall be off-street stacking space for no less than fifty (50) automobiles waiting to enter the facility.~~

~~(d) The area shall be laid out so as to prevent the movie screen from being viewed from residential areas or adjacent thoroughfares.~~

Sec. 65.701. Auto body shop.

Standards and conditions:

In the I<u>T</u>~~R~~ <u>transitional</u> ~~light~~ industrial ~~restricted~~ district this use shall be limited to . . .

Sec. 65.703. Auto service station.

Additional standards and conditions in traditional neighborhood and IT~~R~~ industrial districts:

(h) In the T2 traditional neighborhood and IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ districts this use shall be limited to parcels within one-quarter (¼) mile of University Avenue.

Sec. 65.705. Auto repair station.

(e) In the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district this use shall be limited to . . .

Sec. 65.706. Auto sales and rental, outdoor.

(d) Except in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district, the . . .

(e) In the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district this use shall be limited to parcels within one-quarter (¼) mile of University Avenue, limited to . . .

Sec. 65.731. Parking facility, commercial.

Standards and conditions in traditional neighborhood and IT~~R~~ industrial districts:

Sec. 65.753. Helistop.

(a) In business districts and the IT~~R~~ transitional ~~river corridor~~ industrial district . . .

Sec. 65.811. General industrial.

(a) Production, processing, . . . except those uses specifically first allowed as permitted uses in the I3 heavy ~~restricted~~ industrial district;

Sec. 65.812. General outdoor processing.

Standards and conditions:

(a) Outdoor servicing, processing, manufacturing or the storage of materials used in these operations shall be ~~no closer than~~ at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~to a property occupied with a one-, two-, or multiple-family dwelling~~.

Sec. 65.822. Cement, asphalt cement, and asphalt manufacturing.

Standards and conditions:

(a) All cement (including Portland cement), asphalt cement and asphalt processing and storage shall be ~~located~~ at least three hundred (300) feet from a residential~~ly~~ or traditional neighborhood district boundary ~~zoned property or property occupied by a residential use~~.

Sec. 65.823. Concrete, asphalt and rock crushing facility, outdoor.

Standards and conditions:

(a) All concrete, asphalt and rock processing and storage shall be located at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~residentially zoned property or property occupied by a residential use~~.

(b) The use ~~All outdoor servicing, processing~~ shall be conducted, operated and maintained in accordance with any necessary ~~permits of~~ MPCA, ~~the~~ county and ~~the~~ city permits, copies of which shall be provided to and maintained on file by the zoning administrator.

~~(c) The applicant shall provide a site plan showing the location of buildings; areas of outdoor storage, servicing, processing or manufacturing; and fences and walls. A narrative shall accompany the plan stating the measures the applicant will take to contain on the property any dust, odor, noise or other potentially adverse effects.~~

(c) The following shall be provided with an application for a conditional use permit:

(1) A site plan drawn to scale showing the location of buildings; areas of outdoor processing and storage; fences, walls, landscaping and screening vegetation; and the location of any stream, river (including the ordinary high water level), lake, wetland and major topographical feature within three hundred (300) feet of the site.

(2) A description of sources of sound, including hours of operation and measures to conform to noise regulations laid out in Sec. 293 of the Legislative Code.

(3) A dust management plan describing dust emission sources, their quantity and composition, and indicating conformance with all applicable air quality regulations.

(4) A drainage plan for stormwater management and runoff indicating conformance with all applicable stormwater regulations.

(5) A traffic plan describing the number of truck/vehicle trips the proposal will generate and the principal access routes to the facility including a description of the facility's traffic impact on the surrounding area.

(C.F. No. 09-341, § 4, 4-22-09)

Sec. 65.831. Hazardous waste recycling transfer facility.

A facility that collects recyclable hazardous and industrial non-hazardous wastes from very small quantity generators (VSQG), as defined in Minnesota Rules 7045.0320, and consolidates these wastes into larger containers that meet minimum shipment requirements (generally 55 gallon drums), and transfers them to an appropriate processing facility within ten (10) days of receipt.

Standards and conditions:

(a) The facility shall be at least 300 feet from a residential or traditional neighborhood district boundary.

(b) The facility shall meet all state requirements of a VSQG collection site, including a license issued by the Saint Paul-Ramsey County Department of Public Health.

(c) The facility shall document the safety of any outdoor storage of collected materials.

(d) The facility shall collect the waste or shall ensure that customers are trained to safely transport the material to the facility.

(e) The facility shall not accept or collect household hazardous waste or explosive, radioactive, infectious, or putrescible materials.

(f) The facility shall be kept free of litter and any other undesirable materials and cleaned of loose debris on a daily basis.

Sec. 65.832~~1~~. Infectious waste incinerator.

Standards and conditions:

See section 65.833~~2~~, infectious waste processing facility, standards and conditions (a)-(c).

Sec. 65.833~~2~~. Infectious waste processing facility.

Standards and conditions:

(a) The treatment of waste shall be conducted within completely enclosed buildings.

(b) The storage of the waste shall be within completely enclosed buildings . . .

(c) All structures containing the waste operations shall be at least three hundred (300) ~~one thousand (1,000)~~ feet from a residential or traditional neighborhood district boundary ~~the closest property line of a one, two, or multiple-family dwelling~~.

(d) The incineration of infectious waste shall be prohibited.

(C.F. No. 07-149, § 38, 3-28-07)

Secs. 65.834~~3~~ - 65.838~~9~~. Reserved.

Sec. 65.839. Metal shredder, intermediate.

A facility that accepts, stores and shreds intermediately sized metal products, including crushed and logged motor vehicles cut into smaller sections. The facility shall be incapable of handling whole crushed motor vehicles, closed containers and heavy-dense scrap with a thickness of more than ¼ inch.

Standards and conditions:

(a) Facilities for motor vehicle recycling shall be located on the site of an existing legal motor vehicle salvage operation.

(b) The size of the shredder intake shall be 60 inches by 60 inches or less and the power generated by the shredder shall be 1500 horsepower or less.

(c) All processing activities and material storage shall be contained within enclosed buildings that meet all requirements of the State Building Code.

(d) The facility shall meet noise standards as set forth in MPCA (Minnesota Pollution Control Agency) Noise Pollution Control Rules and local ordinances. The applicant shall perform a noise analysis to determine whether the facility will conform to the standards and propose any mitigation measures necessary to meet the rules and regulations. Buildings shall be insulated as required by the State Building Code and sound proofed as required by the noise analysis.

(e) The shredder shall be equipped with a closed loop dust collection system or similar system to ensure safe indoor and outdoor air quality. The applicant shall prepare an air quality analysis showing how air quality will be in compliance with state, federal, and local rules and regulations.

(f) The applicant shall provide a traffic analysis identifying automobile and truck trips, peak hour trips, and potential impacts on existing transportation systems. Intermediate shredders shall not be permitted in any instance where negative impacts on the existing transportation system cannot be mitigated by the applicant.

(g) Vehicular access to the facility shall not include local or collector streets that also provide vehicular access to residential uses, schools, churches or hospitals.

(h) The applicant shall prepare an evaluation of surrounding subsurface soils, utilities, and surrounding buildings to determine the likelihood of adverse vibration issues, and shall design a foundation and footing system to address any issues that are discovered.

(i) The applicant shall prepare a surface and ground water quality analysis that complies with state, local, and federal regulations regarding stormwater pollution prevention and groundwater quality.

(j) Intermediate shredders shall be at least three hundred (300) feet from a residential or traditional neighborhood district boundary.

(k) A site plan and supporting documentation showing how the proposed facility complies with all standards and conditions shall be submitted with the application for a conditional use permit.

Sec. 65.845. Recycling processing center, indoor.

Standards and conditions:

(a) All processing activities shall be conducted within a wholly enclosed building.

(b) Outdoor storage of materials shall be within covered containers or behind an opaque visual screen meeting the requirements of section ~~63.xxx~~ 63.114, visual screens, on three (3) sides. Such outdoor storage shall be located at least three hundred (300) feet from any residential district.

. . .

Sec. 65.846. Recycling processing center, outdoor.

Standards and conditions:

(a) Outdoor processing, salvaging and storage of the materials and motor vehicles shall be ~~no closer than~~ at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~to a property occupied with a one-, two- or multiple-family dwelling~~. The area used for the outdoor processing, salvaging and storage shall be behind an ~~eight-foot-high~~ obscuring wall, fence, structure, or landscaped buffer at least eight (8) feet high providing for reasonable operation of the business. ~~The planning commission may modify this requirement where a wall, fence or buffer may interfere with the operation of the business.~~

. . .

(c) There shall be no stacking of material above the height of the obscuring structure, wall or fence, except that material set back three hundred (300) feet from the nearest residential zoning district ~~property line~~ may be stacked one (1) foot higher than the obscuring structure, wall or fence~~, up to a maximum of sixty (60) feet,~~ for every additional five (5) feet the material is set back from the nearest residential ~~property line~~ zoning district, up to a maximum of sixty (60) feet.

Sec. 65.847. Solid waste compost facility.

. . .

(e) The facility shall be located ~~no closer than~~ at least three hundred (300) feet from any residential~~ly~~ or traditional neighborhood district boundary, ~~used or zoned property as~~ measured from the edge of the nearest compost pile to the nearest residential~~ly~~ or traditional neighborhood district boundary ~~used or zoned property~~.

. . .

Chapter 66. Zoning Code – Zoning District Uses, Density and Dimensional Standards

ARTICLE V. 66.500. INDUSTRIAL DISTRICTS

Division 1. 66.510. Intent.

Sec. 66.511. Intent, IT transitional ~~IR light~~ industrial ~~restricted~~ district.

The IT transitional ~~IR light~~ industrial ~~restricted~~ district is intended to provide sites for commercial, office and light industrial uses that are compatible with ~~any~~ nearby residential and traditional neighborhood districts, parks, and parkways~~, or residential uses~~.

(Ord. No. 17511, § 3, 11-12-87; C.F. No. 06-112, § 1, 2-22-06)

Sec. 66.512. Intent, I1 light industrial district.

The I1 light industrial district is intended to accommodate wholesale, warehouse, and industrial operations whose external physical effects are restricted to the area of the district and in no manner affect surrounding districts in a detrimental way. The I1 district is intended to permit, along with other specified uses, the manufacturing, compounding, processing, packaging, assembly, or treatment of finished or semifinished products from previously prepared material.

(Code 1956, § 60.531)

Sec. 66.513. Intent, I2 general industrial district.

The I2 general industrial district is intended primarily for manufacturing, assembling and fabrication activities, including large scale or specialized industrial operations whose external effects will be felt in surrounding districts. The I2 district is intended to permit the manufacturing,

processing and compounding of semifinished products from raw material and prepared material. The processing of raw material in bulk form to be used in an industrial operation is a permitted use in the I2 district.

(Code 1956, § 60.541)

Sec. 66.514. Intent, I3 heavy ~~restricted~~ industrial district.

The I3 heavy ~~restricted~~ industrial district is intended to provide sites for uses which are or can be objectionable or hazardous unless surrounded by other types of industrial districts.

(Code 1956, § 60.551)

Division 2. 66.520. Principal Uses in Industrial Districts

Sec. 66.521. Principal uses.

Table 66.521, principal uses in industrial districts, lists all permitted and conditional uses in the ~~IR~~IT-I3 industrial districts, and notes applicable development standards and conditions.

Table 66.521. Principal Uses in Industrial Districts

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Residential Uses					
Mixed Commercial-Residential Uses					
Home occupation	P	P	P		(d), (s) ~~✓~~
Mixed residential and commercial use	P	P	P/C		(s) ~~✓~~
Congregate Living					
~~Foster home, freestanding foster care home~~	~~P~~	~~P~~	~~P~~		~~✓~~
Community residential facility, licensed human service	P	P	P		(d), (s) ~~✓~~
Community residential facility, licensed correctional		C	C		(d), (s) ~~✓~~
Community residential facility, health department licensed		C	C		(d), (s) ~~✓~~
Correctional facility		C	P	~~C~~	
Emergency housing facility		C	C		(d), (s) ~~✓~~
Overnight shelter		C	C		(d), (s) ~~✓~~
Shelter for battered persons	P	P	P		(d), (s) ~~✓~~
Transitional housing facility	P	P	P		(d), (s) ~~✓~~
Sober house	P/C	P/C	P/C		(d), (s) ~~✓~~
Roominghouse, boardinghouse			C		(d), (s) ~~✓~~
Hospice	P	P	P		(d), (s) ~~✓~~
Civic and Institutional Uses					
Educational Facilities					
Group day care	P	P	~~P~~ C		(d), (s) ~~✓~~
School, grades K-12	P	P	~~P~~ C		(s)

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
College, university, seminary, etc.	P	P	~~P~~ C		(d), (s) ✓
Trade school, arts school, dance school, etc.	P	P	~~P~~ C		
Social, Cultural, and Recreational Facilities					
Club, fraternal organization, lodge hall	P	P	~~P~~ C		(d)
Museum	P	P	C		
Public Library	P	P	~~P~~ C		
Public and private park, playground	P	P	P		
Recreation, noncommercial	P	P	P		(d)
Religious Institutions					
Church, chapel, synagogue, place of worship	P	P	~~P~~ C		
~~Rectory, parsonage~~	~~P~~	~~P~~	~~P~~		
~~Convent, monastery, religious retreat~~	~~P~~	~~P~~	~~P~~		
Public Services and Utilities					
Antenna, cellular telephone	P~~/C~~	P~~/C~~	P	P	(d), (s) ✓
Antenna, public utility microwave	C	C	P	P	(d), (s) ✓
Antenna, radio and television transmitting	C	C	P	P	(d), (s) ✓
Antenna, satellite dish	C	C	P	P	(d), (s) ✓
Electric transformer or gas regulator substation	P	P	P	P	
Municipal building or use	P	P	P		
Municipal incinerator			P	P	
Power plant			P	P	
Public utility heating or cooling plant		P	P	P	
Public works yard or maintenance facility		P	P	P	
Sewage treatment plant			P	P	
Utility or public service building or yard	P	P	P	P	(d)
Water supply plant	P	P	P	P	
Yard waste site, commercial and municipal		C	C	P	(d), (s) ✓
Commercial Uses					
Offices					
Administrative office	P	P	P		
Artist, photographer studio, etc.	P	P	P		(d)
Insurance office, real estate office, sales office	P	P	P		
Professional office	P	P	P		(d)
Medical Facilities					
Clinic, medical or dental	P	P	P		(d)
Hospital	P	P	P		(d)
Medical laboratory	P	P	P		
Veterinary clinic	P	P	P		(d), (s) ✓
Retail Sales and Services					

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
General retail	P	P	P		(d)
Alternative financial establishment		C	P		(d), (s) ✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		(d)
Drive-through sales and services, primary and accessory	P	P	P		(s) ✓
Dry cleaning, commercial laundry	P	P	P		
Food and related goods sales	P	P	P		(d)
Food shelf	P	P	P		(d)
Garden center, outdoor	P	P	P		(d), (s) ✓
Greenhouse	P	P	P		(d), (s) ✓
Gun shop, shooting gallery		C	P	P	(d), (s) ✓
Laundromat, self-service	P	P	P		
Liquor store	P	P	P		
Massage center	P	P	P		(d)
Mortuary, funeral home		P	~~P~~ C		
Outdoor uses, commercial		C	P		(s) ✓
Outdoor uses, commercial sales of consumer fireworks		C	C		(d), (s) ✓
Package delivery service	P	P	P		(d)
Pawn shop		C	P		(d), (s) ✓
Photocopying	P	P	P		
Post office	P	P	P		
Service business	P	P	P		(d)
Service business with showroom or workshop	P	P	P		(d)
Small appliance repair	P	P	P		
Small engine repair, automotive bench work	P	P	P		
Tattoo shop	P	P	P		
Tobacco products shop	P	P	P		(d), (s) ✓
Food and Beverages					
Bar	P	P	P		(d)
Brew on premises store	P	P	P		(d), (s)
Catering	P	P	P		
Coffee kiosk	P	P	P		(d), (s)
Coffee shop, tea house	P	P	P		(d)
Restaurant	P	P	P		(d)
Restaurant, carry-out-deli	P	P	P		(d)
Restaurant, fast food	P/C	P	P		(d), (s) ✓
Restaurant, outdoor	P	P	P		(s) ✓
Commercial Recreation, Entertainment and Lodging					
~~Bed and breakfast residence~~	~~P~~	~~P~~	~~P~~		
Bingo hall, auction hall	P	P	~~P~~ C		
Health/sports club	P	P	P		(d)
Hotel, inn, motel	P	P	P		
Indoor recreation	P	P	P		(d), (s) ✓

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Outdoor ~~(drive-in) theater~~ sports/entertainment		C	P	P	✓
~~Race track~~		~~C~~	~~P~~	~~P~~	
Reception hall	P	P	~~P~~ C		
Steam room/bathhouse facility	P	P	P		(d)
Theater, assembly hall, concert hall	P	P	~~P~~ C		
Adult Entertainment					
Adult use		C	C		(d), (s) ✓
Automobile Services					
Auto body shop	C	P	P	P	(d), (s) ✓
Auto convenience market	C	P	P		(d), (s) ✓
Auto service station	C	P	P		(d), (s) ✓
Auto specialty store	C	P	P		(d), (s) ✓
Auto repair station	C	P	P		(d), (s) ✓
Auto sales, indoor	P	P	P		
Auto sales and rental, outdoor	C	P	P		(d), (s) ✓
Car wash		P	P		(s) ✓
Parking facilities					
Parking facility, commercial	C	P	P	C	(d), (s) ✓
Transportation					
Airport		C	C	C	(d)
Bus garage, station, lot, or turnaround		P	P	C	
Heliport		C	C	C	(d), (s) ✓
Helistop	C	C	C	C	(d), (s) ✓
Intermodal freight yard			C	C	(d), (s) ✓
Motor freight terminal			C	C	(d), (s) ✓
Railroad right-of-way, transfer and storage tracks	P	P	P	P	
Railroad station or terminal freight facility	P	P	P	C	
Railroad yard or shop	C	C	P	P	
Taxi dispatching, maintenance and storage		P	P	P	
Limited Production, Processing and Storage					
Finishing shop	P	P	P		(d), (s) ✓
Limited production and processing	P	P	P		(d), (s) ✓
Mail order house	P	P	P		
Malt liquor production	P	P	P		
Plastic products	P	P	P		(d)
Printing and publishing	P	P	P		
Recycling collection center		P	P		(d), (s) ✓
Recycling drop-off station	P	P	P		(d), (s) ✓
Storage facility, rental	P	P	P	P	
Toiletries and cosmetic manufacturing	P	P	P		
Warehousing and storage	P	P	P		

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Wholesale establishment	P	P	P		(d)
Industrial Uses					
Light manufacturing	P	P	P	P~~C~~	(d)
General industrial			P	P	(d)
General outdoor processing			C	C	(d), (s) ✓
Brewery, micro and regional	P	P	P		(d)
Brewery, national			P		(d)
Cement, asphalt cement, and asphalt manufacturing			C	C	(s) ✓
Concrete, asphalt and rock crushing facility, outdoor				C	(d), (s) ✓
Crematorium		P	P	P	
Greenhouse, industrial	P	P	P		(d)
Hazardous waste processing facility			C	C	(d), (s) ✓
Hazardous waste recycling transfer facility			C	C	(d), (s)
Infectious waste incinerator				C	(s) ✓
Infectious waste processing facility			C	C	(d), (s) ✓
Lumber yard	P	P	P		
Metal shredder, intermediate			C	C	(d), (s)
Mining			C	C	(d)
Motor vehicle salvage operation			C	C	(d), (s) ✓
Petroleum and gasoline tank farm~~s~~				P	
Recycling processing center, indoor		P	P	P	(d), (s) ✓
Recycling processing center, outdoor			C	C	(d), (s) ✓
~~Rendering plants and tanning~~				~~P~~	
Research, development and testing laboratory	P	P	P		
Solid waste compost facility			C	C	(d), (s) ✓
Solid waste transfer station			P	P~~C~~	(d)
Tire retreading		P	P	P	
Accessory Uses					
Accessory use	P	P	P	P	(d), (s)

Notes to table 66.521, principal uses in industrial districts:

(d) Definition for the use in Chapter 65, Land Use Definitions and Development Standards.

(s) Standards and conditions for the use in Chapter 65, Land Use Definitions and Development Standards.

(C.F. No. 05-441, § 2, 8-24-05; Ord. No. 06-112, § 2, 2-22-06; C.F. No. 07-633, § 3, 8-15-07; C.F. No. 08-640, § 6, 7-9-08; C.F. No. 09-341, § 6, 4-22-09; Ord. No. 10-33, 10-27-10; Ord. No. 11-26, § 2, 3-23-11; Ord. No. 11-27, § 1, 4-20-11; Ord. No. 12-26, § 1, 5-23-12)

Division 3. 66.530. Industrial District Density and Dimensional Standards

Sec. 66. 531. Density and dimensional standards table.

Table 66.531, industrial district dimensional standards, sets forth density and dimensional standards that are specific to industrial districts. These standards are in addition to the provisions of chapter 63, regulations of general applicability.

Table 66.531. Industrial District Dimensional Standards

Zoning District		~~Floor Area Ratio (FAR)~~	Height Maximum		Yard Setbacks Minimum (feet)		
		~~Maximum~~	*~~Stories~~*	*Feet*	*Front*	*Side*	*Rear*
I~~T~~R	Transitional ~~Light~~ Industrial ~~Restricted~~	~~2.0~~	~~3 (a),(b)~~	50 (a),(b)	0(c),(d),~~(e),~~(f)	~~0 (c)~~(e),(f)	~~0 (c)~~(e),(f)
I1	Light Industrial	~~2.0~~	~~(b)~~	50 (b)	0(c),(d),~~(e),~~(f)	~~0 (c)~~(e),(f)	~~0 (c)~~(e),(f)
I2	General Industrial	~~3.0~~	~~(b)~~	75 (b)	0(c),(d),~~(e),~~(f)	~~0 (c)~~(e),(f)	~~0 (c)~~(e),(f)
I3	Heavy ~~Restricted~~ Industrial	~~1.0~~	~~(b)~~	75 (b)	0(c),(d),~~(e),~~(f)	~~0 (c)~~(e),(f)	~~0 (c)~~(e),(f)

Notes to table 66.531, industrial district dimensional standards:

(a) Buildings exceeding this height limit, to a maximum height of seventy-five (75) feet, may be permitted with a conditional use permit.

(b) The height of the structure may exceed the maximum building height allowed in the district provided the structure is set back from all exterior property lines of the parcel a distance equal to the height which said structure exceeds the maximum building height allowed in the district.

(c) On those lots or parcels, or portions of lots or parcels, ~~which~~ where the frontage adjoins or is ~~are located~~ directly across a street ~~or abut a side or rear~~ from a required front yard ~~lot line~~ in any use district other than an industrial ~~IR, I-1, I-2, I-3,~~ or VP~~V~~ vehicular parking district, the ~~required~~ front setback~~s~~ requirements of ~~from~~ said abutting districts shall apply ~~be equal to a minimum of one and one-half (1½) times the height of the buildings, except as noted in section 63.102~~.

(d) On those lots or parcels, or portions of lots or parcels, which adjoin a right-of-way line of a parkway, the required setbacks from the parkway right-of-way line shall be equal to that required for residential uses in effect along the parkway right-of-way or twenty-five (25) feet, whichever is greater. The following parkways and portions of parkways are excluded from this setback requirement: Ford Parkway (from Kenneth Street to Finn Street and north side between Finn Street and Mississippi River Boulevard), Gannon Road, and Lexington Parkway (from Pierce Butler Route to the nearest Burlington Northern Railroad tracks).

(e) ~~Where the frontage of any block is divided into two (2) or more zoning districts, the front yard requirements of the district with the largest front yard depth shall be applied to the entire block frontage.~~ No side or rear yards are required except as specified in the building code, and except that side and rear yard setbacks of at least six (6) feet shall be required where an industrial district adjoins a side yard in an adjacent residential district.

(f) ~~Nonrequired front yards and all required and nonrequired side and rear yards shall be permitted to be used for off-street parking.~~ Loading and unloading shall not be permitted in any required front, side or rear yards.

(Code 1956, § 61.104; Ord. No. 17204, 1-15-85; Ord. No. 17778, § 2, 10-11-90; C.F. No. 92-1479, § 19, 12-15-92; C.F. No. 93-1718, § 64, 12-14-93; C.F. No. 96-462, § 7, 6-5-96; C.F. No. 06-112, §§ 3, 4, 2-22-06)

Division 4. 66.540. Required Conditions

Sec. 66.541. Required conditions in the IT~~R~~ -I3 industrial districts.

(a) *Outdoor storage.* Outdoor storage is permitted subject to the following conditions:

(1) ~~Except as provided in section 63.113,~~ Outdoor storage shall be ~~no closer than~~ at least three hundred (300) feet ~~to~~ from a residential or traditional neighborhood district boundary ~~or to a property occupied with a one-, two-, three-, four-, townhouse or multiple-family dwelling~~, and in the ~~IR~~ IT transitional ~~light~~ industrial ~~restricted~~ district shall also be ~~no closer than~~ at least three hundred (300) feet ~~to~~ from a park, parkway, or major thoroughfare~~.~~, except that in reviewing a site plan for outdoor storage in industrial districts, the zoning administrator may permit outdoor storage to be within three hundred (300) feet of a residential or traditional neighborhood district, or of a park, parkway, or major thoroughfare, provided that: a) a visual screen, a minimum of six (6) feet in height, is placed between the outdoor storage and such district, park, parkway or major thoroughfare; b) the zoning administrator has considered the location and design of the outdoor storage area and visual screen in relation to any plans or guidelines approved by the city council and in relation to the design character and building materials of adjacent areas; and c) the zoning administrator has notified by mail the property owners within three hundred fifty (350) feet of the outdoor storage area at least ten (10) days before the administrator is to approve the site plan and has considered the property owners' comments.

(2) Outdoor storage shall be fenced or walled. Outdoor storage which abuts a thoroughfare, a business district or a PD district shall be behind a six-foot-high obscuring fence. However, an obscuring fence shall not be required if the outdoor storage is screened by a building or topography. On sites where the topography renders an obscuring fence ineffectual as a screen, landscape screening shall be required.

(b) *Outdoor uses.* In the IT~~R~~, I1, and I3 industrial districts, all business, servicing, processing or manufacturing shall be conducted within completely enclosed buildings, except for off-street parking, off-street loading, and outdoor uses specifically allowed as permitted or conditional uses.

(c) Activities involving storage, utilization or manufacture of materials or products which contain their own oxidizing agent and which decompose by detonation are not permitted in the IT~~R~~-I1 industrial districts; provided that storage of small arms ammunition for retail sale shall be permitted; and further provided that research, medical and hospital laboratories, when operating under the direct supervision of scientifically trained personnel, may use the above material for research, medical and development purposes. Such activities are allowed in the I2 general industrial district when specifically authorized under the codes and ordinances of the city.

(d) Meat packing plants, large metal shredders, the refining of petroleum or gasoline, and stock yards are prohibited.

(Code 1956, §§ 60.533, 60.543; Ord. No. 16913, 4-27-82; Ord. No. 17039, 7-7-83; C.F. No. 92-1479, §§ 11, 12, 12-15-92; C.F. No. 93-906, § 3, 11-4-93; C.F. No. 93-1718, §§ 54, 55, 12-14-93; C.F. No. 97-1406, § 3, 12-10-97; C.F. No. 06-112, § 5, 2-22-06)

Sec. 66.542. Required conditions in the IT transitional ~~IR light~~ industrial ~~restricted~~ district.

(a) *Design standards*. Development shall be consistent with the following design standards unless the applicant can demonstrate that there are circumstances unique to the property that make compliance impractical or unreasonable:

(1) *Buildings anchor the corner.* At intersections in pedestrian-oriented areas characterized by such things as buildings located up to the public sidewalk, pedestrian-scale street lighting, a mix of uses, and availability of transit service, buildings shall "hold the corner," that is, have street facades within fifteen (15) feet of the lot line along both streets, or the site plan shall include pedestrian-oriented elements such as substantial landscaping, public art, monument signage, and vertical structural elements that “hold the corner.”

(2) *Building facade articulation.* The bottom 25 feet of building facades facing a public street shall include human-scale elements- including, but not limited to, doors and windows, awnings and canopies, vertical or horizontal variations in color, texture, and material, and/or ornamentation, offset or recessed structural bays, projecting elements such as colonnades or bay windows, or other roof or wall features.

(3) *Materials and detailing.* Buildings shall be constructed of high-quality materials, including, but not limited to, brick, stone, textured cast stone, tinted masonry units, concrete, glass and architectural metal. The following materials are generally not acceptable:

- Unadorned plain or painted concrete block or panels;
- Corrugated metal;
- Reflective glass; and
- Vinyl, fiberglass, asphalt or fiberboard siding.

(4) *Door and window openings*. For office portions of principal buildings, above grade window and door openings shall comprise at least fifteen (15) percent of the total area of exterior walls facing a public street. Such windows shall be clear or translucent to improve visibility, add visual interest, and provide daylighting of interior spaces.

(5) *Parking location and design.* Surface parking shall be located to the side or to the rear of principal buildings to the greatest extent possible, or on a separate lot in compliance with section 63.304. In reviewing a site plan, the zoning administrator may permit up to two (2) rows of parking spaces between the principal building and a street.

(6) *Landscaping and street trees.* Landscaping shall be provided along the public streets and sidewalks to define the street edge, buffer pedestrians from vehicles, and provide shade. Any fence along a public street and sidewalk shall be

decorative. Street trees in the street right-of-way, as prescribed by the city forester and section 69.600 of the subdivision regulations, shall be provided along all streets. Street trees shall be located in a planting strip at least five (5) feet wide between the curb and sidewalk, or in structural soil or its equivalent.

(7) *Sidewalks.* When redevelopment occurs, public streets shall be designed with a public sidewalk along the frontage of the property being developed.

~~(a) *Placement of parking.* Surface parking may be located to the rear of the principal building, within the rear yard area of the parcel, in an interior side yard if rear parking is impractical or insufficient, or on a separate lot in compliance with section 63.304. In reviewing a site plan the zoning administrator may permit up to twenty-five (25) percent of required parking spaces between the principal building and a street, not to exceed two (2) rows of parking spaces, and the planning commission may permit more, if necessary because of special needs, site conditions, or site constraints, provided that owners of property within three hundred fifty (350) feet of the parking spaces are notified by mail at least ten (10) days before approval of the site plan, their comments are considered, there is good pedestrian connection between the sidewalk and building entrance, and the area is well landscaped.~~

(b) *Park setbacks.* In any yard which adjoins a publicly owned park, buildings may be constructed at the lot line subject to setbacks being provided in accordance with the table below:

~~Park Setbacks~~

Building Height ~~(stories)~~	Setback from Lot Line
~~1, 2, and 3~~ Up to 35 feet	0
~~4~~ 35 – 50 feet	15 feet
~~5~~ More than 50 feet	30 feet
~~6 and over~~	~~45 feet~~

(Ord. No. 17511, §1, 11-12-87)

~~(c) *Design standards.* Development shall be consistent with the design standards in section 66.343(b)(6), (7), (9), (10), (12), (13), (14), (15), (18), (20), (21), (22), and (23), unless the applicant can demonstrate that there are circumstances unique to the property that make compliance impractical or unreasonable.~~

(C.F. No. 06-112, § 6, 2-22-06; Ord. No. 11-27, § 1, 4-20-11)

Sec. 66.543. I1 light industrial district design standards.

In the I1 light industrial district, development is subject to design standards (4), (6), and (7) in section 66.542(a).

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Date: January 8, 2013

To: Planning Commission

From: Comprehensive Planning Committee

Subject: **Industrial Zoning Study Public Hearing Testimony and Recommendations**

Public Hearing.

On June 1, 2012, the Planning Commission held a public hearing on draft Zoning Code amendments pertaining to industrial districts and regulations, including the following:

1. Amendments to the industrial use list to support the primary intent and purposes of industrial districts for employment and economic activities, adding uses to reflect Planning Commission determinations of similar use in recent years, and providing better cross-references to specific land use definitions and development standards in Chapter 65.

2. Tighter standards for residential uses in industrial districts to provide greater protection for primary commercial and industrial functions and uses in these districts, while also providing for mixed residential uses of upper floors.

3. Eliminating the I3 Restricted Industrial District and incorporating its uses into the I2 General Industrial District as conditional uses, along with additional standards and conditions for these uses to meet the intent of these districts and to protect the public health, safety and welfare.

4. Renaming and amending the intent language for the IT Transitional Industrial District (currently IR Light Industrial Restricted District) to better reflect how this district is used and distinguish it from the other industrial districts, and amending the industrial district abbreviations to provide a logical sequence and avoid confusion.

5. Amendments to Chapter 65 to provide standards for uses being incorporated into the General Industrial District and based on Planning Commission determinations of similar use in recent years, and providing consistent language for separation requirements for industrial uses.

6. Amendments to required conditions in industrial districts, including providing design standards specifically tailored to the IT Transitional Industrial District (there is now simply a reference to some traditional neighborhood district design standards), and adding some basic design standards for the I1 Light Industrial and I2 General Industrial Districts.

19 people spoke at the public hearing and 16 letters were received.

Public Hearing Testimony and Recommendations.

1. Amendments to Table 66.521. Principal Uses in Industrial Districts.

1.1 Background.

Policy 2.22 in the Land Use chapter of the *Saint Paul Comprehensive Plan* is to "revise the list of principal uses permitted in industrial districts to ensure compatibility with the primary industrial function of the district for the purpose of protecting the employment base."

1.2 Public hearing draft amendments.

Draft amendments to Table 66.521, Principal Uses in Industrial Districts, considered at the June 1, 2012, Planning Commission public hearing included deleting churches, grades K-12 schools, theaters and assembly halls from the list of uses permitted in industrial districts.

1.3 Testimony.

There was general agreement on the goal of protecting industrial functions and employment in industrial districts, but a range of testimony about how to achieve it. There was some testimony in support of the draft amendments for greater restriction on uses permitted in industrial districts. There was also some testimony that the amendments don't go far enough, and that residential uses should be entirely prohibited in industrial districts. Most of the testimony was that the proposed amendments are too restrictive, and that churches, schools, theaters, assembly halls, and residential uses can be supportive of and compatible with industrial functions and employment in industrial districts.

The Midway and Saint Paul Area Chambers of Commerce said they appreciate the focus on maintaining industrial property and support for jobs, tax base and economic growth that industrial property provides. The Midway Chamber and the District 6 Planning Council generally agreed with the proposed use changes to protect the employment base.

The District 6 Planning Council said that above all industrial districts need to be used for economic purposes, and that industrial sites and character and the employment base of industrial districts need to be protected. They said they feel that industrial sites should not be used for any residential uses, but rather should stay industrial and thereby raise the tax base.

Ramsey County Commissioner Rettman said she believes residential uses should be prohibited in industrial zones, which should be used for jobs and higher tax capacity.

The St. Anthony Park Community Council/District 12 said that prohibiting residential uses in industrial districts would unreasonably limit the ability of people to rationally choose where they want to live, and that mixed use development in industrial districts where artists and others can live in or near the building where they work adds vibrancy and interest in industrial districts that serves both residential and industrial uses.

Catherine Reid Day, South Saint Anthony Park Creative Enterprise Zone, said narrowing and restricting the mix of uses allowed in industrial districts as proposed would negatively affect community goals for attracting more industry and jobs along with other activities that make

the area a community. Businesses have told them they would not be interested in locating in the area if the mix of uses allowed is narrowed and restricted as proposed. She said that removing activities such as theaters, schools and live/work housing, and trying to predict the kinds of industries that will flourish in the future, might make it more difficult to respond to economic, technological, and demand changes and innovation, and to attract new and innovative business and industry to the area.

The deletion of churches and schools as permitted uses in industrial districts generated the most testimony in opposition at the public hearing. District 6 specifically said they support the elimination of churches and schools from the list of uses permitted in industrial districts. The District 1 Community Council said concerns about churches, schools, and residential uses can be addressed through conditional use permits, which provide for case-by-case consideration in the context of a particular area.

Attorneys from Fagre Baker Daniels said that deleting churches from the list of uses permitted in industrial districts where nonreligious assemblies and institutions (such as clubs, fraternal organizations, lodge halls, museums, funeral homes and reception halls) are allowed would violate the federal Religious Land Use and Institutional Persons Act (RLUIPA).

The St. Anthony Park Community Council/District 12 and others opposed deleting schools and churches from the list of uses permitted in industrial districts, noting that it is challenging for churches and schools to find an appropriate site. With limited options, buildings and sites in industrial areas may be most ideal. Further constraining permitted uses in industrial districts, including not allowing churches and schools, could create higher vacancy rates and be bad economic policy. Churches and schools can have impact on surrounding property that can make them problematic and difficult to locate in residential areas.

Tate Danielson Castillo, Frogtown Neighborhood Association/District 7 agreed with the District 12 comments and said they are excited that Piercing Faith Church has purchased land and is planning to build a new church in an industrial district in their neighborhood.

Pastors from Piercing Faith Church, the Living Word Church and others noted the broad, holistic investment in human capital that churches and schools bring to communities (social services, training, etc.). They serve the whole community, not just residents on Sunday, and are supportive of and compatible with business, industry and employment. A pastor at the Living Word Church said they provide a day care facility and work well with their industrial neighbors including American Paper, that they lease space to American Paper and a trucking company, and they all get along just fine.

An architect working for Piercing Faith Church said there are limited options to grow or establish a church or school in built up residential areas. Many churches serve an ethnic or denominational group that draws from the metropolitan area, and they are looking for central locations with capacity and parking to serve large groups.

Robert Straughn, a commercial real estate attorney, said industrial properties are often the best facilities for new churches and schools in a built-up city. He noted an 800 seat church in a wing of a large warehouse facility for over 20 years, with adequate parking for worshipers on Sundays and warehouse activities during the week, as a good example of the type of flexible, mixed use arrangement that should be encouraged in built-up cities like Saint Paul.

Chad Blihovde and Mark Krog, Java Properties, talked about a mixed-use development they are working on that would include industry, technology companies, and a theater that would efficiently use parking on evenings and weekends that is used by other businesses during weekdays. The companies will employ a lot of people and like locations with a mix of uses. They noted the synergy of high schools in industrial areas working with and providing training for such things as technology and robotics skills needed by industry in the area. They are concerned that the draft amendments to limit schools and theaters in industrial districts would hurt the kind of creative mixed-use development they are working on.

Kevin Ward, a Hamline-Midway resident who works at Avalon School, said deleting grades K-12 schools from the list of uses permitted in industrial districts would make it even more difficult for a school to find an appropriate transit accessible building, and would hurt schools like High School for the Recording Arts that may want to expand.

Kurt Schreck, At Last! Gourmet Foods, wrote that they are exploring locations for a new plant, and want a location in a mixed-use industrial district with a diversity of light industrial, residential, institutional, commercial retail and business office uses that helps create lively, vibrant, flexible districts that many residents and businesses find productive and attractive. Saint Paul industrial districts should provide for this. There are plenty of "homogenized" industrial zones in the metro area.

1.4 **Analysis.**

The testimony provides a compelling case that churches, schools, theaters, assembly halls, and residential uses can be supportive of and compatible with industrial functions and employment in the IT (now IR), I1 and I2 industrial districts.

Deleting churches from the list of uses permitted in industrial districts where nonreligious institutions and places of assembly are allowed would violate the federal Religious Land Use and Institutional Persons Act (RLUIPA). There are currently two churches in the I1 Light Industrial District, nine K-12 schools in the I1 district, and one school in the I2 General Industrial District.

The zoning code, as typical in most cities, has always allowed residential uses in industrial districts. Since 1975 the St. Paul code has limited residential uses in industrial districts to mixed residential-commercial uses and congregate residential facilities. Review of standards and conditions for congregate living facilities and where they should be permitted is being done as part of the current comprehensive congregate living zoning study so that what is permitted in industrial districts is coordinated with what is permitted in other districts to adequately provide for congregate living facilities in the city.

There is increased interest on the part of incubator business owners, web designers, architects, artists and others to live in or near the building in which they work. As noted by District 12, mixed-use residential buildings in industrial areas are constructed with an understanding of the industrial uses there. Businesses and residents make rational choices to locate and live in such buildings and areas because they find it productive and attractive, and the mix of uses helps create lively, vibrant, flexible districts with a sense of community.

Key to allowing limited residential uses while protecting industrial functions and employment in industrial districts is to ensure that residential uses don't displace business, industry and employment from first floor space. Allowing mixed residential uses of upper floors while ensuring employment generating uses on the first floor provides for efficient use of land and enhanced property values and tax base, goals identified in the Comprehensive Plan.

Also key is to avoid displacing industrial uses because of separation requirements from residential uses in industrial districts. Separation requirements for industrial uses can be from residential and traditional neighborhood *districts*, for example, rather than from residential *uses*. As District 12 noted, residents make rational choices to live in industrial districts, with an understanding of the industrial uses there.

Guidelines for zoning ordinances published by the American Planning Association recommend against too much reliance on conditional use permits. Requirements for conditional use permits should be reserved for infrequent and "unique uses that defy regulation by objective standards." "Most land uses should be as-of-right, subject to compliance with clear and objective standards and criteria for that particular use category or zoning district." Overuse of conditional use permits, "especially without (or with few) standards or criteria, opens up both individual zoning decisions and the zoning ordinance itself to constitutional challenges as being arbitrary and capricious. Even where such a challenge would not necessarily succeed, the uncertainty to landowners and citizens alike created by discretionary and/or standardless zoning review should be avoided."

The uncertainty created by discretionary conditional use permit review for limited residential uses, churches, schools, theaters, and similar institutions and places of assembly is unnecessary in the I1 Light Industrial District. Such uses are not uncommon in the I1 district, have always been allowed in the I1 district, and are compatible with the types of uses permitted in the I1 district, which have limited external effects. Location of such uses in the I1 Light Industrial District does not defy regulation by objective standards.

Adding a conditional use permit requirement for limited residential uses, churches, schools, theaters, and similar institutions and places of assembly in the I2 General Industrial District, where these uses are infrequent and some permitted uses can have greater external effects that could be incompatible with such uses, may be useful to ensure the public health, safety and welfare, orderly development, conformance with subarea plans, and compatibility with nearby industrial uses. The conditional use permit process provides for case-by-case consideration of a proposed use, and the imposition of special conditions for the use, in context of the unique characteristics of an I2 district, the specific site, and plans for the area.

1.5 **Recommendation.**

Continue to include churches, schools, theaters, assembly halls, and certain limited residential uses in the list of uses in Table 66.521, Principal Uses in Industrial Districts, as they are currently permitted in the IT (currently IR) and I1 districts. Add a conditional use permit requirement for mixed residential and commercial use, churches, schools, theaters, and similar institutions and places of assembly in the I2 General Industrial District. Avoid separation requirements for industrial uses from residential uses in industrial districts.

2. Amendments to § 65.143 Standards for Residential Uses in Industrial Districts.

2.1 Background.

Policy 2.21 in the Land Use chapter of the *Saint Paul Comprehensive Plan* is to "prepare regulations for conditional use review of specified uses (to be identified in a study of principal uses permitted in industrial districts) for the purposes of ensuring compatibility of non-industrial uses with the primary industrial function of the district and of protecting the employment base."

2.2 Public hearing draft amendment.

The draft amendments considered at the June 1, 2012, Planning Commission public hearing included amendments to § 65.143, *Mixed residential and commercial use*, that would require a conditional use permit for mixed residential and commercial use with more than 6 dwelling units in the I1 Light Industrial and I2 General Industrial Districts, and not allow dwelling units in the basement or first floor of buildings in these districts, to provide greater protection for primary commercial and industrial functions and uses in these districts.

2.3 Testimony.

The Port Authority appreciated the added restriction on residential use. Ramsey County Commissioner Rettman and the District 6 Community Council said they think residential uses should be prohibited in industrial districts.

District 12, South Saint Anthony Park Creative Enterprise Zone, and others noted above opposed the draft amendments to further narrow and restrict residential uses in industrial districts. They testified about the importance of a broad mix of uses, including residential uses, to create community and the kind of lively, vibrant, flexible industrial districts that many residents, artists, incubator business owners, and innovative business and industry find productive and attractive, and that zoning regulations for industrial districts should be designed to welcome and encourage.

2.4 Analysis.

The draft added restrictions in § 65.143(b) that would not allow dwelling units in the basement or first floor of buildings in the I1 Light Industrial and I2 General Industrial Districts, and require at least 80% of the first floor of buildings in these districts to be devoted to a principal uses other than residential uses, are to ensure that residential uses don't displace business, industry and employment from first floor space, thus protecting the employment base. Allowing mixed residential uses of upper floors while ensuring employment generating uses on the first floor provides for efficient use of land and enhances property values, goals identified in the Comprehensive Plan. It also provides for the mix of uses including residential uses supported in testimony by District 12, the Raymond Creative Enterprise Zone, and others to help create lively, vibrant, flexible industrial districts with a sense of community, in response to the increased interest of residents and businesses in such industrial districts resulting from economic, technological, and demand changes and innovation.

The uncertainty created by discretionary conditional use permit review for mixed residential and commercial uses is unnecessary in the I1 Light Industrial District, where permitted uses

have limited external effects and are therefore more compatible with residential uses. Permitting mixed residential and commercial uses in the I1 district, subject to the draft clear and objective standards limiting residential use of the basement and first floor of buildings for consistency with the Comprehensive Plan policy to protect the employment base, would be more welcoming and encouraging of such mixed use as called for by the South St. Anthony Park Creative Enterprise Zone. As noted by District 12, mixed-use residential buildings in industrial areas are constructed with an understanding of nearby industrial uses. Businesses and residents make rational choices to locate and live in such buildings and areas because they find it productive and attractive. Requirements for conditional use permits should be reserved for unique uses that defy regulation by objective standards, which is not the case for mixed residential and commercial uses in the I1 district.

Adding a conditional use permit requirement for mixed residential and commercial use with more than 6 dwelling units in the I2 General Industrial District, where some permitted uses can have greater external effects that could be incompatible with larger residential use, may be useful to ensure compatibility with nearby industrial uses while not discouraging smaller-scale residential use by artists, entrepreneurs, and others interested in living in or near the building in which they work.

2.5 **Recommendation.**

Revise the draft amendments to § 65.143, *Mixed residential and commercial use*, to apply the addition of a requirement for a conditional use permit for mixed residential and commercial use with more than 6 dwelling units only to the I2 General Industrial District.

3. Elimination of the I3 Restricted Industrial District.

3.1 **Background.**

There are only two I3 parcels in the city (an 8 acre tank farm on James Ave. at Shepard Road and a 16 acre tank farm on Red Rock Road) and only 4 uses permitted only in the I3 district. The industrial zoning study suggests that one of the 4 uses, rendering plants, no longer needs to be listed in the industrial use table. It suggests that the other 3 uses (petroleum and gasoline tank farm; concrete, asphalt and rock crushing facility; and infectious waste incinerator) could be consistent with the intent and purpose of the I2 General Industrial District as conditional uses with appropriate standards and conditions including a distance requirement from non-industrial zoning districts to meet the intent of the I3 district to provide an industrial district buffer between these uses and non-industrial districts.

3.2 **Public hearing draft amendment.**

The draft amendments considered at the June 1, 2012, public hearing include simplification of the Zoning Code through elimination of the I3 Restricted Industrial District, and incorporating three I3 uses (petroleum and gasoline tank farm; concrete, asphalt and rock crushing facility; and infectious waste incinerator) into the I2 General Industrial District as conditional uses, with appropriate standards and conditions including a 300 foot distance requirement from non-industrial zoning districts, to ensure that the extent, location and intensity of these uses would comply with the *Saint Paul Comprehensive Plan* and any applicable subarea plan, to

ensure that the use would not be detrimental to the existing character of development in the area, and to protect the public health, safety and general welfare.

3.3 **Testimony.**

There was a lot of testimony against this change at the June 1, 2012, Planning Commission public hearing, from district councils (1, 2, 6, 7 and 12) and Brown & Bigelow. They expressed concern that providing for conditional use permits in the I2 district for 3 uses currently permitted solely in the I3 district may be inadequate to protect nearby property. Ramsey County Commissioner Rettman said the distance requirement should be 660 feet rather than 300 feet, from residential *uses* rather than from non-industrial zoning districts.

3.4 **Analysis.**

Ensuring that the three I3 uses the draft amendments incorporate into the I2 General Industrial District would comply with the *Comprehensive Plan*, and protect the public health, safety, general welfare, and character of existing development, can be done by restricting them to the I3 district or by a conditional use permit process. Both are reasonable and effective options. The Minneapolis zoning code, for example, does not have a "heavy" industrial district equivalent to the I3 Restricted Industrial District, and these uses are provided for in their General Industrial District.

Before the Planning Commission may grant approval of a conditional use permit, the commission must make all of the following required findings:

(a) The extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council.

(b) The use will provide adequate ingress and egress to minimize traffic congestion in the public streets.

(c) The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.

(d) The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

(e) The use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

If any of the required findings can not be made, or if any one of the specific standards and conditions for the particular conditional use in Chapter 65 is not met, then the Planning Commission must deny the conditional use permit. This provides for protection of adjacent uses and the public health, safety and general welfare.

Given that the three I3 uses the draft amendments prepared for the public hearing incorporated into the I2 General Industrial District can be effectively regulated by restricting them to the I3 district or by a conditional use permit process, and given that several district councils and an industrial property owner expressed concern that regulating them through a conditional use permit process may be inadequate, it may be best to retain the I3 district and continue to restrict these uses to the I3 district.

"Heavy industrial" is a more commonly used term to describe the I3 district and the types of uses permitted in the I3 district than "*restricted industrial*." It might avoid confusion with the way the term *restricted* has been used to describe the IR Light Industrial *Restricted* District to change the name of the I3 district from "*I3 Restricted Industrial District*" to "*I3 Heavy Industrial District*."

3.5 **Recommendation.**

Retain the I3 district (currently I3 Restricted Industrial District) as the I3 Heavy Industrial District. Continue to permit the uses currently permitted only in the I3 district as they are currently permitted only in the I3 district, and do not incorporate them into the I2 General Industrial District.

4. Dimensional, Density and Design Standards.

4.1 **Background.**

Policy 2.23 in the Land Use chapter of the *Saint Paul Comprehensive Plan* is to "establish site plan review standards for the I1, I2, and I3 districts for the purposes of providing for the efficient use of land and enhancing the aesthetic quality of the district."

4.2 **Public hearing draft amendment.**

The draft amendments considered at the June 1, 2012, Planning Commission public hearing include amendments to required conditions in industrial districts, including providing design standards specifically tailored to the IT Transitional Industrial District (there is now simply a reference to some traditional neighborhood district design standards), and adding some basic design standards for the I1 Light Industrial and I2 General Industrial Districts.

4.3a **Testimony on floor area ratio (FAR), height and job density standards.**

Brian McMahon, University United, suggested removing FAR and height limits from industrial districts, and perhaps adding minimum job density requirements, to increase job density and thus improve the employment base and tax base as called for in the Comprehensive Plan.

4.3b **Analysis.**

The industrial district height limits are needed to ensure adequate light and air to adjacent property and compatibility with nearby uses. The existing 50 foot IT (IR) / I1 height limit and 75 foot I2 height limit, along with the existing provision to allow greater height provided the structure is set back from all exterior property lines equal to the additional height, reasonably provide for increasing job density and thus improving the employment base and tax base as called for in the Comprehensive Plan. Fifty feet is consistent with the height of a 3 story commercial or industrial building. [This paragraph amended 4-5-13 to correct an inaccuracy pertaining to the existing 50 foot IT (IR) Transitional Industrial District height limit.]

With a height limit in feet, the 3 story height limit in the IT district is unnecessary. The traditional neighborhood districts and the other industrial districts do not limit the number of stories, but rather only limit the height in feet.

With height limits to ensure adequate light and air to adjacent property and compatibility with nearby uses the floor area ratio (FAR) limits in industrial districts are unnecessary, and could artificially limit the job density, employment, tax base and land use efficiency called for in the Comprehensive Plan.

Many businesses that have relatively low job density may nonetheless be important parts of the industrial mix of uses in St. Paul, and provide important services and products for businesses with higher job density and the economy as a whole. Adding a minimum job density requirement could hurt such businesses and lead to a less optimal mix of businesses and services in the city. The economy, market forces, and other factors that affect business location and the potential for job creation are too complex to try to regulate through minimum job requirements in the zoning code. It's generally better left to the market. The key for the zoning code is not to artificially limit job density through such things as FAR limits. Where the market exists for higher job density the value of land is likely to be greater for businesses with higher job density and land use will therefore shift toward these businesses. At locations where a market does not exist for higher job density it would be pointless to require it. Enforcement of job density requirements in a zoning code would be time consuming and problematic at best.

4.4a **Testimony on design standards.**

The District 1 and District 2 community councils support the proposal to create design standards for industrial districts. The St. Anthony Park Community Council/District 12 generally supports the draft design standards except for specific language in the design standards providing zoning administrator discretion to permit up to two rows of parking between a building and the street. Rather than some options for "holding the corner" in design standard (1), they encourage requiring industrial buildings to be closer to the sidewalk. They also encourage adding precast concrete panels to the list of unacceptable materials, and requiring a variety of materials to articulate the building.

The District 6 Planning Council supports some design standards for industrial districts as long as they aren't cost prohibitive and don't make it difficult to attract new businesses to St. Paul. The Union Park District Council encourages pedestrian-friendly amenities (sidewalks, streetscaping and pedestrian access) in industrial districts, especially in the IT Transitional Industrial District.

The Midway and Saint Paul Area Chambers of Commerce and the Port Authority generally support the draft design standards for the IT Transitional Industrial District, which is specifically intended to be compatible with nearby residential and traditional neighborhood districts. They oppose the draft design standards for the I2 General Industrial District, and oppose most of the draft design standards for the I1 Light Industrial District. They noted the importance of industrial and manufacturing development for creating good jobs, reducing poverty, increasing employment, and improving St. Paul's tax base. They expressed concern about the effect the draft design standards would have on attracting new industrial

development and jobs. While aesthetic concerns are important, especially in commercial and residential districts, they argued that the need for industrial development, jobs and tax base is more important in I1 and I2 districts.

The Midway Chamber of Commerce and the Port Authority cited comments from industrial brokers and developers about the draft design standards. There is a very small margin in the cost of constructing industrial buildings. It is very cost sensitive and competitive with other cities. The draft standards won't work for manufacturers essentially needing a building that is a shell around their process and fits their process. The draft design standards would result in St. Paul losing business growth and jobs to other locations.

The Port Authority cited a recent Brookings Institution study concluding that it's important for cities to retain and recruit manufacturing jobs to central locations, and not to zone manufacturing out of the city.

The Midway Chamber said that design standards (1) *buildings anchor the corner* and (5) *parking location and design* should only apply to the IT district, and not to the I1 and I2 districts, because contemporary industrial development in I1-I2 districts demands flexibility in the design of parking and circulation.

The Port Authority said they would support draft design standards (4) *door and window openings*, (6) *landscaping and street trees*, and (7) *sidewalks* for the I1 Light Industrial District. They do not support design standards (2) *building facade articulation* and (3) *materials and detailing* for the I1 Light Industrial District.

4.4b **Analysis.**

The new Baldinger Bakery in the IT (now IR) Transitional Industrial District along Phalen Boulevard is an example of a business needing a building that is a shell around their process, with parking and circulation around the building that fits the building and process. This can substantially limit options for parking location and design, a situation that draft design standard (5) *parking location and design* reasonably provides for. The District 12 recommendation to eliminate the flexibility in standard (5) for the zoning administrator to permit up to two rows of parking spaces between the principal building and a street in such cases would discourage such businesses from locating in the district.

Further limiting options for development to "hold the corner," and for building materials and facade articulation, would have similar impact. While there has been concern about unappealing use of precast concrete panels, they are a standard and economical industrial building material, and there are many examples of effective use of them in visually appealing industrial buildings. Standard (2) *building facade articulation*, is intended to help ensure that new industrial buildings are visually appealing.

Draft design standards (4) *door and window openings*, (6) *landscaping and street trees*, and (7) *sidewalks*, which are supported by the Port Authority for the I1 Light Industrial District, are the standards most relevant to this district. The design standards are not as relevant in the I2 General Industrial District, which is generally separated from residential and pedestrian-oriented commercial areas. There was credible testimony that the additional draft design standards for these districts could harm ability to attract the kind of new industrial

development and manufacturing jobs that are important for reducing poverty, increasing employment and improving St. Paul's tax base, counter to comprehensive plan goals to protect and improve the city industrial, employment and tax base.

4.5 **Recommendation.**

Remove the floor area ratio (FAR) limits from Table 66.531, Industrial District Dimensional Standards, and remove the 3 story height limit for the IT Transitional Industrial District. Revise draft new § 66.543, *I1 Light industrial design standards*, to subject development in the I1 district only to draft design standards (4) *door and window openings*, (6) *landscaping and street trees*, and (7) *sidewalks*, not to design standards (2) *building facade articulation* and (3) *materials and detailing*. Delete draft new § 66.544, *I2 general industrial district design standards*.

Committee Recommendation for Action

In response to *Saint Paul Comprehensive Plan* policies and Leg. Code § 61.801 requirements for periodic review of the zoning code, to reflect current city policies, to address current technology and market conditions, to bring the zoning code up-to-date, and based on the public hearing testimony and analysis summarized above, the Comprehensive Planning Committee recommends that the Planning Commission forward this report and the following draft zoning code amendments pertaining to industrial districts and regulation of industrial uses to the Mayor and City Council with a recommendation for adoption.

NOTE: Existing language to be deleted shown by ~~strikeout~~. New language to be added shown by underlining. [Drafting notes are included in brackets.]

Chapter 60. Zoning Code – General Provisions and Definitions; Zoning Districts and Maps Generally

Sec. 60.301. Zoning Districts established.

(d) Industrial districts.

IT~~R~~ transitional ~~river corridor~~ industrial district

I1 light industrial district

I2 general industrial district

I3 heavy ~~restricted~~ industrial district

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 60.307. More restrictive or less restrictive districts.

When the code refers to more restrictive districts or less restrictive districts, the districts in order from more to less restrictive are: CV, CO, RL, R1, R2, R3, R4, RT1, RT2, RM1, RM2, RM3, T1, OS, B1, BC, T2, B2, T3, B3, T4, B4, B5, IT ~~IR~~, I1, I2, I3. The VP district shall be as restrictive as the district for which the VP district provides accessory parking.

[Amended to correspond to change to § 66.500, Industrial Districts.]

Chapter 62. Zoning Code – Nonconforming Lots, Uses and Structures

Sec. 62.106. Nonconforming uses of structures, or structures and land in combination.

(q) Existing municipal yard waste sites that are legally nonconforming in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ districts may expand as a conditional use under the provision of sections 61.501-61.504 and section 65.331 even though new municipal yard waste sites are not permitted in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ districts.

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Chapter 63. Zoning Code – Regulations of General Applicability

Sec. 63.113. Reserved ~~Outdoor storage near residential districts and uses.~~

~~In reviewing the site plan for outdoor storage in industrial districts, the zoning administrator may permit outdoor storage to be within three hundred (300) feet of a residential district or of a park parkway, or major thoroughfare, provided that:~~

~~(a) A visual screen, a minimum of six (6) feet in height, is placed between the outdoor storage and such residential district or use;~~

~~(b) The zoning administrator has considered the location and design of the outdoor storage area and visual screen in relation to any plans or guidelines approved by the city council and in relation to the design character and building materials of adjacent areas; and~~

~~(c) The zoning administrator has notified by mail the property owners within three hundred fifty (350) feet of the outdoor storage area at least ten (10) days before the administrator is to approve the site plan and has considered the property owners' comments.~~

[Moved to § 66.541, Required conditions in the IT-I3 industrial districts, para. (a) *Outdoor storage*, which is what it applies to, for simplicity and clarity.]

Chapter 64. Zoning Code – Signs

Sec. 64.504. B2-B3 and IT~~R~~ industrial districts.

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Chapter 65. Zoning Code – Land Use Definitions and Development Standards

Sec. 65.143. Mixed residential and commercial use.

Standards and conditions in B1-B3 business and ~~IR-I2~~ industrial districts:

(a) In B1-B3 business and IT industrial districts, dwelling units ~~Residential uses are~~ shall be limited to no~~t~~ more than fifty (50) percent of the ~~basement and~~ first floor and fifty (50) percent of a basement. ~~The e~~Entire upper floors may be ~~used~~ for residential use. At least fifty (50) percent of the ~~basement and~~ first floor shall be devoted to ~~a~~ principal use~~s~~ permitted in ~~this~~ the district, other than residential uses.

(b) In I1-I2 industrial districts, dwelling units shall not be located in the basement or first floor and at least eighty (80) percent of the first floor shall be devoted to principal uses permitted in the district, other than residential uses. In the I2 district, a conditional use permit is required for a mixed residential and commercial use with more than six (6) dwelling units.

[The Zoning Code in Saint Paul (as in many other cities) has always allowed residential uses in industrial zones. Since 1975 it has been limited to this provision for mixed residential and commercial uses, and some congregate residential facilities. The amendment restricts residential use a bit more in the I1-I2 industrial districts in order to provide greater protection for primary commercial and industrial uses in these districts, while also providing for reasonable mixed residential uses on upper floors. The amendment also makes it clear that in B1-B3 and IT districts the limit on residential use of first floor and basement space applies to each separately.

For I1-I2 industrial districts, the amendment prohibits dwelling units in the basement or first floor, but would allow residential parking in a basement. For I2, this use would be changed from "P" to "P/C" in Table 66.521, Principal Uses in Industrial Districts, with a conditional use permit requirement for more than 6 dwelling units while not discouraging smaller-scale residential use by artists, entrepreneurs and others who find it productive and attractive to live in or near the building in which they work. A key finding for a conditional use permit is that "the extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any subarea plans which were approved by the city council." The comprehensive plan and subarea plans may provide guidance about how much this use should be limited in a particular area.]

Sec. 65.645. Reserved ~~Outdoor (drive-in) theater~~.

~~*Standards and conditions:*~~

~~(a) The proposed internal design shall receive approval from the city engineer as to the adequacy of drainage, lighting and other technical aspects.~~

~~(b) Outdoor theaters shall abut directly upon a major thoroughfare, with ingress and egress available only from said major thoroughfare.~~

~~(c) There shall be off-street stacking space for no less than fifty (50) automobiles waiting to enter the facility.~~

~~(d) The area shall be laid out so as to prevent the movie screen from being viewed from residential areas or adjacent thoroughfares.~~

[This use deleted from the industrial districts use table.]

Sec. 65.701. Auto body shop.

Standards and conditions:

In the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district this use shall be limited to . . .

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.703. Auto service station.

Additional standards and conditions in traditional neighborhood and IT~~R~~ industrial districts:

(h) In the T2 traditional neighborhood and IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ districts this use shall be limited to parcels within one-quarter (¼) mile of University Avenue.

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.705. Auto repair station.

(e) In the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district this use shall be limited to . . .

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.706. Auto sales and rental, outdoor.

(d) Except in the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district, the . . .

(e) In the IT~~R~~ transitional ~~light~~ industrial ~~restricted~~ district this use shall be limited to parcels within one-quarter (¼) mile of University Avenue, limited to . . .

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.731. Parking facility, commercial.

Standards and conditions in traditional neighborhood and IT~~R~~ industrial districts:

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.753. Helistop.

(a) In business districts and the IT~~R~~ transitional ~~river corridor~~ industrial district . . .

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.811. General industrial.

(a) Production, processing, . . . except those uses specifically first allowed as permitted uses in the I3 heavy ~~restricted~~ industrial district;

[Amended to correspond to changes to § 66.500, Industrial Districts.]

Sec. 65.812. General outdoor processing.

Standards and conditions:

(a) Outdoor servicing, processing, manufacturing or the storage of materials used in these operations shall be ~~no closer than~~ at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~to a property occupied with a one-, two-, or multiple-family dwelling~~.

[The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with the Minneapolis zoning standard that *outdoor production or processing* in their General Industrial District "shall be located at least 300 feet from a residence or office residence district boundary." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

Sec. 65.822. Cement, asphalt cement, and asphalt manufacturing.

Standards and conditions:

(a) All cement (including Portland cement), asphalt cement and asphalt processing and storage shall be ~~located~~ at least three hundred (300) feet from a residential~~ly~~ or traditional neighborhood district boundary ~~zoned property or property occupied by a residential use~~.

[The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with the separation requirement for *general outdoor processing* and with the Minneapolis zoning standard under which this use is regulated that *outdoor production or processing* in their General Industrial District "shall be located at least 300 feet from a residence or office residence district boundary." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

Sec. 65.823. Concrete, asphalt and rock crushing facility, outdoor.

A facility for outdoor crushing, grinding, compacting sorting and recycling of concrete, asphalt, rock, or other similar paving or building materials generated off-site.

[Outdoor processing of recyclable materials, except for concrete, asphalt and rock, is covered by §§ 65.844, *Recycling processing center*, and 65.846, *Recycling processing center, outdoor*, of the Zoning Code. Pre-2004 code language simply subjected crushing of concrete, asphalt and rock "to the conditions for uses which service, process or manufacture outside a completely enclosed building," the basis for the current code language.]

Standards and conditions:

(a) All concrete, asphalt and rock processing and storage shall be located at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~residentially zoned property or property occupied by a residential use~~.

[The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with the separation requirements for *general outdoor processing*, *cement, asphalt cement, and asphalt manufacturing*, *outdoor recycling processing center*, and *solid waste compost facility*, and with the Minneapolis zoning standard that *outdoor production or processing* and *concrete, asphalt and rock crushing facilities* in their General Industrial District "shall be located at least 300 feet from any residence or office residence district." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

(b) The use ~~All outdoor servicing, processing~~ shall be conducted, operated and maintained in accordance with any necessary ~~permits of~~ MPCA, ~~the~~ county and ~~the~~ city permits, copies of which shall be provided to and maintained on file by the zoning administrator.

[Requiring that necessary state and local permits be provided to the zoning administrator is an aid to enforcement. Lack of necessary permits is evidence that a use has ceased.]

~~(c) The applicant shall provide a site plan showing the location of buildings; areas of outdoor storage, servicing, processing or manufacturing; and fences and walls. A narrative shall accompany the plan stating the measures the applicant will take to contain on the property any dust, odor, noise or other potentially adverse effects.~~

[Replaced in more detail in (c) below.]

(c) The following shall be provided with an application for a conditional use permit:

(1) A site plan drawn to scale showing the location of buildings; areas of outdoor processing and storage; fences, walls, landscaping and screening vegetation; and the location of any stream, river (including the ordinary high water level), lake, wetland and major topographical feature within three hundred (300) feet of the site.

(2) A description of sources of sound, including hours of operation and measures to conform to noise regulations laid out in Sec. 293 of the Legislative Code.

(3) A dust management plan describing dust emission sources, their quantity and composition, and indicating conformance with all applicable air quality regulations.

(4) A drainage plan for stormwater management and runoff indicating conformance with all applicable stormwater regulations.

(5) A traffic plan describing the number of truck/vehicle trips the proposal will generate and the principal access routes to the facility including a description of the facility's traffic impact on the surrounding area.

[These are similar to requirements in the Minneapolis zoning code for *concrete, asphalt and rock crushing facilities* in their General Industrial District, and provide useful guidance for what is needed for a complete conditional use permit application.]

(C.F. No. 09-341, § 4, 4-22-09)

Sec. 65.831. Hazardous waste recycling transfer facility.

A facility that collects recyclable hazardous and industrial non-hazardous wastes from very small quantity generators (VSQG), as defined in Minnesota Rules 7045.0320, and consolidates these wastes into larger containers that meet minimum shipment requirements (generally 55 gallon drums), and transfers them to an appropriate processing facility within ten (10) days of receipt.

Standards and conditions:

(a) The facility shall be at least 300 feet from a residential or traditional neighborhood district boundary.

(b) The facility shall meet all state requirements of a VSQG collection site, including a license issued by the Saint Paul-Ramsey County Department of Public Health.

(c) The facility shall document the safety of any outdoor storage of collected materials.

(d) The facility shall collect the waste or shall ensure that customers are trained to safely transport the material to the facility.

(e) The facility shall not accept or collect household hazardous waste or explosive, radioactive, infectious, or putrescible materials.

(f) The facility shall be kept free of litter and any other undesirable materials and cleaned of loose debris on a daily basis.

[Definition and standards from a 12/19/03 Planning Commission determination of similar use. The 10 day transfer deadline is in the definition because it is in state law.]

Sec. 65.832~~1~~. Infectious waste incinerator.

Standards and conditions:

See section 65.833~~2~~, infectious waste processing facility, standards and conditions (a)-(c).

Sec. 65.833~~2~~. Infectious waste processing facility.

A site, including the land and any structures thereon, where infectious waste or pathological waste is accepted, transferred, stored, handled, treated, decontaminated, processed or disposed. Infectious waste processing facility does not include the site of a generator of infectious waste which is governed by the state department of health, as set forth in Minnesota Statutes, section 116.81, subdivision 2.

Standards and conditions:

(a) The treatment of waste shall be conducted within completely enclosed buildings.

(b) The storage of the waste shall be within completely enclosed buildings, except that the storage of the waste may be within trailers, provided the trailers are securely locked and are temperature controlled to prevent putrescence, as directed by the department of safety and inspections. The waste shall be stored for no more than forty-eight (48) hours, except that waste accepted on Friday must be disposed of no later than the following Monday.

(c) All structures containing the waste operations shall be at least three hundred (300) ~~one thousand (1,000)~~ feet from a residential or traditional neighborhood district boundary ~~the closest property line of a one, two, or multiple-family dwelling~~.

(d) The incineration of infectious waste shall be prohibited.

(C.F. No. 07-149, § 38, 3-28-07)

[The 300 foot separation requirement for this *indoor* use from residential and traditional neighborhood districts, where one-, two-, and multiple family dwellings are permitted, is consistent with the separation requirements for *general outdoor processing*, *cement, asphalt cement, and asphalt manufacturing*, *outdoor concrete, asphalt and rock crushing, outdoor recycling processing center*, and *solid waste compost facility*, and with the Minneapolis zoning standard that *outdoor production or processing* and *concrete, asphalt and rock crushing facilities* in their General Industrial District "shall be located at least 300 feet from any residence or office residence district." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.

This use must comply with all provisions of the Minnesota Infectious Waste Control Act. The Infectious Waste Control Act does not have a requirement for separation of this use from residential uses or zoning districts, and there does not appear to be a basis for a separation requirement of more than 300 feet. The Minneapolis zoning code does not specify a separation requirement for indoor industrial uses such as this.

This use is also subject to the requirements of Chapter 429, Infectious Waste, of the City Legislative Code, which requires a city license for an infectious waste processing facility that can be granted by the City Council only after the City Council holds a public hearing. This use is currently listed as a conditional use in the I2-I3 Industrial Districts, with an additional public hearing by the Planning Commission required, and the ability of the Planning Commission to impose additional reasonable conditions and limitations in granting a conditional use permit, on top of the protections afforded by other city and state regulations, the City Council license hearing, and the objective standards and conditions in Zoning Code § 65.833.

Before the Planning Commission may grant approval of a conditional use permit, the commission must be able to make all of the following required findings:

(a) The extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council.

(b) The use will provide adequate ingress and egress to minimize traffic congestion in the public streets.

(c) The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.

(d) The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

(e) The use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

If any one of these required findings can not be made, or if any one of the standards and conditions in § 65.833 is not met, then the Planning Commission must deny the conditional use permit. This provides for protection of adjacent uses and the public health, safety and general welfare.]

Secs. 65.834~~3~~ - 65.838~~9~~. Reserved.

Sec. 65.839. Metal shredder, intermediate.

A facility that accepts, stores and shreds intermediately sized metal products, including crushed and logged motor vehicles cut into smaller sections. The facility shall be incapable of handling whole crushed motor vehicles, closed containers and heavy-dense scrap with a thickness of more than ¼ inch.

Standards and conditions:

(a) Facilities for motor vehicle recycling shall be located on the site of an existing legal motor vehicle salvage operation.

(b) The size of the shredder intake shall be 60 inches by 60 inches or less and the power generated by the shredder shall be 1500 horsepower or less.

(c) All processing activities and material storage shall be contained within enclosed buildings that meet all requirements of the State Building Code.

(d) The facility shall meet noise standards as set forth in MPCA (Minnesota Pollution Control Agency) Noise Pollution Control Rules and local ordinances. The applicant shall perform a noise analysis to determine whether the facility will conform to the standards and propose any mitigation measures necessary to meet the rules and regulations. Buildings shall be insulated as required by the State Building Code and sound proofed as required by the noise analysis.

(e) The shredder shall be equipped with a closed loop dust collection system or similar system to ensure safe indoor and outdoor air quality. The applicant shall prepare an air quality analysis showing how air quality will be in compliance with state, federal, and local rules and regulations.

(f) The applicant shall provide a traffic analysis identifying automobile and truck trips, peak hour trips, and potential impacts on existing transportation systems. Intermediate shredders shall not be permitted in any instance where negative impacts on the existing transportation system cannot be mitigated by the applicant.

(g) Vehicular access to the facility shall not include local or collector streets that also provide vehicular access to residential uses, schools, churches or hospitals.

(h) The applicant shall prepare an evaluation of surrounding subsurface soils, utilities, and surrounding buildings to determine the likelihood of adverse vibration issues, and shall

design a foundation and footing system to address any issues that are discovered.

(i) The applicant shall prepare a surface and ground water quality analysis that complies with state, local, and federal regulations regarding stormwater pollution prevention and groundwater quality.

(j) Intermediate shredders shall be at least three hundred (300) feet from a residential or traditional neighborhood district boundary.

(k) A site plan and supporting documentation showing how the proposed facility complies with all standards and conditions shall be submitted with the application for a conditional use permit.

[Definition and standards based on a Planning Commission determination of similar use. The 300 foot separation requirement for this *indoor* use from residential and traditional neighborhood districts is consistent with the separation requirements for *general outdoor processing*, *cement, asphalt cement, and asphalt manufacturing*, *outdoor concrete, asphalt and rock crushing, outdoor recycling processing center*, and *solid waste compost facility*, and with the Minneapolis zoning standard that *outdoor production or processing* and *concrete, asphalt and rock crushing facilities* in their General Industrial District "shall be located at least 300 feet from any residence or office residence district." The Minneapolis zoning code does not specify a separation requirement for indoor industrial uses such as this. Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The separation standard covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

Sec. 65.845. Recycling processing center, indoor.

Standards and conditions:

(a) All processing activities shall be conducted within a wholly enclosed building.

(b) Outdoor storage of materials shall be within covered containers or behind an opaque visual screen meeting the requirements of section ~~63.xxx~~ 63.114, visual screens, on three (3) sides. Such outdoor storage shall be located at least three hundred (300) feet from any residential district.

. . .

Sec. 65.846. Recycling processing center, outdoor.

Standards and conditions:

(a) Outdoor processing, salvaging and storage of the materials and motor vehicles shall be ~~no closer than~~ at least three hundred (300) feet from a residential or traditional neighborhood district boundary ~~to a property occupied with a one-, two- or multiple-family dwelling~~. The area used for the outdoor processing, salvaging and storage shall be behind an ~~eight-foot-high~~ obscuring wall, fence, structure, or landscaped buffer at least eight (8) feet high

providing for reasonable operation of the business. ~~The planning commission may modify this requirement where a wall, fence or buffer may interfere with the operation of the business.~~

. . .

(c) There shall be no stacking of material above the height of the obscuring structure, wall or fence, except that material set back three hundred (300) feet from the nearest residential zoning district ~~property line~~ may be stacked one (1) foot higher than the obscuring structure, wall or fence~~, up to a maximum of sixty (60) feet,~~ for every additional five (5) feet the material is set back from the nearest residential ~~property line~~ zoning district, up to a maximum of sixty (60) feet.

[Edited for clarity, simplicity and consistency. The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with the separation requirement for *general outdoor processing* and with the Minneapolis zoning standard under which this use is regulated that *outdoor production or processing* in their General Industrial District "shall be located at least 300 feet from a residence or office residence district boundary." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

Sec. 65.847. Solid waste compost facility.

. . .

(e) The facility shall be located ~~no closer than~~ at least three hundred (300) feet from any residential~~ly~~ or traditional neighborhood district boundary, ~~used or zoned property as~~ measured from the edge of the nearest compost pile to the nearest residential~~ly~~ or traditional neighborhood district boundary ~~used or zoned property~~.

. . .

[The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with the separation requirement for *general outdoor processing* and with the Minneapolis zoning standard under which this use is regulated that *outdoor production or processing* in their General Industrial District "shall be located at least 300 feet from a residence or office residence district boundary." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.]

Chapter 66. Zoning Code – Zoning District Uses, Density and Dimensional Standards

ARTICLE V. 66.500. INDUSTRIAL DISTRICTS

Division 1. 66.510. Intent.

Sec. 66.511. Intent, IT transitional ~~IR light~~ industrial ~~restricted~~ district.

The IT transitional ~~IR light~~ industrial ~~restricted~~ district is intended to provide sites for commercial, office and light industrial uses that are compatible with ~~any~~ nearby residential and traditional neighborhood districts, parks, and parkways~~, or residential uses~~.

(Ord. No. 17511, § 3, 11-12-87; C.F. No. 06-112, § 1, 2-22-06)

[Amendments to reflect how this district is being used (including adjacent to LRT station area traditional neighborhood districts), better distinguish it from the I1 *Light* Industrial District, and avoid confusion with the I3 *Restricted* Industrial District.]

Sec. 66.512. Intent, I1 light industrial district.

The I1 light industrial district is intended to accommodate wholesale, warehouse, and industrial operations whose external physical effects are restricted to the area of the district and in no manner affect surrounding districts in a detrimental way. The I1 district is intended to permit, along with other specified uses, the manufacturing, compounding, processing, packaging, assembly, or treatment of finished or semifinished products from previously prepared material.

(Code 1956, § 60.531)

Sec. 66.513. Intent, I2 general industrial district.

The I2 general industrial district is intended primarily for manufacturing, assembling and fabrication activities, including large scale or specialized industrial operations whose external effects will be felt in surrounding districts. The I2 district is intended to permit the manufacturing, processing and compounding of semifinished products from raw material and prepared material. The processing of raw material in bulk form to be used in an industrial operation is a permitted use in the I2 district.

(Code 1956, § 60.541)

Sec. 66.514. Intent, I3 heavy ~~restricted~~ industrial district.

The I3 heavy ~~restricted~~ industrial district is intended to provide sites for uses which are or can be objectionable or hazardous unless surrounded by other types of industrial districts.

(Code 1956, § 60.551)

[*Heavy industrial* is a more commonly used term to describe this district and the types of uses permitted in this district. It helps to avoid confusion with the way the term *restricted* has been used to describe the IR Light Industrial *Restricted* District.]

Division 2. 66.520. Principal Uses in Industrial Districts

Sec. 66.521. Principal uses.

Table 66.521, principal uses in industrial districts, lists all permitted and conditional uses in the ~~IR~~IT-I3 industrial districts, and notes applicable development standards and conditions.

Table 66.521. Principal Uses in Industrial Districts

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Residential Uses					
Mixed Commercial-Residential Uses					
Home occupation	P	P	P		(d), (s) ✓
Mixed residential and commercial use	P	P	P/C		(s) ✓
Congregate Living					
~~Foster home, freestanding foster care home~~	~~P~~	~~P~~	~~P~~		✓
Community residential facility, licensed human service	P	P	P		(d), (s) ✓
Community residential facility, licensed correctional		C	C		(d), (s) ✓
Community residential facility, health department licensed		C	C		(d), (s) ✓
Correctional facility		C	P	~~C~~	
Emergency housing facility		C	C		(d), (s) ✓
Overnight shelter		C	C		(d), (s) ✓
Shelter for battered persons	P	P	P		(d), (s) ✓
Transitional housing facility	P	P	P		(d), (s) ✓
Sober house	P/C	P/C	P/C		(d), (s) ✓
Roominghouse, boardinghouse			C		(d), (s) ✓
Hospice	P	P	P		(d), (s) ✓
Civic and Institutional Uses					
Educational Facilities					
Group day care	P	P	~~P~~ C		(d), (s) ✓
School, grades K-12	P	P	~~P~~ C		(s)
College, university, seminary, etc.	P	P	~~P~~ C		(d), (s) ✓
Trade school, arts school, dance school, etc.	P	P	~~P~~ C		
Social, Cultural, and Recreational Facilities					
Club, fraternal organization, lodge hall	P	P	~~P~~ C		(d)
Museum	P	P	C		
Public Library	P	P	~~P~~ C		
Public and private park, playground	P	P	P		
Recreation, noncommercial	P	P	P		(d)

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Religious Institutions					
Church, chapel, synagogue, place of worship	P	P	~~P~~ C		
~~Rectory, parsonage~~	~~P~~	~~P~~	~~P~~		
~~Convent, monastery, religious retreat~~	~~P~~	~~P~~	~~P~~		
Public Services and Utilities					
Antenna, cellular telephone	P~~/C~~	P~~/C~~	P	P	(d), (s) ✓
Antenna, public utility microwave	C	C	P	P	(d), (s) ✓
Antenna, radio and television transmitting	C	C	P	P	(d), (s) ✓
Antenna, satellite dish	C	C	P	P	(d), (s) ✓
Electric transformer or gas regulator substation	P	P	P	P	
Municipal building or use	P	P	P		
Municipal incinerator			P	P	
Power plant			P	P	
Public utility heating or cooling plant		P	P	P	
Public works yard or maintenance facility		P	P	P	
Sewage treatment plant			P	P	
Utility or public service building or yard	P	P	P	P	(d)
Water supply plant	P	P	P	P	
Yard waste site, commercial and municipal		C	C	P	(d), (s) ✓
Commercial Uses					
Offices					
Administrative office	P	P	P		
Artist, photographer studio, etc.	P	P	P		(d)
Insurance office, real estate office, sales office	P	P	P		
Professional office	P	P	P		(d)
Medical Facilities					
Clinic, medical or dental	P	P	P		(d)
Hospital	P	P	P		(d)
Medical laboratory	P	P	P		
Veterinary clinic	P	P	P		(d), (s) ✓
Retail Sales and Services					
General retail	P	P	P		(d)
Alternative financial establishment		C	P		(d), (s) ✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		(d)
Drive-through sales and services, primary and accessory	P	P	P		(s) ✓
Dry cleaning, commercial laundry	P	P	P		
Food and related goods sales	P	P	P		(d)

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Food shelf	P	P	P		(d)
Garden center, outdoor	P	P	P		(d), (s) ✓
Greenhouse	P	P	P		(d), (s) ✓
Gun shop, shooting gallery		C	P	P	(d), (s) ✓
Laundromat, self-service	P	P	P		
Liquor store	P	P	P		
Massage center	P	P	P		(d)
Mortuary, funeral home		P	~~P~~ C		
Outdoor uses, commercial		C	P		(s) ✓
Outdoor uses, commercial sales of consumer fireworks		C	C		(d), (s) ✓
Package delivery service	P	P	P		(d)
Pawn shop		C	P		(d), (s) ✓
Photocopying	P	P	P		
Post office	P	P	P		
Service business	P	P	P		(d)
Service business with showroom or workshop	P	P	P		(d)
Small appliance repair	P	P	P		
Small engine repair, automotive bench work	P	P	P		
Tattoo shop	P	P	P		
Tobacco products shop	P	P	P		(d), (s) ✓
Food and Beverages					
Bar	P	P	P		(d)
Brew on premises store	P	P	P		(d), (s)
Catering	P	P	P		
Coffee kiosk	P	P	P		(d), (s)
Coffee shop, tea house	P	P	P		(d)
Restaurant	P	P	P		(d)
Restaurant, carry-out-deli	P	P	P		(d)
Restaurant, fast food	P/C	P	P		(d), (s) ✓
Restaurant, outdoor	P	P	P		(s) ✓
Commercial Recreation, Entertainment and Lodging					
~~Bed and breakfast residence~~	~~P~~	~~P~~	~~P~~		
Bingo hall, auction hall	P	P	~~P~~ C		
Health/sports club	P	P	P		(d)
Hotel, inn, motel	P	P	P		
Indoor recreation	P	P	P		(d), (s) ✓
Outdoor ~~(drive-in) theater~~ sports/entertainment		C	P	P	✓
~~Race track~~		~~C~~	~~P~~	~~P~~	
Reception hall	P	P	~~P~~ C		
Steam room/bathhouse facility	P	P	P		(d)
Theater, assembly hall, concert hall	P	P	~~P~~ C		

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Adult Entertainment					
Adult use		C	C		(d), (s) ✓
Automobile Services					
Auto body shop	C	P	P	P	(d), (s) ✓
Auto convenience market	C	P	P		(d), (s) ✓
Auto service station	C	P	P		(d), (s) ✓
Auto specialty store	C	P	P		(d), (s) ✓
Auto repair station	C	P	P		(d), (s) ✓
Auto sales, indoor	P	P	P		
Auto sales and rental, outdoor	C	P	P		(d), (s) ✓
Car wash		P	P		(s) ✓
Parking facilities					
Parking facility, commercial	C	P	P	C	(d), (s) ✓
Transportation					
Airport		C	C	C	(d)
Bus garage, station, lot, or turnaround		P	P	C	
Heliport		C	C	C	(d), (s) ✓
Helistop	C	C	C	C	(d), (s) ✓
Intermodal freight yard			C	C	(d), (s) ✓
Motor freight terminal			C	C	(d), (s) ✓
Railroad right-of-way, transfer and storage tracks	P	P	P	P	
Railroad station or terminal freight facility	P	P	P	C	
Railroad yard or shop	C	C	P	P	
Taxi dispatching, maintenance and storage		P	P	P	
Limited Production, Processing and Storage					
Finishing shop	P	P	P		(d), (s) ✓
Limited production and processing	P	P	P		(d), (s) ✓
Mail order house	P	P	P		
Malt liquor production	P	P	P		
Plastic products	P	P	P		(d)
Printing and publishing	P	P	P		
Recycling collection center		P	P		(d), (s) ✓
Recycling drop-off station	P	P	P		(d), (s) ✓
Storage facility, rental	P	P	P	P	
Toiletries and cosmetic manufacturing	P	P	P		
Warehousing and storage	P	P	P		
Wholesale establishment	P	P	P		(d)
Industrial Uses					

Use	~~IR~~ IT	I1	I2	I3	Definition (d) ~~Development~~ Standards (s)
Light manufacturing	P	P	P	P~~C~~	(d)
General industrial			P	P	(d)
General outdoor processing			C	C	(d), (s) ✓
Brewery, micro and regional	P	P	P		(d)
Brewery, national			P		(d)
Cement, asphalt cement, and asphalt manufacturing			C	C	(s) ✓
Concrete, asphalt and rock crushing facility, outdoor				C	(d), (s) ✓
Crematorium		P	P	P	
Greenhouse, industrial	P	P	P		(d)
Hazardous waste processing facility			C	C	(d), (s) ✓
Hazardous waste recycling transfer facility			C	C	(d), (s)
Infectious waste incinerator				C	(s) ✓
Infectious waste processing facility			C	C	(d), (s) ✓
Lumber yard	P	P	P		
Metal shredder, intermediate			C	C	(d), (s)
Mining			C	C	(d)
Motor vehicle salvage operation			C	C	(d), (s) ✓
Petroleum and gasoline tank farm~~s~~				P	
Recycling processing center, indoor		P	P	P	(d), (s) ✓
Recycling processing center, outdoor			C	C	(d), (s) ✓
~~Rendering plants and tanning~~				~~P~~	
Research, development and testing laboratory	P	P	P		
Solid waste compost facility			C	C	(d), (s) ✓
Solid waste transfer station			P	P~~C~~	(d)
Tire retreading		P	P	P	
Accessory Uses					
Accessory use	P	P	P	P	(d), (s)

Notes to table 66.521, principal uses in industrial districts:

(d) Definition for the use in Chapter 65, Land Use Definitions and Development Standards.

(s) Standards and conditions for the use in Chapter 65, Land Use Definitions and Development Standards.

(C.F. No. 05-441, § 2, 8-24-05; Ord. No. 06-112, § 2, 2-22-06; C.F. No. 07-633, § 3, 8-15-07; C.F. No. 08-640, § 6, 7-9-08; C.F. No. 09-341, § 6, 4-22-09; Ord. No. 10-33, 10-27-10; Ord. No. 11-26, § 2, 3-23-11; Ord. No. 11-27, § 1, 4-20-11; Ord. No. 12-26, § 1, 5-23-12)

[Deleted uses don't need to be separately listed or do not support the primary intent and purposes of industrial districts. Added uses reflect Planning Commission determinations of similar use in recent years. Detail is added to the "*Definition, Standards*" column to make it more helpful in knowing when to look to Chapter 65 for a particular land use definition or for standards and conditions for a particular use.]

Division 3. 66.530. Industrial District Density and Dimensional Standards

Sec. 66. 531. Density and dimensional standards table.

Table 66.531, industrial district dimensional standards, sets forth density and dimensional standards that are specific to industrial districts. These standards are in addition to the provisions of chapter 63, regulations of general applicability.

Table 66.531. Industrial District Dimensional Standards

Zoning District		~~Floor Area Ratio (FAR)~~	Height Maximum		Yard Setbacks Minimum (feet)		
		~~Maximum~~	*~~Stories~~*	*Feet*	*Front*	*Side*	*Rear*
IT~~R~~	Transitional ~~Light~~ Industrial ~~Restricted~~	~~2.0~~	~~3 (a),(b)~~	50 (a),(b)	0(c),(d),~~(e),~~(f)	~~0 (e)~~(e),(f)	~~0 (e)~~(e),(f)
I1	Light Industrial	~~2.0~~	~~(b)~~	50 (b)	0(c),(d),~~(e),~~(f)	~~0 (e)~~(e),(f)	~~0 (e)~~(e),(f)
I2	General Industrial	~~3.0~~	~~(b)~~	75 (b)	0(c),(d),~~(e),~~(f)	~~0 (e)~~(e),(f)	~~0 (e)~~(e),(f)
I3	Heavy ~~Restricted~~ Industrial	~~1.0~~	~~(b)~~	75 (b)	0(c),(d),~~(e),~~(f)	~~0 (e)~~(e),(f)	~~0 (e)~~(e),(f)

[With height limits to ensure adequate light and air to adjacent property and compatibility with nearby uses the floor area ratio (FAR) limits in industrial districts are unnecessary, and could artificially limit the job density, employment, tax base and land use efficiency called for in the Comprehensive Plan.

With a height limit in feet, the 3 story height limit in the IT district is unnecessary. The traditional neighborhood districts and the other industrial districts do not limit the number of stories, but rather only limit the height in feet. The fifty foot IT Transitional Industrial District height limit is consistent with the height of a 3 story commercial or industrial building.]

Notes to table 66.531, industrial district dimensional standards:

(a) Buildings exceeding this height limit, to a maximum height of seventy-five (75) feet, may be permitted with a conditional use permit.

(b) The height of the structure may exceed the maximum building height allowed in the district provided the structure is set back from all exterior property lines of the parcel a distance equal to the height which said structure exceeds the maximum building height allowed in the district.

(c) On those lots or parcels, or portions of lots or parcels, ~~which~~ where the frontage adjoins or is ~~are located~~ directly across a street ~~or abut a side or rear~~ from a required front yard ~~lot line~~ in any use district other than an industrial ~~IR, I-1, I-2, I-3,~~ or VP~~V~~ vehicular parking district, the ~~required~~ front setbacks requirements of ~~from~~ said abutting districts shall apply ~~be equal to a minimum of one and one-half (1½) times the height of the buildings, except as noted in section 63.102~~.

[Revised to relate only to front setbacks, and combined with existing language in (e), which also applies just to front setbacks. Language in new (e) applies just to side and rear setbacks. Requiring setbacks to be 1½ times the height of a building would be inconsistent with other zoning districts and with new IT district design standard (1) that calls for buildings to hold the corner and be located up to the public sidewalk.]

(d) On those lots or parcels, or portions of lots or parcels, which adjoin a right-of-way line of a parkway, the required setbacks from the parkway right-of-way line shall be equal to that required for residential uses in effect along the parkway right-of-way or twenty-five (25) feet, whichever is greater. The following parkways and portions of parkways are excluded from this setback requirement: Ford Parkway (from Kenneth Street to Finn Street and north side between Finn Street and Mississippi River Boulevard), Gannon Road, and Lexington Parkway (from Pierce Butler Route to the nearest Burlington Northern Railroad tracks).

(e) ~~Where the frontage of any block is divided into two (2) or more zoning districts, the front yard requirements of the district with the largest front yard depth shall be applied to the entire block frontage.~~ No side or rear yards are required except as specified in the building code, and except that side and rear yard setbacks of at least six (6) feet shall be required where an industrial district adjoins a side yard in an adjacent residential district.

[Language about front yard setback requirements is moved to (c) above.

It is useful to reference the building code setback requirements, which depend on the type of construction and wall openings. The amendments incorporate reference to the building code setback requirements into the industrial dimensional standards table using the same language that is already in the traditional neighborhood and business district dimensional standards table footnotes. They also require 6 foot setbacks from side yards in residential districts as required in the traditional neighborhood and business district dimensional standards table footnotes.]

(f) ~~Nonrequired front yards and all required and nonrequired side and rear yards shall be permitted to be used for off-street parking.~~ Loading and unloading shall not be permitted in any required front, side or rear yards.

[Provisions for yard setbacks for off street parking are covered in § 63.312, *Setback*, in the off-street parking facility standards in chapter 63, and don't need to be covered here. Allowing off street parking in a front yard may be inconsistent with new IT district design standard (5) that calls for surface parking to be located to the side or rear of buildings to the greatest extent possible.]

(Code 1956, § 61.104; Ord. No. 17204, 1-15-85; Ord. No. 17778, § 2, 10-11-90; C.F. No. 92-1479, § 19, 12-15-92; C.F. No. 93-1718, § 64, 12-14-93; C.F. No. 96-462, § 7, 6-5-96; C.F. No. 06-112, §§ 3, 4, 2-22-06)

Division 4. 66.540. Required Conditions

Sec. 66.541. Required conditions in the IT~~R~~ -I3 industrial districts.

(a) *Outdoor storage.* Outdoor storage is permitted subject to the following conditions:

(1) ~~Except as provided in section 63.113,~~ Outdoor storage shall be ~~no closer than~~ at least three hundred (300) feet ~~to~~ from a residential or traditional neighborhood district boundary ~~or to a property occupied with a one-, two-, three-, four-, townhouse or multiple-family dwelling~~, and in the ~~IR~~ IT transitional ~~light~~ industrial ~~restricted~~ district shall also be ~~no closer than~~ at least three hundred (300) feet ~~to~~ from a park, parkway, or major thoroughfare~~.~~, except that in reviewing a site plan for outdoor storage in industrial districts, the zoning administrator may permit outdoor storage to be within three hundred (300) feet of a residential or traditional neighborhood district, or of a park, parkway, or major thoroughfare, provided that: a) a visual screen, a minimum of

six (6) feet in height, is placed between the outdoor storage and such district, park, parkway or major thoroughfare; b) the zoning administrator has considered the location and design of the outdoor storage area and visual screen in relation to any plans or guidelines approved by the city council and in relation to the design character and building materials of adjacent areas; and c) the zoning administrator has notified by mail the property owners within three hundred fifty (350) feet of the outdoor storage area at least ten (10) days before the administrator is to approve the site plan and has considered the property owners' comments.

[The 300 foot separation from residential and traditional neighborhood districts, where one-, two-, and multi-family dwellings are permitted, is consistent with separation requirements in Chapter 65 and the Minneapolis zoning standard that *outdoor production or processing* in their General Industrial District "shall be located at least 300 feet from a residence or office residence district boundary." Because zoning district boundaries typically follow the centerlines of streets and highways, property in residential or traditional neighborhood districts occupied by a one-, two-, and multi-family dwelling is typically farther from the industrial use than the zoning district boundary. A separation requirement based on traditional neighborhood as well as residential zoning district boundaries is broader, covering more uses, and provides more certainty than one based on location of a particular use, which is more likely to change. The amendment covers sites in residential and traditional neighborhood districts where a dwelling may be constructed in the future as well as where dwellings are located at the time. It also protects the primary industrial, economic and employment functions of industrial districts as called for in the Comprehensive Plan by avoiding a separation requirement from dwellings that might be located in industrial districts.

The existing provisions on § 63.113 moved to this paragraph, which is what they apply to, for simplicity and clarity.]

(2) Outdoor storage shall be fenced or walled. Outdoor storage which abuts a thoroughfare, a business district or a PD district shall be behind a six-foot-high obscuring fence. However, an obscuring fence shall not be required if the outdoor storage is screened by a building or topography. On sites where the topography renders an obscuring fence ineffectual as a screen, landscape screening shall be required.

(b) *Outdoor uses.* In the IT~~R~~, I1, and I3 industrial districts, all business, servicing, processing or manufacturing shall be conducted within completely enclosed buildings, except for off-street parking, off-street loading, and outdoor uses specifically allowed as permitted or conditional uses.

(c) Activities involving storage, utilization or manufacture of materials or products which contain their own oxidizing agent and which decompose by detonation are not permitted in the IT~~R~~-I1 industrial districts; provided that storage of small arms ammunition for retail sale shall be permitted; and further provided that research, medical and hospital laboratories, when operating under the direct supervision of scientifically trained personnel, may use the above material for research, medical and development purposes. Such activities are allowed in the I2 general industrial district when specifically authorized under the codes and ordinances of the city.

(d) Meat packing plants, large metal shredders, the refining of petroleum or gasoline, and stock yards are prohibited.

(Code 1956, §§ 60.533, 60.543; Ord. No. 16913, 4-27-82; Ord. No. 17039, 7-7-83; C.F. No. 92-1479, §§ 11, 12, 12-15-92; C.F. No. 93-906, § 3, 11-4-93; C.F. No. 93-1718, §§ 54, 55, 12-14-93; C.F. No. 97-1406, § 3, 12-10-97; C.F. No. 06-112, § 5, 2-22-06)

Sec. 66.542. Required conditions in the IT transitional ~~IR light~~ industrial ~~restricted~~ district.

(a) *Design standards*. Development shall be consistent with the following design standards unless the applicant can demonstrate that there are circumstances unique to the property that make compliance impractical or unreasonable**:**

(1) *Buildings anchor the corner.* At intersections in pedestrian-oriented areas characterized by such things as buildings located up to the public sidewalk, pedestrian-scale street lighting, a mix of uses, and availability of transit service, buildings shall "hold the corner," that is, have street facades within fifteen (15) feet of the lot line along both streets, or the site plan shall include pedestrian-oriented elements such as substantial landscaping, public art, monument signage, and vertical structural elements that "hold the corner."

[Replaces IR reference in (c) to § 66.343(b)(6), *Buildings anchor the corner*, for traditional neighborhood districts. New language parallels §63.110, *Building Design Standards* (c), which also has language about *holding the corner*, including the option of "vertical structural elements that 'hold the corner.'"]

(2) *Building facade articulation.* The bottom 25 feet of building facades facing a public street shall include human-scale elements- including, but not limited to, doors and windows, awnings and canopies, vertical or horizontal variations in color, texture, and material, and/or ornamentation, offset or recessed structural bays, projecting elements such as colonnades or bay windows, or other roof or wall features.

[Replaces and modifies IR reference in (c) to § 66.343(b)(9), *Building facade articulation*, for traditional neighborhood districts. The language mirrors similar language in Port Authority covenants.]

(3) *Materials and detailing.* Buildings shall be constructed of high-quality materials, including, but not limited to, brick, stone, textured cast stone, tinted masonry units, concrete, glass and architectural metal. The following materials are generally not acceptable:

- Unadorned plain or painted concrete block or panels;
- Synthetic stucco products;
- Corrugated metal;
- Reflective glass; and
- Vinyl, fiberglass, asphalt or fiberboard siding.

[Replaces IR reference in (c) to § 66.343(b)(14), *Materials and detailing*, for traditional neighborhood districts to be more appropriate for industrial/office building types, deleting "tilt up concrete panels" from the list of unacceptable materials.]

(4) *Door and window openings*. For office portions of principal buildings, above grade window and door openings shall comprise at least fifteen (15) percent of the total area of exterior walls facing a public street. Such windows shall be clear or translucent to improve visibility, add visual interest, and provide daylighting of interior spaces.

[Replaces IR reference in (c) to § 66.343(b)(13), *Door and window openings – minimum and character*, to focus solely on the office portions of principal buildings (instead of a requirement of 50% of the length and 30% of the area of ground floor facades of commercial/civic buildings). New language parallels §63.110, *Building Design Standards* (b), which exempts industrial, production, processing, storage, public service, and utility buildings, and requires 15% of the total area of principal building exterior walls facing a public street or sidewalk to be windows and door openings.]

(5) *Parking location and design.* Surface parking shall be located to the side or to the rear of principal buildings to the greatest extent possible, or on a separate lot in compliance with section 63.304. In reviewing a site plan, the zoning administrator may permit up to two (2) rows of parking spaces between the principal building and a street.

[Replaces IR reference in (c) to § 66.343 (b)(18), *Parking location and design*, and replaces/simplifies IR condition in § 66.542 (a), *Placement of parking*, which is shown as deleted below.]

(6) *Landscaping and street trees.* Landscaping shall be provided along the public streets and sidewalks to define the street edge, buffer pedestrians from vehicles, and provide shade. Any fence along a public street and sidewalk shall be decorative. Street trees in the street right-of-way, as prescribed by the city forester and section 69.600 of the subdivision regulations, shall be provided along all streets. Street trees shall be located in a planting strip at least five (5) feet wide between the curb and sidewalk, or in structural soil or its equivalent.

[Replaces IR reference in (c) to § 66.343 (b)(22), *Street trees*. Also discusses private or other landscaping along public streets and sidewalks that may have the same function as street trees (define the street edge, buffer pedestrians, etc.). The zoning administrator will prepare a document with examples of acceptable decorative fence types, materials, and designs.]

(7) *Sidewalks.* When redevelopment occurs, public streets shall be designed with a public sidewalk along the frontage of the property being developed.

[Replaces IR reference in (c) to § 66.343(b)(23), *Sidewalks*, to be more appropriate for industrial areas.]

~~(a) *Placement of parking.* Surface parking may be located to the rear of the principal building, within the rear yard area of the parcel, in an interior side yard if rear parking is impractical or insufficient, or on a separate lot in compliance with section 63.304. In reviewing a site plan the zoning administrator may permit up to twenty-five (25) percent of required parking spaces between the principal building and a street, not to exceed two (2) rows of parking spaces, and the planning commission may permit more, if necessary because of special needs, site conditions, or site constraints, provided that owners of property within three hundred fifty (350) feet of the parking spaces are notified by mail at least ten (10) days before approval of the site plan, their comments are considered, there is good pedestrian connection between the sidewalk and building entrance, and the area is well landscaped.~~

[Replaced by (a)(5) above.]

(b) *Park setbacks.* In any yard which adjoins a publicly owned park, buildings may be constructed at the lot line subject to setbacks being provided in accordance with the table below:

~~Park Setbacks~~

Building Height ~~(stories)~~	Setback from Lot Line
~~1, 2, and 3~~ Up to 35 feet	0
~~4~~ 35 – 50 feet	15 feet
~~5~~ More than 50 feet	30 feet
~~6 and over~~	~~45 feet~~

(Ord. No. 17511, §1, 11-12-87)

~~(c) *Design standards.* Development shall be consistent with the design standards in section 66.343(b)(6), (7), (9), (10), (12), (13), (14), (15), (18), (20), (21), (22), and (23), unless the applicant can demonstrate that there are circumstances unique to the property that make compliance impractical or unreasonable.~~

(C.F. No. 06-112, § 6, 2-22-06; Ord. No. 11-27, § 1, 4-20-11)

[Replaced by design standards in new (a) above specifically tailored to the IT Transitional Industrial District and industrial building types. The design standards in § 66.343, *Traditional neighborhood district design standards*, and simply referred to in § 66.542(c), are specifically tailored to traditional neighborhood districts and have often been problematic when applied to industrial districts and building types.]

Sec. 66.543. I1 light industrial district design standards.

In the I1 light industrial district, development is subject to design standards (4), (6), and (7) in section 66.542(a).

WEST MIDWAY INDUSTRIAL AREA
COMPREHENSIVE PLAN AMENDMENT

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.

Adopted September 2014

West Midway Industrial Study Task Force

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Greg Haley, Co- Chair
Eric Batiza, Industrial Broker
Chuck Bellard, Industrial Business
Brad Bentcover, District 11
Dave Briere, Industrial Property Owner/Business Owner
Robert Carpenter, Industry General Manager
Sean Casey, State Fair
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This Comprehensive Plan Amendment is excerpted from the West Midway Industrial Strategy, July 2013. The Strategy is broader in scope than is appropriate for a Comprehensive Plan Amendment, so it has been captured in three different documents:
1. The West Midway Industrial Area Plan;
2. The West Midway Working Agreement among public agencies for implementation of the Strategy; and
3. A White Paper "The City's Great Employment Challenge – Optimizing the Use of Industrial Land for Job Growth."

Development of the Strategy went through a rigorous community participation process between 2010 and 2013, before being completed. This Plan Amendment keeps to the format and content of the Strategy.

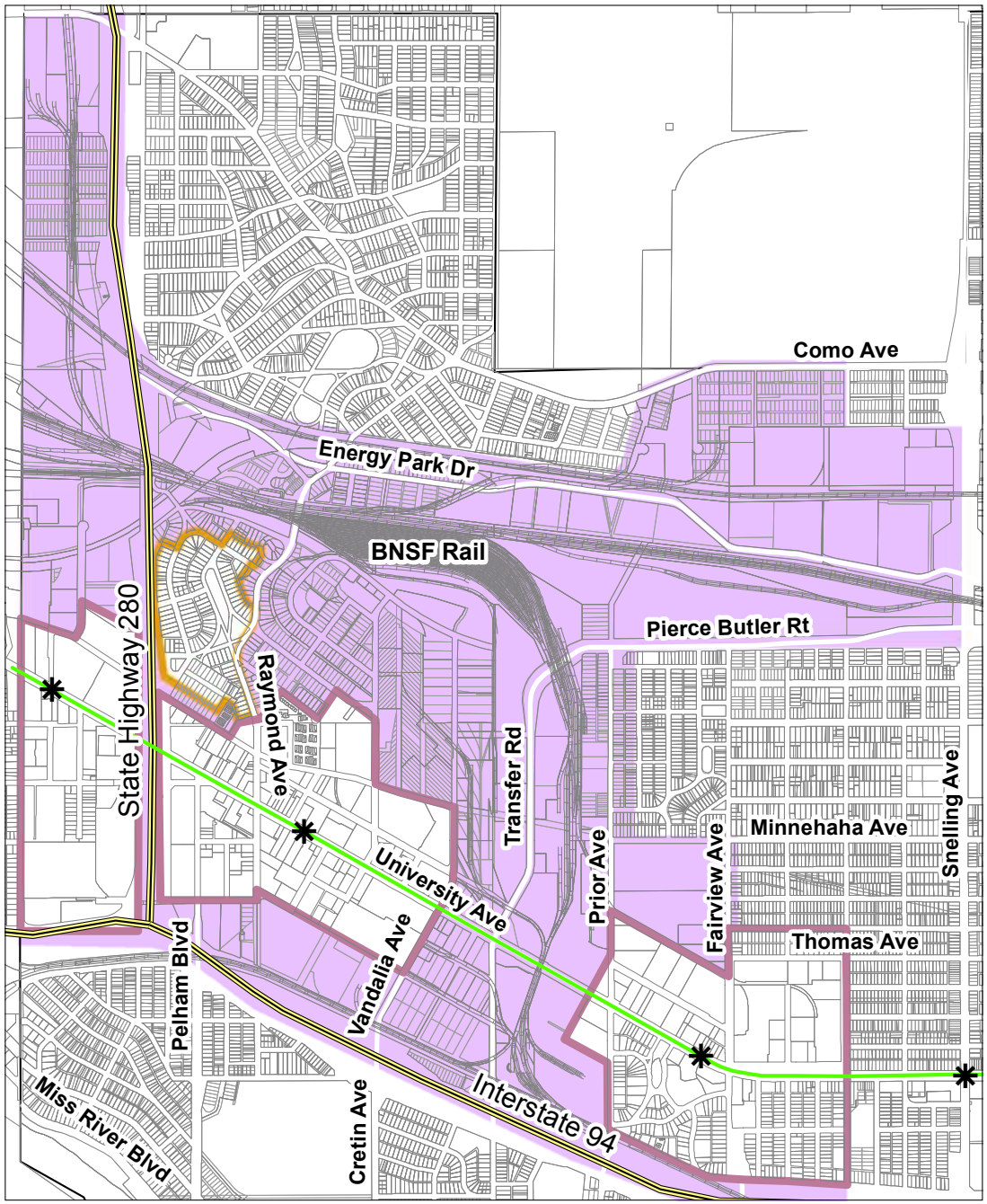
West Midway Cover Photos: Highway 280; BNSF Facility; Wycliff Street & Bradford Street; Silgen Building; Raymond Avenue Green Line LRT Station; Saint Paul Port Authority Westgate Business Center

CONTENTS

WEST MIDWAY INDUSTRIAL STUDY AREA

Legend

- Light Rail Stations
- Green Line LRT
- West Midway Industrial Study Area
- Station Area Plan Boundary (area excluded)
- St. Anthony Park residential area (excluded)



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Source: Saint Paul PED; Ramsey County

WEST MIDWAY INDUSTRIAL AREA COMPREHENSIVE PLAN AMENDMENT

The West Midway Industrial Area Plan 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.

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 Light Rail Transit line along University Avenue 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 Plan 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 Plan 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 Plan focus on **business collaboration** and **strategic public investments** to set the table for increased private industrial investment.

THE CHARGE

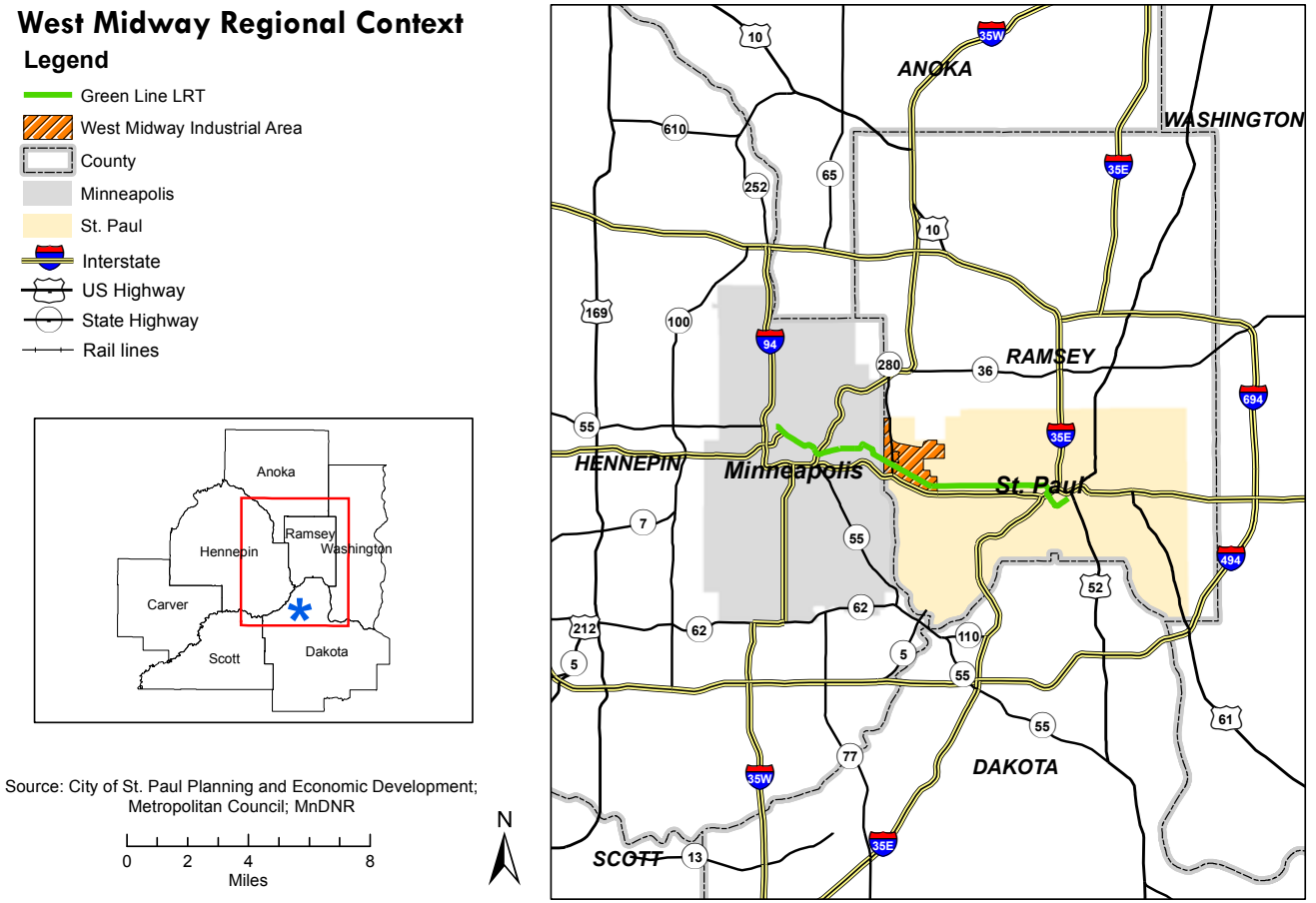
The Saint Paul Planning Commission, on May 21, 2010, established the West Midway Industrial Study Task Force to make recommendations for land use for the Planning Commission's consideration as an addendum to the Saint Paul Comprehensive Plan. The geographic scope of the Strategy includes the boundary shown in the Industrial Study Area map, but strategically excludes the three Green Line LRT station areas and the South St. Anthony residential area.

PLAN POLICY

There is a variety of City Plans that have been adopted that set the stage for land use policies in the Study Area. This Plan accepts all of the City-adopted plans, and uses them as groundwork for the recommendations. Specific portions of these plans have been brought into the Plan, as appropriate. (See Appendix C)

WEST MIDWAY REGIONAL CONTEXT AND LOCATION

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** by 2030 and connect the three largest employment concentrations in the state (the University of Minnesota Twin Cities 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 (residents ages 18-65). (ESRI Community Analyst)



PLAN SUMMARY AND STRUCTURE

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 hundreds of businesses in the West Midway area, the broader community has a major stake in success of individual businesses as well as prosperity of the entire area. At the same, the public sector recognizes the responsibility to invest strategically in both infrastructure improvements and land assembly/marketing.

This Plan is divided into two main sections: Industrial Business Retention and Expansion, and Land Development.

The **Industrial Business Retention and Expansion** section first focuses on the needs of business. It includes:

- **Business Engagement** section dealing with collaborative actions among businesses.
- **Strategic Public Investments** in support of the industrial business climate through infrastructure improvements and land assembly
- **Resources Needed**

The **Land Development Strategy**

- Focuses on actions in three Sub-Districts within the larger West Midway Industrial Area and sets the context and basic preferred direction for land use in those Sub-Districts.
- It also incorporates the LRT Station Area Plans/Zoning Code Amendments that have already been adopted, and accepts as givens those lands reserved for higher intensity redevelopment along the Central Corridor (Green Line).

Industrial development in Williams Hill

Businesses at Territorial Road and Cromwell Avenue

» BUSINESS COLLABORATION

Collaboration among businesses is essential in 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 Plan includes a program of coordinated efforts among the business community:

- **B-1** Better define the common and individual needs of businesses
- **B-2** Develop a "West Midway Industrial Area Partnership"
- **B-3** Engage in the discussion of a Regional Economic Development Strategy
- **B-4** Cultivate stronger relations among building owners, the City and the University of Minnesota
- **B-5** Cultivate stronger relations between the industrial business community and residential neighborhoods
- **B-6** Expand workforce preparedness focused on existing and emerging industrial business needs
- **B-7** Enhance the environmental sustainability of industrial development in the area
- **B-8** Promote development/redevelopment of sites to benefit existing businesses and promote new, intensive job creating businesses
- **B-9** Explore options for building reuse by attracting smaller, artisanal, creative enterprises – and thereby nurturing entrepreneurship.

» 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 reinvestments in existing industrial sites benefit the surrounding residential community:

- **PI-1** Retain and protect current industrial land from conversions to non-industrial uses.
- **PI-2** Invest in the street and roadway network
- **PI-3** Improve the physical environment in ways that help businesses
- **PI-4** Improve the physical environment in ways that help workers
- **PI-5** Improve the physical environment in ways that help neighborhoods
- **PI-6** Improve bicycle and pedestrian facilities

» RESOURCES NEEDED

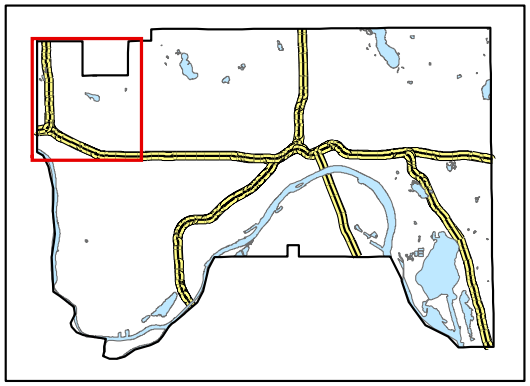
The array of resources needed to implement this Plan will be difficult to assemble, and **will only happen with the coordinated efforts of the business community, the adjacent neighborhoods, the philanthropic sector, and the public sector.** Collective political action and a sound strategy will require long-term commitments. Such commitments should be memorialized, wherever practicable. Among the resources needed for implementation include:

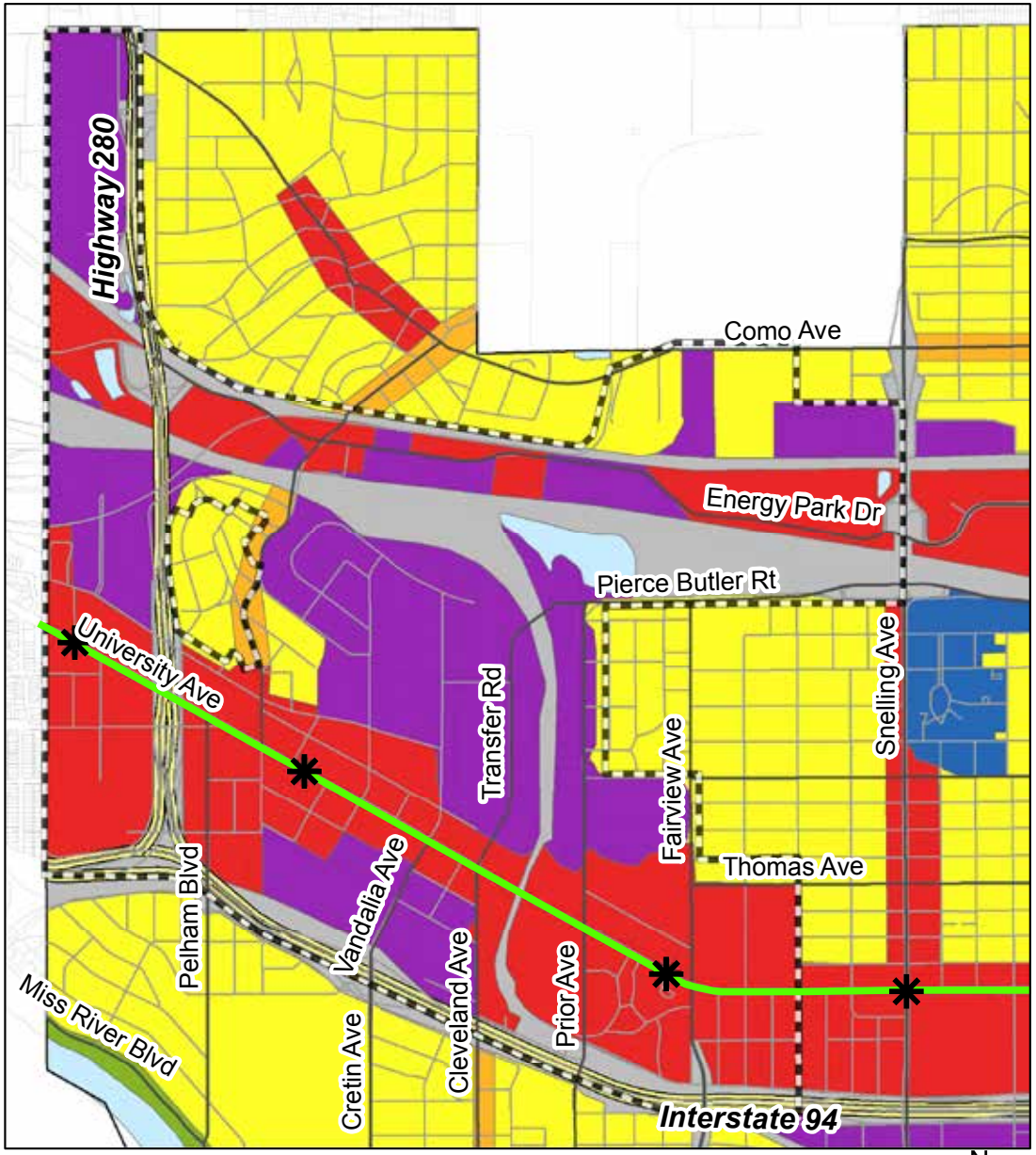
- **R-1** Sustain a commitment to the Plan by business leaders, Saint Paul Area and Midway Chambers of Commerce, the City, and Saint Paul Port Authority
- **R-2** Sustain the partnership among the Public, Private and Philanthropic (P3) sectors; focused on livable-wage jobs, tax base, and business retention/expansion.
- **R-3** 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 business outreach, site assembly/pollution remediation and targeted marketing.
    - Department of Public Works continued work on infrastructure improvements.
- **R-4** Establish funding for site assembly and preparation, such as use of Tax Increment Financing, and Federal HUD/EPA assistance.
- **R-5** Secure funding for major highway improvements from Metropolitan Council, MnDOT, USDOT and City investments.
- **R-6** Seek legal authority essential for ongoing industrial redevelopment, particularly the power of eminent domain.

West Midway Industrial Area Generalized Land Use

Legend

- Green Line LRT Stations
- Green Line LRT
- West Midway Industrial Study Area
- Major Institutional
- Water
- Transportation
- Residential Corridor
- Mixed Use Corridor
- Major Parks
- Industrial
- Established Neighborhoods





Source: Saint Paul PED, Metropolitan Council

INDUSTRIAL BUSINESS RETENTION AND EXPANSION

The economic condition of Saint Paul's industrial sector is best characterized by "An Industrial Strategy for the City of Saint Paul" (2012). This report ("the ICIC Report") was commissioned by the Saint Paul Port Authority, and prepared by the Initiative for a Competitive Inner City (ICIC), Interface Studios LLC and the Pennsylvania School of Design. (See the ICIC Report on the Port Authority web site: http://www.sppa.com/) The Strategy highlights the following:

- City is lagging behind in employment growth in the region, as gaps persist in the regional economy.
- Technology transfer and spinoff from research institutions have not generated enough impact in terms of regional jobs and growth.
- There is pressure to convert existing industrial land to non-industrial uses.
- Locally, existing industrial assets and a robust manufacturing legacy provide the opportunity to leverage industry into a sustainable vision that promotes growth in the city and region.
- Over the course of the previous decade, the region's urban core lost more than 100,000 jobs while less developed suburbs added roughly 36,000. This movement of jobs, combined with urban poverty rates that are more than twice those of the region, highlights the importance of equitable development throughout the region.
- Modern industry represents a range of activities involving the production, distribution, and repair of goods and materials. In fact, the focus suggested by the ICIC Report is a focus on PDRL signifying Production, Distribution, Repair, and Logistics.
- Modern industrial land may be occupied by laboratories, flex space, warehouses and distribution centers, or purpose-built manufacturing. This mix results in a broad array of opportunities for cities and their residents.
- Modern industrial development does not have to be an eyesore or environmental degradation for the surrounding community. In fact, more recent industrial development is typified by modern looking buildings, many of which were developed by expanding businesses located across the street or very close to residential areas.

Indexed Employment Growth in Twin Cities, 1998-2009

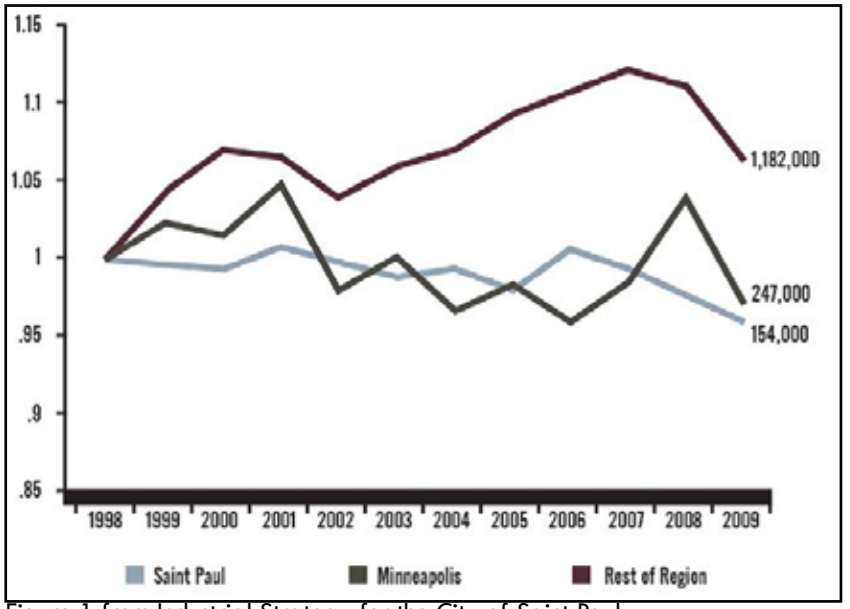


Figure 1 from Industrial Strategy for the City of Saint Paul
SOURCE: County Business Patterns, ICIC Analysis

» BUSINESS ENGAGEMENT

There are many things that can be done at the local level to improve the business climate. Over time those measures can have profound impacts on the success of local businesses and in gaining the most productive industrial uses in the area.

In cooperation with the Midway Chamber and Port Authority, a forum of local business leaders will establish a coordinated dialogue for the benefit of existing businesses. That dialogue will help define resources needed to improve business conditions for both individual businesses and for reinvestment/redevelopment in the West Midway Industrial Area. The Midway Chamber, Port Authority and PED staffs will help get that dialogue started, including outreach to individual businesses, but this effort must be led by local business leaders.

Collective action among the businesses may take the form of sharing resources to better deal with parking, energy conservation and stormwater issues. It may take the form of better marketing within business sectors and to the broader community. It may include better ongoing outreach to adjacent residential neighborhoods. It may take the form of exterior improvements to buildings and properties including landscaping and façade improvements.

B-1 **Better define the common and individual needs of business.** Currently, the West Midway Industrial Area contains various businesses that do not generally communicate amongst themselves, much less come to common understandings of issues they face. In this area, government can play a catalytic role in business outreach and bringing businesses together. Initially, the Port Authority and City will expand efforts at outreach to individual industrial businesses with focus on business retention, expansion, community relations, accessibility, regulatory processes, and capitalization.

B-2 **Develop a "West Midway Industrial Area Partnership" among local industrial business leaders, developers/leasing companies, the Port Authority and the City.** Understanding common interest needs a vehicle for discussion and action. This Partnership will:

a. Define those issues that are common to all/most local businesses. This can begin with the outreach to businesses, defining elements of common interest, and common issues. In cooperation with the Midway Chamber of Commerce and Port Authority, expand ongoing outreach efforts.

b. Develop/promote private efforts that ensure efficient goods and employee movement. Define those issues of freight movement and access by customers/employees beyond those included here, in development of ongoing improvements to the transportation network.

B-2, continued

c. Develop and promote area-wide physical improvements – possibly employing an Industrial Business Improvement District (BID) – that enhance the value of property, attract additional business investments and increase site marketability for resale. Such activities may include: street reconstruction; streetscape improvements; landscaping on private property; front entrance spruce-up; and site clean-up campaigns.

d. Create a "Good Neighbor" strategy, which defines common ground with the surrounding neighborhoods, develops specific projects and programs to the mutual benefit of business and community, and seeks joint support when pursuing funding for business development/redevelopment activities. Such activities may include: ongoing, periodic discussions between business and neighborhood to define projects, set priorities and define funding strategies; and area-wide clean-up efforts between business and neighborhoods.

e. Promote environmental stewardship in keeping with sound business practices and sustainable environmental practices. This includes, but is not limited to: more effective pollution remediation via groundwater treatment; more efficient stormwater retention techniques; and promotion of employee use of transit, walking and bicycling.

"**Business Improvement Districts (BIDs)** *have a strong track record of success in commercial areas and are being increasingly utilized for urban industrial areas as well in major cities. Challenges stemming from older infrastructure and older buildings are more easily resolved when there is a clear management presence for both exterior spaces and interior common areas of multi-tenant business center facilities. This is a straightforward way of increasing retention of existing firms. If, and only if, agreed upon by area firms, a small assessment based on street frontage, facility square footage or even employment could be pooled to fund clean and safe improvements and development/ communications programs in the immediate vicinity of the assessments."*

- ICIC Report, p 63

http://www.sppa.com/wp-content/uploads/2012/07/ICIC-Saint-Paul.pdf

B-2, continued

f. 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. One option is to highlight the benefits associated with industrial development. The Port Authority – through the ICIC Report outreach – has begun this effort to share the benefits of industrial businesses and development. In addition, this campaign can promote the concept of Production, Distribution, Repair and Logistics (PDRL), and lead to a dramatically different understanding of industry than just a generation ago.

g. 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. The Greater MSP is a relatively new initiative. The business community, through the Midway Chamber of Commerce, Port Authority and PED must reach out to Greater MSP with a specific list of needed support, educating them as to the vital nature of a healthy West Midway Industrial Area to the economic well-being of the region.

h. Support efforts to retain stable work spaces for small-scale, small-batch manufacturing, artisan and creative enterprises (based, in part, on the Greenpoint and Design Center models.)

Promoting the focus on **PDR[L] – Production, Distribution, Repair [and Logistics]** *– represents the best future for the West Midway Industrial Area. A heightened focus on industrial activity holds the key to reversing some negative trends, while preserving middle-wage jobs that are accessible to residents across the educational attainment spectrum. And, contrary to popular perception, such a vision hardly entails a city laden with smokestacks and pollution. Modern industrial land may be occupied by laboratories, flex space, warehouses and distribution centers or purpose-built manufacturing – resulting in a broad array of opportunities for cities and their residents."*

- ICIC Report, p 3

http://www.sppa.com/wp-content/uploads/2012/07/ICIC-Saint-Paul.pdf

A series of regional economic development discussions have occurred over the last 30 years: various Metropolitan Council efforts, creation of the Capitol City Partnership and the Itasca Project. The current Greater MSP effort focuses on marketing primarily and is explicitly not an effort to develop and implement a regional economic development strategy. The current lack of a regional economic development strategy puts the Twin Cities Metropolitan Area at a marked disadvantage in growing the industrial sector and in competing internationally with other regions.

Recently, the Metropolitan Council has begun efforts to develop such a regional strategy by integrating economic competitiveness and economic development into their latest regional strategy: THRIVE MSP 2040. Historically, the Metropolitan Council's charge included the "orderly and economical development" of the region. However, since the early 1980s the Metropolitan Council has been somewhat passive about asserting a regional economic development strategy. The Saint Paul community should support a robust regional strategy that includes local development agencies as well as regional policy-making efforts. That new strategy needs to focus on workforce preparedness, important changes to the State's tax codes and first-rate infrastructure.

B-3 Engage in the discussion of a Regional Economic Development Strategy.

a. Participate in the regional THRIVE MSP 2040 discussions

b. Insist the discussions include a broad range of constituents including: Greater MSP, Itasca Project, Chambers of Commerce, Urban Land Institute – Minnesota, the Minnesota Center for Fiscal Excellence, the State Legislature and local development agencies.

c. Promote an aggressive regional approach to workforce training and development.

d. Promote changes and simplifications to the State tax codes which improves transparency and does not over-burden job-creating industry to the extent that the region loses its competitive edge.

e. Promote a first-rate transportation system, particularly transit services in the urban area – proven to be essential in global economic competitiveness.

*The **Greater MSP Partnership** is committed to accelerating job growth and capital investment in Minnesota's 13-county Minneapolis-Saint Paul metro area. As a public-private non-profit partnership, its vision is to be a value-added resource to all economic development organizations in the Greater MSP region. Greater MSP works with economic development partners at the state, county, and local levels. It provides vision, strategy, resources and staff support to governments and organizations involved with job creation, regional marketing, and business recruitment, expansion and retention efforts. Specifically, Greater MSP partners with existing organizations to: 1) Set a strategic vision for integrated regional economic development; 2) Brand and market the Greater MSP region locally, nationally and globally; 3) Serve as "one-stop shop" to help businesses considering expanding or relocating in the region. https://www.greatermsp.org/*

B-4 **Cultivate stronger relations among building owners, the City and the University of Minnesota.** The presence of the University of Minnesota campuses may offer opportunities for new business formation. Currently, the University is not contemplating new university buildings that might locate in the West Midway area. However, there are University-supportive businesses that may be interested in proximate location to University research facilities – particularly in the areas of medical and technological research and manufacturing.

a. Develop stronger direct relationships with University departments that offer the greatest opportunities for new industrial developers and/or businesses.

B-5 **Cultivate stronger relations between the industrial business community and residential neighborhoods.** The importance of good design is essential, particularly in older industrial areas that are proximate to residential neighborhoods.

a. Initiate a "Business-Neighborhood Dialogue" that meets periodically (perhaps quarterly) and discusses projects and issues of common interest. Such a dialogue would include business and neighborhood leadership as well as staff from the City and Port Authority.

"In such districts, it is critically important to incorporate modern amenities and aesthetics in order to maximize firm retention and avoid negative perceptions around industry. To do this requires upgrades that are both functional and cosmetic. The best approach to achieving this would involve a partnership between industrial businesses, the Port Authority, and the city [including residential neighborhoods] that focuses on creating an inviting feel by promoting landscaping, signage, streetscapes, and other improvements that can encourage new and infill development in these employment centers."
ICIC Report, p 62

A healthy industrial business climate relies on an appropriately-trained and motivated workforce. The Saint Paul area has some very strong and ongoing efforts to improve the readiness of the local workforce.

Saint Paul College is a national leader in strategic and dynamic curriculum that results in viable, trained workers and has an exemplary placement track record. Programs include Career Pathways Academy (working with high school students) and curriculum focused on work habits and good citizenship as well as relevant technical training.

Minnesota Department of Employment and Economic Development (DEED) has a series of relevant programs to help business find strong work candidates, including Minnesotaworks.net (helping employers find qualified candidates), "National Career Readiness Certification" program ensuring awardees possess critical thinking skills, problem-solving skills and mathematic skills; and "Business Service Representatives" assisting employers find quality workers, analyze hard-to-fill positions and assessing salary requirements.

Ramsey County's "Workforce Solutions" program includes job-matching services, a "try-out" temporary employment program underwritten by the County, and connections among employers, job counselors and employment service agencies. The County has also developed the Workforce Investment Board, which oversees public workforce programs and builds community partnerships to fill training needs of local businesses.

The Port Authority is developing a new collaborative on workforce training geared to needs of specific employers that includes training groups, DEED and Port staff.

Finally, the **District Council Collaborative** has undertaken a yearlong pilot project ("Corridors to Careers") aimed at workforce readiness of communities along the Green Line.

However, even with these current workforce efforts in place, there is more that should be done. First, high school training is uneven, and there is not a uniformly strong relationship between local businesses and local high schools. Second, there is a skills gap at the upper limits of expertise, requiring advanced degrees in engineering and the sciences. There are very high-paying jobs that are hard to fill. Third, even though the efforts of DEED, Saint Paul College, Ramsey County, the Saint Paul Port Authority and the District Council Collaborative are exemplary, an ongoing conversation needs to continue and grow to keep efforts on the cutting edge.

B-6 Expand workforce preparedness focused on existing and emerging industrial business needs.

a. Expand the ongoing Workforce Investment Board conversations among public agencies and consider a parallel conversation among business leaders that connects the workforce needs of the community and the local high schools. Such conversations should lead to intern/ apprenticeship programs and strengthening of school curriculum.

b. Support the regional discussion among high tech industry and the institutions of higher learning regarding potential employer needs, careers in industry and curriculum planning. Engage appropriate local businesses and the Chambers of Commerce in such discussions.

c. Enhance the conversations among business leaders, local community, DEED, Saint Paul College, Ramsey County Workforce Solutions and the Saint Paul Port Authority.

B-7 **Enhance the environmental sustainability of industrial development in the area.** Sustainable elements include:

a. Encourage stormwater retention practices both on private property as well as within the public realm. Such practices may include permeable pavement techniques in parking lots, surface ponding, underground treatment systems, green roof technology and surface recharge areas as specified by the Captiol Region Watershed District and Saint Paul Stormwater rules.

b. Improve accessibility by means other than the single-occupant automobile. Assist individual businesses in developing Transportation Demand Management strategies, with incentives for employees to carpool, use transit, walk, and/or bicycle. Develop sidewalks for better access to transit, adjacent neighborhoods and services along commercial streets. Employ the services of St. Paul Smart Trips.

c. Improve energy efficiency within existing buildings. Assist individual businesses with energy audits and programs to improve efficiencies in heating and cooling. Education and outreach is critical to promotion of energy conservation programs that are available for current businesses and new development . The Port Authority has partnered with Xcel Energy and the Center for Energy and the Environment (CEE) to offer the Trillion BTU Energy Efficiency Program for commercial and industrial Xcel customers. Customers choose the project and the contractors, with Xcel providing the rebate and the Port Authority providing the financing. The Port Authority also has a sustainable development policy, requiring new buildings to go through Xcel Energy's Energy Design Assistance Program.

d. Encourage reuse of selected older building(s) through the Greenpoint model. Selected buildings within the South St. Anthony area may be adaptable for market niches that promote smaller, artisanal, creative enterprises, and to nurture the area as a fertile laboratory of entrepreneurship, business incubation, artistic endeavor and eclectic urban design. Careful adaptation of such buildings will be job-retaining and job-producing, help create a "buzz" for the industrial area, and be assets to the overall objectives of broader industrial area stabilization and growth.

St. Paul Smart Trips *works with businesses to provide commuting solutions that benefit both employers and employees and ensure continued business growth, employee satisfaction and a sustained quality of life for our region. St. Paul Smart Trips free consulting services helps identify, develop and support a variety of transportation options that lead to more productive, healthy and satisfied employees. Participating employers have seen increases in tax savings, work-site accessibility and employee earnings. Programs include: Commuter Options Surveys; Commuter Options Plans; New Employee Orientations; Commuter Fairs; Informational Materials; and Promotional Efforts.*
http://www.smart-trips.org/

B-8 **Promote development/redevelopment of sites such that they benefit the existing businesses as well as promoting new, intensive job-creating businesses.** The City, Port Authority, Metropolitan Council and State of Minnesota must work cooperatively toward redevelopment of sites for industrial reuse. No one agency can achieve this redevelopment alone.

a. Assemble parcels of sufficient size and regular configuration. 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. Property to be acquired will be determined by a majority of willing sellers, the site's strategic location and size, and the ability to assemble multiple parcels into larger sites of sufficient size to attract major new business investment.
b. Use tools that can capture value (e.g. Tax Increment Financing) from new developments to support such site assembly. In particular, the City needs to champion the use of TIF by the Saint Paul Port authority for industrial redevelopment that removes blight and increases the local employment base.
c. Without the tool of eminent domain, the City and Port Authority are extremely limited as to site assembly for new potential developments (see Comprehensive Plan strategy LU 2.19). If the City's Housing and Redevelopment Authority seeks eminent domain authority from the State Legislature, it should be for the express purpose of redevelopment by assisting in assembly of large sites, and for the purposes of:
   - Maximizing job creation through reuse of unusable industrial parcels/buildings;
   - Increasing the property tax base, thereby keeping down local property tax rates;
   - Eliminating blight of abandoned/substantially vacant industrial buildings, which have a deleterious effect on business reinvestment and new investment.
   - Maximizing use of current infrastructure capacities in freight rail, the principal highway system and the Green Line LRT.

"Light industrial and commercial office complexes often require significant parcels of land, or parcels reconfigured to meet the requirements of modern business…Creating parcels large enough for an employment complex requires land assembly [even though] the Minnesota Legislature in 2006 significantly limited eminent domain as a tool for assembling parcels."
Saint Paul Comprehensive Plan, Land Use Chapter, p 26

B-8, continued

d. Coordinate site assembly efforts with pollution remediation programs of the City, Port Authority, Metropolitan Council and State. Redevelopment of industrial sites has to meet the regulations required both by the Federal Environmental Protection Agency (EPA), and the Minnesota Pollution Control Agency (PCA). The PCA undertakes all regulatory oversight of cities and local economic development agencies that engage in acquisition and clean up of polluted sites. A formal Response Action Plan (RAP) is prepared for each site being redeveloped, so that the PCA can review and approve the specific contamination clean-up efforts to be undertaken, based on the specific pollutants and the best technical and cost-effective methods that can be used. Several remediation grant programs are available, and they are managed on a competitive basis. These include Minnesota DEED's and Met Council's Contamination Clean-Up Programs, and Grants and Loans for clean-up through the Federal EPA.

e. Reduce the time and costs for pollution remediation on developable parcels. Parcel acquisition funding may also be used for pollution remediation when such remediation would deter new investments in major parcel development.

B-9 Explore options for building reuse by attracting smaller, artisanal, creative enterprises – and thereby nurturing entrepreneurship.

a. Support the ongoing preservation and continued use of designated sites in and adjacent to the plan area.

b. Promote the benefits of local and National Register designation and the use of Federal and State Historic Tax Incentives for qualifying rehabilitation of National Register Certified and Designated properties.

c. Conduct an Industrial Buildings historic context study to explore this resource type and its contribution to the architectural character and historical development of Saint Paul as recommended in the Historic Preservation Chapter of the Comprehensive Plan.

» STRATEGIC PUBLIC INVESTMENTS

The relationship between the efforts of business and those of the public sector are essential in the health of the individual business as well as the well-being of the community. Creating a business-friendly environment is neither easy nor inexpensive. The business community desires, and deserves an equal partnership that makes it as easy as possible to conduct business while adequately protecting the public health and safety of the community. **Infrastructure investments, regulatory transparency and responsiveness, and workforce development** are all critical intersections between business and the public sector. Although this Plan is not exhaustive in detailing programs, there are certain aspects that are singular to the West Midway Industrial Area, listed below.

As for this Plan, at the same time that the Business Engagement work is beginning, the City and Port Authority will work to provide the necessary elements needed to support the growth of businesses, tax base and jobs. Improvements to streets, regional highway access, stormwater facilities, curb and gutter, sidewalks and boulevard landscaping (where practical) will be defined within a multi-year improvement program. In addition, the City and Saint Paul Port Authority will seek public resources to be used to assist in site assembly, environmental remediation (when necessary) and marketing – all within the context of establishing the West Midway Industrial Area as the preeminent urban industrial area in the region. The City will continue to work toward streamlining business and building permitting, for quicker and smoother turnaround times for approvals – while ensuring safeguards for public health and safety. And City/Port Authority staffs will help in energy conservation that benefits both the individual businesses as well as the broader community.

PI-1 **Retain and Protect Current Industrial Land from Conversions to Non-Industrial Uses:** It is vital to protect the industrial economy in a way that balances competing land uses while preserving industrial business growth. There will be instances when the market dictates that conversion from industrial to another use is optimal. Such conversions should be considered carefully.

a. The City should only convert industrially-zoned lands to non-industrial uses only in circumstances where development will be high density (either jobs or residential) and proximate to regional transportation.

PI-2 **Invest in the Street and Roadway Network**: There are selected improvements to the street and roadway network that can substantially improve truck access to the regional highway system (I-94 and TH 280). For some time the Minnesota Department of Transportation (MnDOT) has been concerned about the capacities of the Snelling, Vandalia and Highway 280 interchanges with I-94. These concerns have been heightened with the collapse of the I-35W river crossing bridge and the decision to add lanes on I-94 west of Highway 280 to deal with congestion. In addition, regional transportation plans recommend high-occupancy lanes along I-94 between the two downtowns.

New sidewalk and streetscape on Carleton Street

a. Ensure that discussions with MnDOT and the City of Minneapolis on the I-94 MnPASS project be broadened. Such discussions must include: Hwy 280 redesign north to the Larpenteur interchange (particularly access at Franklin Avenue); redesign of the Vandalia Bridge to accommodate growth in freight traffic; and north end of Ayd Mill Road to relieve congestion at the I-94/Snelling interchange.
b. Continue to study managed lane analysis on I-94.
c. Seek better options for truck traffic in the Westgate Industrial Area. Traffic and truck movements have become a significant problem for businesses in the Westgate Industrial Area. There is great concern that these problems will intensify due to planned and potential developments immediately to the north of Fifth Street and to the west in Minneapolis. This is particularly timely, because there is development interest in the immediate area that may be discouraged if relief is not found. However, potential solutions are likely to be very expensive or greatly impact existing development. Nevertheless, the City is committed to greater coordination between Minneapolis and St. Paul in search of viable options.
    - Continue to coordinate the monitoring of traffic operation issues with the City of Minneapolis with regard to the Westgate Industrial Park area and more regional east/west industrial traffic demand.
    - Outline potential relievers of such traffic and evaluate their effectiveness and cost.

PI-2, continued

d. Improve direct access for trucking from city streets to I-94 and TH 280. The following recommendations are an outgrowth of the Northwest Quadrant Transportation Study, completed in 2012 by the City Public Works Department in cooperation with the community bounded by I-94, Snelling Avenue, TH 280 and Larpenteur Avenue.

- Improve/rebuild Ellis between Transfer Road and Vandalia Street. (Short-term) This connection will improve freight trucking connection between Pierce Butler Road and the I-94 Interchange and direct most truck traffic away from University Avenue between Transfer Road and Vandalia.
- Designate Territorial Road a truck route, between Vandalia and Highway 280. (Short-term)
- Resurface Territorial from Carleton Street to Highway 280. (Short-term) Reconstruct with bike lanes and pave with materials that minimize noise to the adjacent properties.
- Redesign and Resurface Vandalia from Capp Road to south of I-94 to act as the primary north/south spine for industrial traffic, including sidewalks.
- Design and install trailblazing signage in the industrial area to both I-94 and Highway 280. (Short-term) Such signage will minimize wandering trucks and focus traffic on the most appropriate streets. Such signage will be coordinated with MnDOT.
- Reconstruct Territorial Road between Carleton and Vandalia. (Mid-term) Reconstruction will deal with loading dock issues.
- Reconstruct the Vandalia Bridge over I-94. (Mid-term) Reconstruction will enhance capacity for semi-trailer trucks, especially for left-turn movements.
- Periodically reassess the usefulness of a new North/South connection across the BNSF rail right-of-way to Energy Park Drive and Como Avenue. (Long-term)

Truck Traffic on 5th Street SE near Westgate Drive

PI-3 Improve the Physical Environment in ways that help Businesses.

a. Enhance streetscaping throughout the area with sidewalk installation, curb and gutter, landscaping and lighting. Such improvements will calm traffic, create a more positive atmosphere for workers, enhance property values, and improve marketability of property for resale.
b. Develop/enhance landscaping and front building facades. Such improvements will attract more customers/visitors, establish a more professional context for each business and enhance property values.
c. Consolidate parking, preferably away from street facades. Consolidation of parking may allow for more efficient truck maneuvering and improve curb appearance. In addition, consideration of multi-business sharing of parking may well save costs, allow for building expansion and substantially increase alternatives for truck maneuvering.
d. Employ a Transportation Demand Management tool kit. Parking efficiency may also be realized by creating incentives for employees to use carpools, transit, walking and bicycling. TDM audits can determine the potential reduction in parking demands and lead to more satisfied employees. And with the advent of LRT, there may be more employees interested and willing to avoid driving alone to work.

PI-4 Improve the Physical Environment in ways that help Workers.

a. Improve sidewalks throughout the area to promote walking. Sidewalks will promote walking and improve the health of the workforce. In addition, sidewalks help workers access transit and services along commercial corridors.
b. Create bicycle facilities on selected streets. This will create options for workers to bicycle to work. Bicycle commuting is increasing rapidly in Minneapolis and St. Paul, although it currently represents a small percentage of total trips in the region (2.2%). In addition, bicycling promotes a healthier workforce.

PI-5 Improve the Physical Environment in ways that help Neighborhoods.

a. Reduce conflicts with trucks by developing a system of sidewalks. The industrial areas currently have few sidewalks, yet certain streets are the only connection for neighborhood people to access services and transit on commercial streets. Sidewalks on at least one side of most streets will substantially reduce conflicts and allow for needed pedestrian access.
b. Promote inter-neighborhood and regional bicycle connections. Bicycle facilities, striping or signage on selected streets will help ensure connections and safety for bicyclists and vehicles.
c. Define and improve the edges between neighborhoods and industrial uses. Such improvements may include fencing, paved alleys (where none exist today), landscaping, and conversion of residential-to-industrial or industrial-to-residential uses.

PI-6 Improve bicycle and pedestrian facilities.

a. Ensure adequate walkways from the Green Line Stations into the heart of the industrial area and to the nearby residential areas. Select street segments where installation of new sidewalks will not substantially disrupt access to adjacent property, particularly loading areas for trucks. The sidewalk segments to be constructed in the short-term (as depicted in the Sidewalk Infill Program map, page 30) are included in an existing, funded program.
b. Create bicycle links through the heart of the industrial area to connect neighborhoods one to each other and to the regional links. These links as discussed by the Task Force were informed by existing plans and are depicted in the Bicycle Facilities map on page 31.
c. Begin to fill in the grid of sidewalks within the heart of the industrial area, beginning with the Sidewalk Infill Program, Phase I completed in 2013.
d. Ensure sufficient street lighting for pedestrian and bicyclist safety as part of any streetscape and street reconstruction projects.

Public sidewalk in Williams Hill Industrial Park

Nice Ride Bike Share at Raymond Station on the Green Line

» RESOURCES NEEDED

The array of resources needed to implement this Plan are varied and require the coordinated efforts of the business community, the adjacent neighborhoods, the philanthropic sector, and the public sector for 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:

R-1 Sustain a commitment to the Plan by Business Leaders, Chamber of Commerce, City and Port Authority; a commitment which will include dedication of staffing resources by all.

R-2 Sustain the partnership among the Public, Private and Philanthropic (P3) sectors; focused on livable-wage jobs, tax base, and business retention/expansion.

R-3 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 and targeted marketing.
- Department of Public Works continued work on infrastructure improvements.

R-4 Establish funding for site assembly and preparation, such as use of Tax Increment Financing, and Federal HUD/EPA assistance.

R-5 Secure funding for major highway improvements from Metropolitan Council, MnDOT, USDOT and City investments.

R-6 Seek legal authority essential for ongoing industrial redevelopment, particularly the power of eminent domain.

LAND DEVELOPMENT

Market forces as well as impacts from light rail transit, will result in changes in the land development pattern. It is important to set the context and basic preferred direction for land use in the West Midway Industrial Area. Because Saint Paul is a fully-developed city, almost all of the new industrial facility construction in Saint Paul has occurred on former industrial brownfield sites that must be transformed into marketable parcels. This trend is expected to continue. Therefore, a key land development strategy for economic growth in the West Midway Industrial Area is to focus on identifying land opportunities for industrial business expansion. Properties currently containing warehousing uses may be converted to more value-added and job-intensive uses. Conversions will usually require either a willing seller, or an owner that is willing to invest in the real estate transformation of the existing facility.

Great Northern Business Center

BACKGROUND

The following is excerpted from "Brief History of West Midway Industrial Area" by Brian McMahon:

By 1883, nine separate railroads traveled through Saint Paul and Minneapolis. Most had their own terminals and trackage, which was inefficient for the railroads and hugely disruptive for communities which had to endure traffic delays. James J. Hill, of the Great Northern Railroad, gathered together all the railroad companies to jointly develop a freight transfer yard, known as the Minnesota Transfer Railway (MTR), located around the University and Prior Avenues' hub. This "break-bulk" facility allowed freight to be transferred efficiently between member railroad companies for transshipments to far flung destinations beyond Minnesota. It also sparked significant industrial development adjacent to the transfer yard. By 1920, there were over 125 industries, which grew to 400 by the 1950s. The transfer yard had over 150 miles of tracks and serviced over 2,500 cars daily, becoming one of the largest freight facilities in the country.

Multiple modes of transportation were instrumental in shaping the West Midway Industrial Area, including horse-drawn wagons, streetcars, railroads and trucks. An interurban streetcar system, first with horse-drawn trolleys and later electric cars, developed along the path of the early ox-cart trails. This line, which provided access to the many jobs in the Midway, traveled from downtown St. Paul through the hamlets of Union Park, Merriam Park, Hamline, St. Anthony Park and Prospect Park, to the cities of St. Anthony and Minneapolis.

The trucking industry achieved a foothold in the industrial district during World War I, when the nation's railroad system was converted to military use and trucks were used to ship non-military goods. By the early 1920s, more than 50 trucking firms were operating from the industrial area, shipping goods throughout the state and beyond. Just as in the late 1900s with the MTR, truck-to-rail and truck-to-truck transfers grew rapidly in the area. By 1940 there were almost 20 motor freight companies operating in the West Midway, most near the MTR yards. Another growth spurt occurred after World War II until, by 1958, the West Midway was the third largest trucking center in the U.S., behind only New York and Chicago. To serve the trucking industry Mack International Truck Motor Company and General Motors Truck Company located major outlets in the area.

In 1986, the Minnesota Commercial Railway acquired the MTR facilities and continues to connect the railroads that serve the area, and the declining number of industries that still utilize rail.

WEST MIDWAY INDUSTRY TODAY

From the ICIC Report, p 33: "Midway is home to a range of distribution activities, some manufacturing and light industrial uses, warehouses and offices. Its geographic location makes it accessible via public transportation for workers. In addition, existing rail infrastructure provides a key strategic advantage for firms and freeway access to Interstates 94 and 280 create opportunities for businesses that rely on truck transport. In addition, the proximity of Midway to some of the region's largest and most prestigious universities, including the University of Minnesota, helps to attract firms, especially in those industries that require high levels of education and innovation, or those that supply educational (and other) institutions."

In the meantime, the City of Saint Paul has endeavored to protect industrial land from further conversions by limiting the area of change along University Avenue to those parcels proximate to the three LRT stations in the West Midway. Lands for a new IT-Transitional Industrial District have already been defined and rezoned – with the intent that additional industrial lands not be converted by zoning to non-industrial uses in the area. The City's Comprehensive Plan extolls the virtues and need to retain industrial uses and jobs in the city. In addition, the Port Authority and the City recognize future industrial development in this area should be focused on Production, Distribution, Repair and Logistics (PDRL).

Raymond Avenue Light Rail Station

St. Paul Port Authority Westgate Business Center

SUB-DISTRICTS

Since there is such variety in the type and mix of the West Midway Industrial Area, this Plan outlines generalized "sub-districts" each with its own character and needs. For each sub-district, strategies are defined for improvements to edges between industrial and residential, roads/accessibility, truck traffic/routes, stormwater strategies, other infrastructure needs, bicycle routes and sidewalks.

The Plan does not generally focus on specific industries or re-use sites. However, priority sites for redevelopment should be on underutilized, mostly vacant sites. In addition, sites with buildings that are functionally and/or economically obsolete are also likely sites for redevelopment. Finally, sites with willing owners (either to sell property or be part of redevelopment) will be high priority for redevelopment.

Three predominantly industrial "sub-districts" are identified for purposes of more finely-grained recommendations:

A. Northern district focused on **rail and heavy industry** (**Northern Core Manufacturing/Distribution**) that includes the Como Park/ State Fairgrounds/Energy Park area;
B. Southern district focused on **infill development** (**Southern Core Manufacturing/Distribution**), with special attention paid to relationships with University Avenue, and the Raymond Historic District; and
C. Western district (**Emerging Research/Bio-Tech/Manufacturing**) focused on **innovative new industrial uses**.

Within each of the three Sub-Districts, guidance is established for the following:

- **Roadways and Trucking** These sections focus on improving selected roadways, particularly for the benefit of truck travel access to regional roadways.
- **Stormwater** This includes both potential to improve stormwater retention/conveyance within the public rights-of-way as well as potential of joint private accommodations of stormwater retention.
- **Transit Access** (description and map on page 29)
- **Vulnerable Land Use Edges** (description and map on page 30)
- **Bicycle Facilities** (description and map on page 31)
- **Historic Resources** (description and map on page 32)

» Sub-district map on page **28**

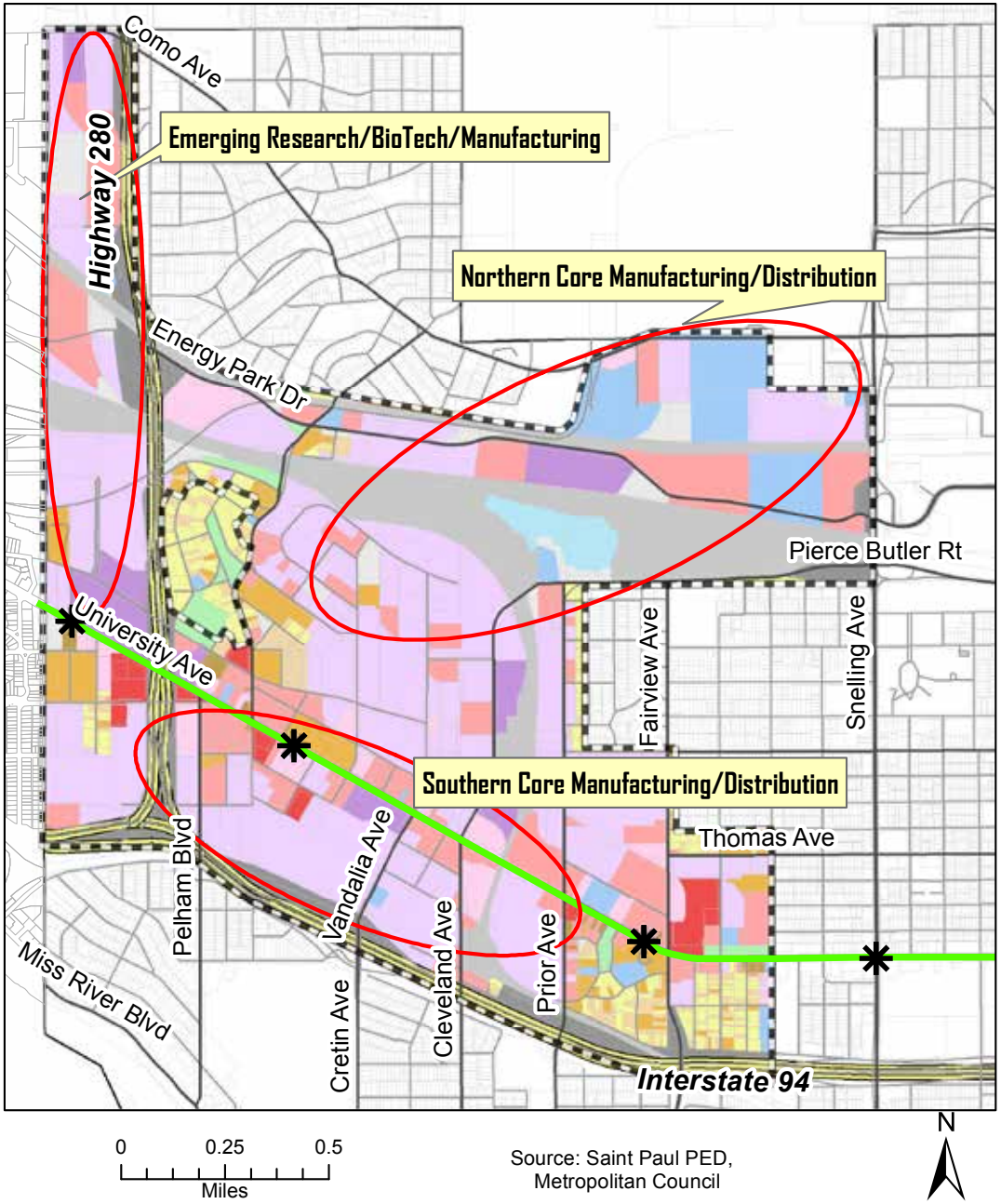
West Midway Industrial Area Sub Districts

Legend

- Green Line LRT Stations
- Green Line LRT
- West Midway Industrial Study Area
- Sub Districts

Land Use

- Industrial and Utility
- Institutional
- Major Highway
- Mixed Use Commercial
- Mixed Use Industrial
- Mixed Use Residential
- Multifamily
- Office
- Open Water
- Park, Recreational, or Preserve
- Railway
- Retail and Other Commercial
- Single Family Attached
- Single Family Detached
- Undeveloped



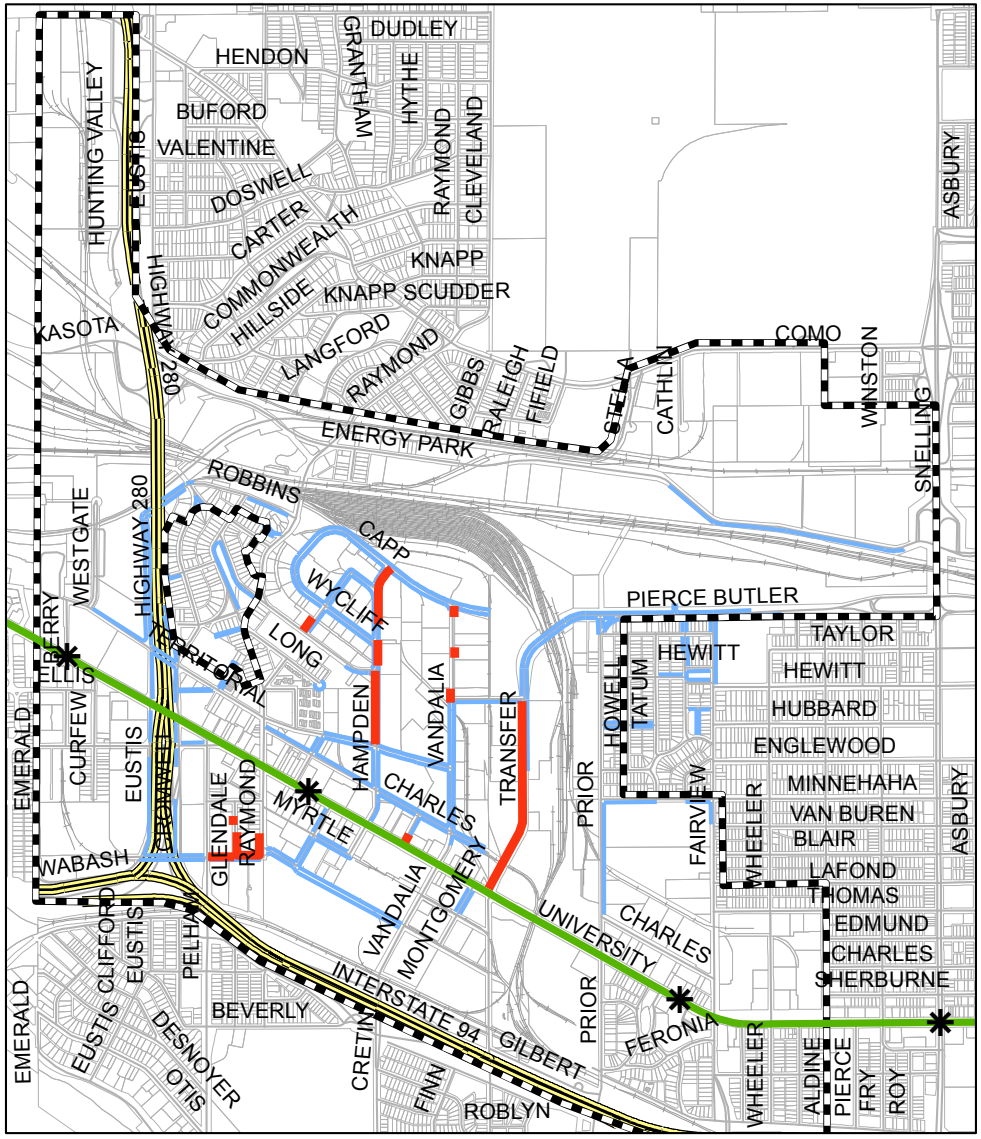
Source: Saint Paul PED, Metropolitan Council

Transit Access Since the Green Line LRT will begin service in 2014, these sections focus on making access to that transit as easy as possible, particularly for pedestrians.

West Midway Sidewalk Infill

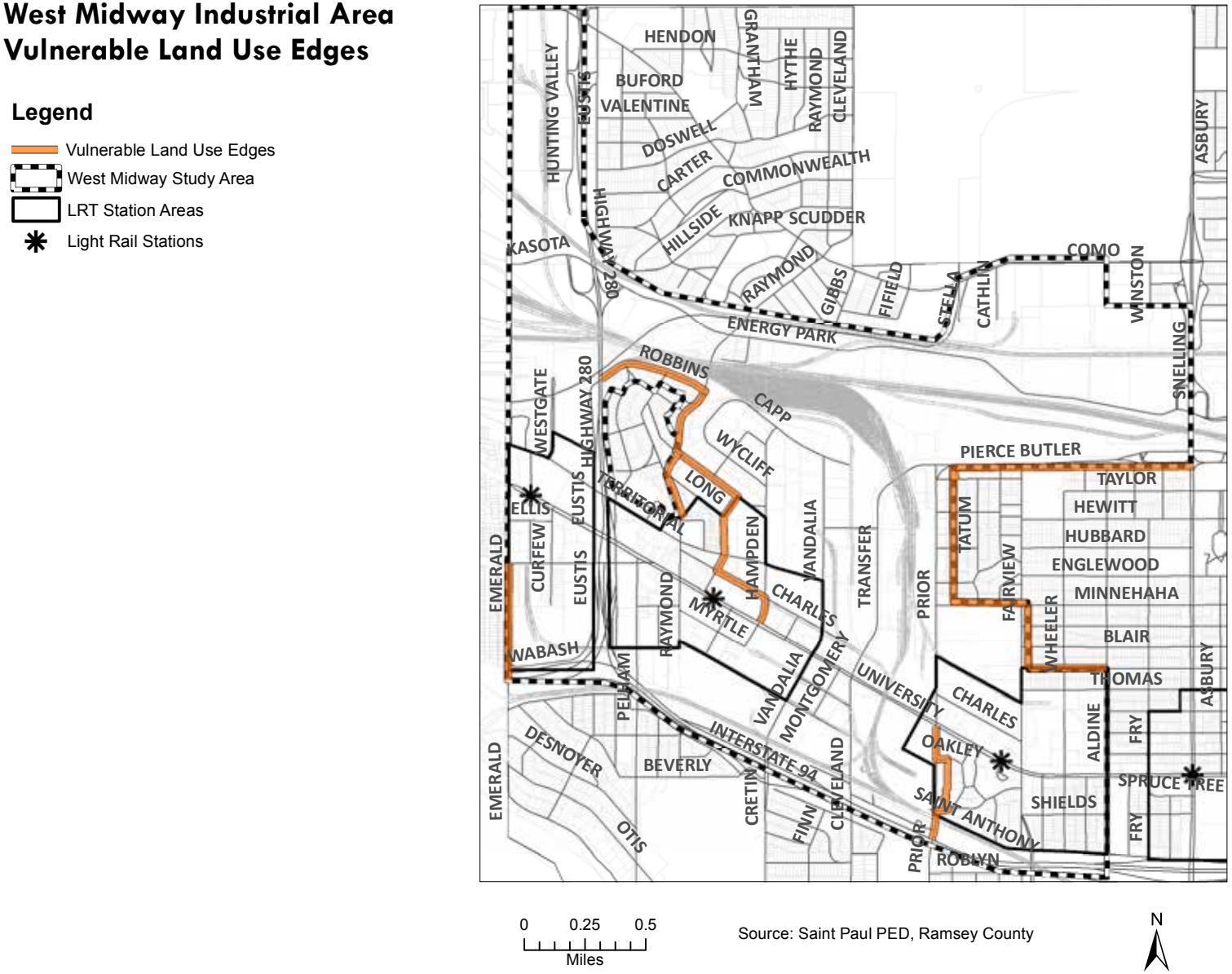
Legend

- Central Corridor Stations
- Central Corridor LRT
- West Midway Study Area
- Approved Sidewalk Infill 2013
- Potential Sidewalk Infill
- Rail lines



Vulnerable Land Use Edges Because of the proximity between residential and industrial along certain edges, improved buffering is appropriate. In particular, the ICIC Report emphasizes such buffering as being a "key tool" in reducing residential/industrial conflicts. Such buffers may include stormwater management systems, dense landscaping, street design elements and setbacks. (ICIC Report, p 61)

West Midway Industrial Area
Vulnerable Land Use Edges



Bicycle Facilities As bicycling becomes a more important element of everyday transportation, facilities are being defined across industrial areas to connect neighborhoods, but also to connect activities along University Avenue into the heart of the industrial area. The "long term potential" links that were recommended by the West Midway Industrial Area Task Force were informed by existing plans and have in turn informed the draft Citywide Bikeways Plan. In January 2014 the City released the Draft Bikeways Plan, with final adoption of the Plan anticipated in 2014. When the Bikeways Plan is adopted it will be incorporated into this document by reference.

West Midway Industrial Area Bicycle Access

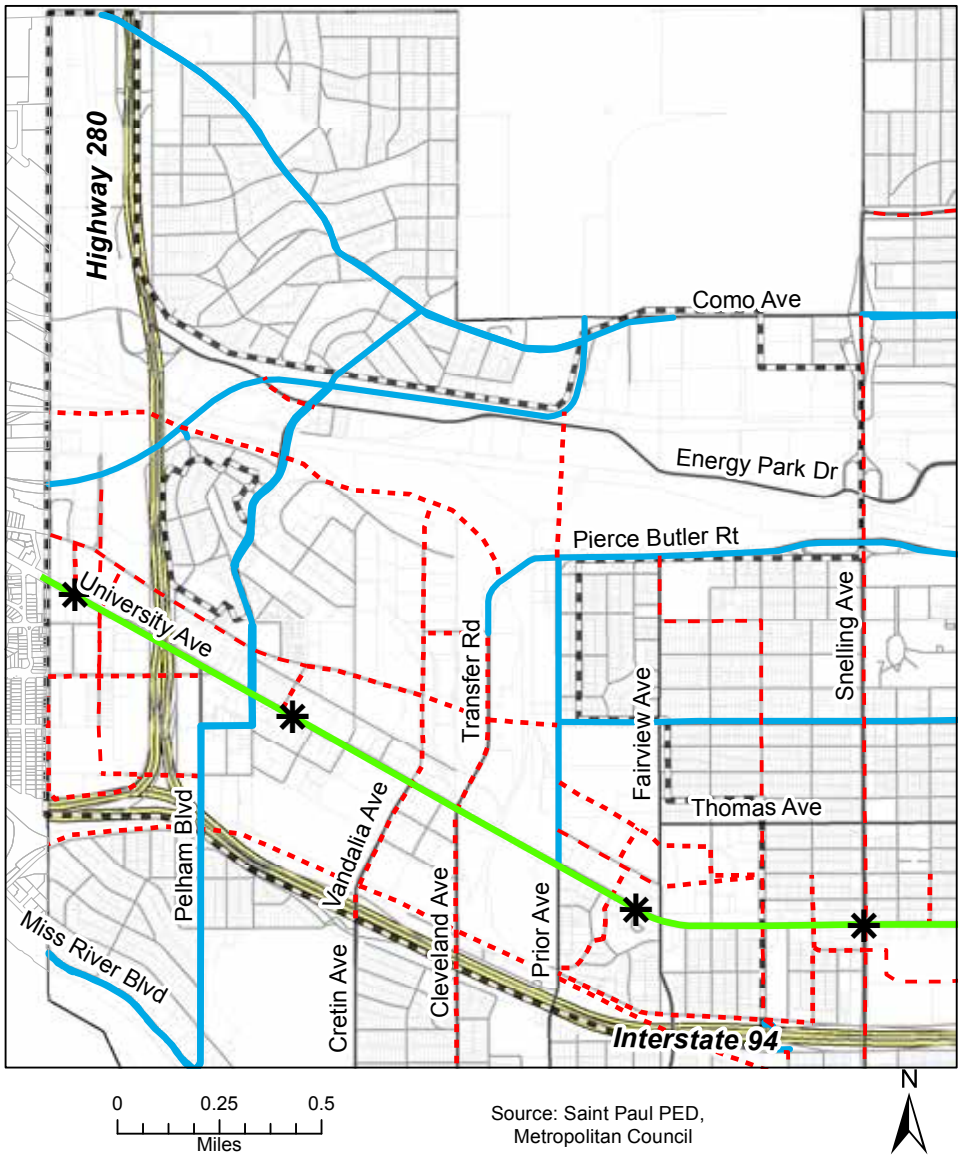
Legend

- Green Line LRT Stations
- Green Line LRT
- West Midway Industrial Study Area

STATUS

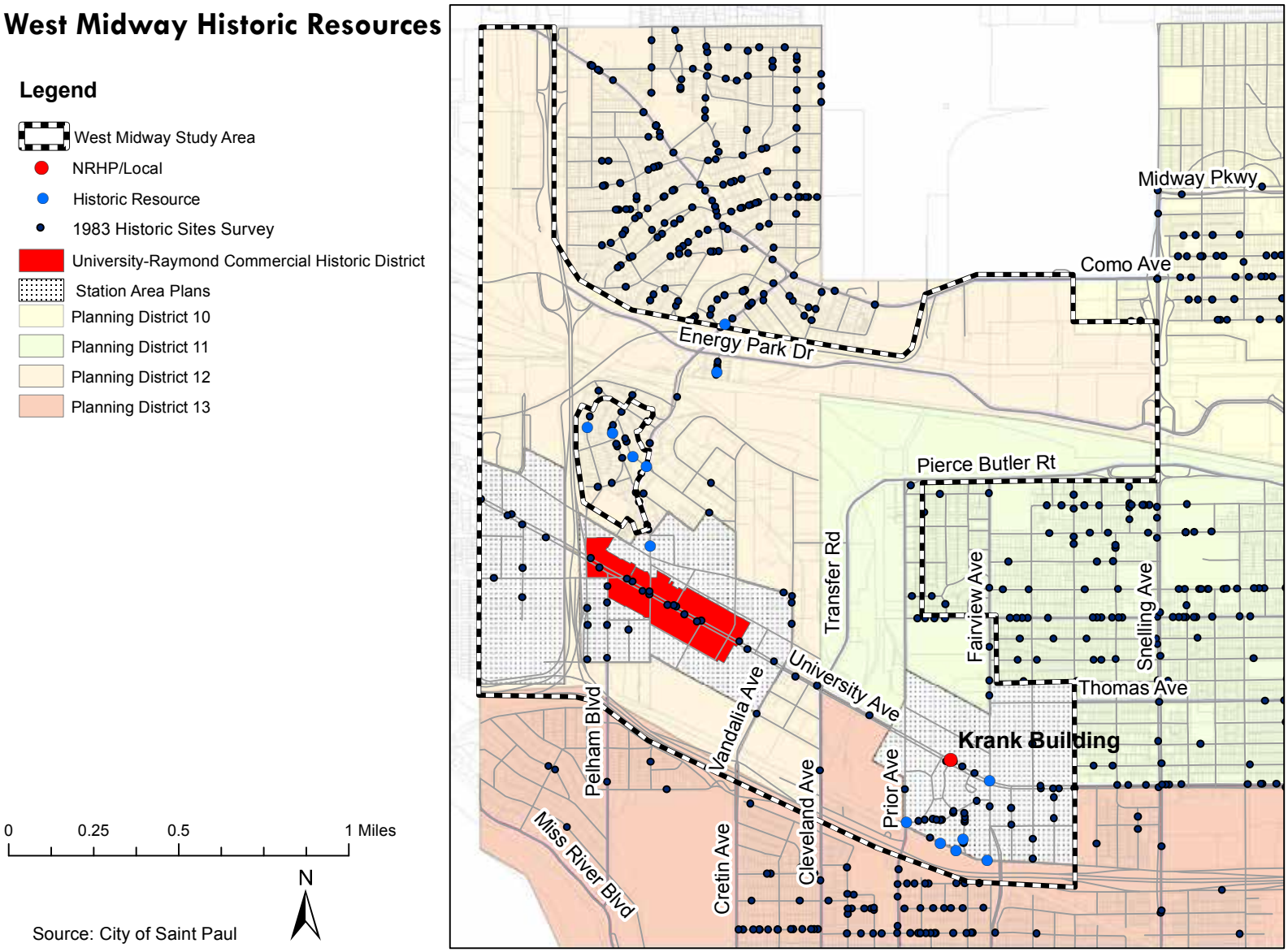
- EXISTING
- Long Term Potential

* Potential bikeways listed as discussed by West Midway Industrial Task Force, final bikeways recommendations are pending adoption of the Saint Paul Citywide Bikeways Plan in 2014



Historic Resources While the Plan area does not include any properties that have been designated by the City Council as Saint Paul Heritage Preservation Sites nor any properties that are known to have been listed on the National Register of Historic Places, several historic context studies were completed in 2001 and are applicable within the Plan boundaries to aid in further identification of historic sites.

West Midway Historic Resources



Northern Core Manufacturing/Distribution Sub-District

The Northern Core Sub-District is dominated by the BNSF Intermodal facility, includes industry along Energy Park Drive, and a mix of industrial users north of Charles Avenue. The Intermodal facility is an industry in its own right, focusing on import-export business, and located on 44 acres between the BNSF tracks and Pierce Butler Road. It generates a tremendous volume of truck traffic – approximately 150 operations per day. Its principal cargo includes mail and consumer goods, and to a lesser degree, agricultural products, car parts, produce, construction materials, and electronics – so it is vital to the local and regional economy. There is a steadily increasing demand for such services in the region, and the State of Minnesota Rail Plan identifies this facility as an important asset for local, regional and state economies.

Trucking from the Intermodal facility has generated much study in the course of the last few years. The Northwest Quadrant Transportation Study (completed in 2012) evaluated the potential of a new north/south roadway connection that would give more direct access to the principal highway system for trucking. While a north-south connection is recommended, it is a long-term recommendation and in the near term the recommendation is to make it easier for trucks to get to I-94 via Vandalia Street and Highway 280 North via Territorial Road.

The mix of industrial includes active manufacturing, trucking, warehousing, and offices, as well as a few very large vacant manufacturing sites and numerous un- or under-used sites. The area is significantly underused with substantial potential for industrial infill, some major development of vacant sites and redevelopment of brownfield sites. There is also the potential for a few Greenpoint-type building conversions.

Also, the industrial area along Energy Park Drive between Snelling Avenue and Highway 280 has potential for industrial infill, with the most prominent site being Midway Stadium. The Saints baseball team will relocate to downtown Saint Paul in 2015 and the Port Authority will begin site preparation and marketing for a major new industrial development on that site.

Access in this area is fairly simple, with access to the principal highway system via Energy Park west to Highway 280. Although the interchange ramp designs could be improved for heavy truck traffic, for the near-term this will be the principal access point.

One significant land use organizing principle is an emphasis on Vandalia Street as a major north/south transportation spine. Given that there will not be new major roadways built in the foreseeable future, Vandalia will need to carry the majority of that north/south industrial traffic to the I-94 interchange. Transfer Road/Cleveland will be developed as the primary north/south pedestrian and bicycle route through the Sub-District. Finally, Transfer Road/Cleveland's redevelopment offers the opportunity as a green corridor with boulevards providing stormwater recharge and landscaping opportunities.

Roadways and Trucking

The primary objective in this sub-district is to try to get truck traffic in and out in the most direct and least obtrusive manner possible. For truck traffic from the Intermodal facility heading to I-94 or Hwy 280 North, the current preferred route is Pierce Butler to Transfer Road, south to Ellis, west to Vandalia Street, south to I-94 or west on Territorial Road to Hwy 280 North. To facilitate these movements, both for the Intermodal facility and industries south of the BNSF tracks, the following actions are required:

SD 1-1 Reconstruct Ellis between Transfer and Vandalia to best accommodate the primary travel from Transfer to Vandalia. (This connection will direct many trucks off of Transfer south of Ellis and off of University between Vandalia and Transfer.)

SD 1-2 Rehabilitate Territorial Road between Vandalia and Hwy 280 and designate it as a truck route. Phase I will include reconstruction on the stretch from Carleton to Hwy 280.

SD 1-3 Rehabilitate Vandalia to eventually be the primary north/south spine, accommodating additional industrial traffic, and pedestrians, including boulevard areas with stormwater recharge and landscaping areas.

SD 1-4 Design and implement pathfinder signage (with MnDOT) to direct traffic to Hwy 280 north via Territorial and to I-94 east and west via Vandalia. Sign the entire area from Pierce Butler and Capp Road.

SD 1-5 Coordinate with MnDOT to reconstruct the Cretin/Vandalia interchange at I-94 to better accommodate semi-trailer connections.

Stormwater

Stormwater generally flows to the west and southwest and is mostly conveyed in storm sewers. Much of it ends up in the Mississippi River. There are two stormwater ponding areas in the Sub-District (as defined by Saint Paul Public Works Department): Fairview North (aka Burlington Pond, aka Lake Newell), and Snelling/MnDOT at the northwest quadrant of the Snelling/Pierce Butler interchange. In addition, is the Sarita wetland (aka Lake Sarita) north of Como Boulevard, at Fifield Street. Since a high percentage of the Sub-District is impervious, stormwater management is best done on-site as redevelopment occurs.

SD 1-6 Larger new developments should contemplate stormwater management such as surface ponding, underground treatment systems, green roof technology and surface recharge areas as specified by the Captiol Region Watershed District and Saint Paul Stormwater rules.

SD 1-7 As part of street reconstruction and/or sidewalk construction, new boulevard development shall incorporate stormwater holding/planting environments to the greatest degree practicable (e.g. Vandalia from Ellis Avenue to I-94, Ellis Avenue from Transfer to Vandalia, and Territorial from Vandalia to Highway 280).

SD 1-8 Encourage existing industrial businesses, when considering the addition of planting areas, to also consider installation of stormwater holding environments in which to plant landscaping.

SD 1-9 Investigate the potential for a "community" stormwater ponding area that could serve the needs of multiple users. Such a ponding area would take up space for potential redevelopment but may allow for on-site efficiencies that allow for greater density and/or land coverage.

SD 1-10 Consider potentials for community stormwater ponding near the north end of Vandalia.

SD 1-11 Pursue Shared, Stacked-Function Green Infrastructure (SSGI) to realize "triple bottom line" benefits of strategic stormwater design to the economy, society, and the environment.

SD 1-12 Prevent water pollution through illicit discharge detection and elimination, and other means.

Transit Access

As a fully-built city, Saint Paul has limited options in terms of expanding capacity for autos and trucks. Accessibility for commuters and shoppers must be expanded if redevelopment is to occur. Business expansion relies on good access for workers as well as for freight and supplies. Yet growth in capacity and accessibility for workers in the city will come predominantly from transit, walking and bicycling. The Green Line LRT has enormous capacity to carry workers and shoppers – the equivalent of two freeway lanes; in each direction! Although it may not be apparent now, the Green Line in the future will carry many commuters to work in the West Midway Industrial area. And although transit will mostly augment automobile use for commuting, it will accommodate an ever-larger proportion of workers. (The Sidewalk Infill Program map on Page 30 depicts sidewalk improvements for the entire Study Area.)

SD 1-13 Best utilize the capacity of the Green Line LRT by accommodating riders so they can easily walk from LRT stations to employment destinations via sidewalks and pedestrian walkways.

SD 1-14 Implement the West Midway Sidewalk Infill program.

Raymond Avenue Green Line Light Rail Station

New sidewalk along Charles Avenue

Vulnerable Land Use Edges

In some instances, transitional land uses can buffer residential neighborhoods from industrial uses. But in others, there is little opportunity for transitional uses, so buffering is limited to alley construction, landscaping, and fences/walls. (The Vulnerable Land Use Edges map on page 31 depicts the vulnerable edges for the entire Study Area.)

There are five critical edge segments between industrial use and residential neighborhoods:

SD 1-15 Pierce Butler Route from Snelling to Prior. Maintain and infill the landscaping on both sides of the street. Also, an off-street bicycle facility may help strengthen the buffering.

SD 1-16 Prior Avenue from Pierce Butler Route to Minnehaha. Build a continuous alley between Prior and Howell, adding fencing, landscaping and/or walls where appropriate.

SD 1-17 Minnehaha Avenue from Prior to Fairview, Fairview Street from Minnehaha to Thomas, and Thomas from Fairview to Aldine. Maintain and infill the landscaping on both sides of the street.

SD 1-18 Robbins Street, Raymond to Hwy 280. Maintain and infill the landscaping on both sides of the street, and the community garden on the north side of the street.

SD 1-19 Raymond Avenue, from the BNSF RR Bridge south to Bradford. Maintain and infill the landscaping on both sides of the street.

SD 1-20 Hampden from Raymond east to Carleton extended, south to Charles, east to Hersey and south to University. Maintain and infill the landscaping on both sides of edge.

Bicycle Facilities

Another important aspect of accessibility is the use of bicycle facilities. In particular, the West Midway Industrial area is situated between the South St. Anthony and Newell Park neighborhoods (east-west) and includes the South St. Anthony neighborhood from Energy Park Drive to I-94. As part of the urbanized development, connections among residential neighborhoods and through the industrial areas require safe bicycle facilities along a few routes. (The Bicycle Facilities map on page 32 depicts bicycle facility improvements for the entire Study Area.)

Specifically, for the Northern Core Manufacturing/Distribution Sub-District:

SD 1-21 Establish an East/West bicycle connection along Territorial/Charles as depicted in the Bicycle Facilities Map (page 32) (This will connect the Newell Park and South St. Anthony neighborhoods.) The Territorial Road segment will be implemented as it is rebuilt, with on-street bicycle lanes. Charles Avenue west of Transfer will have on-street bicycle lanes. Charles connection east of Transfer will require land acquisition and take some time to implement.

SD 1-22 Establish North/South bicycle connections on Cleveland/Transfer from south of I-94 to Pierce Butler with bicycle lanes.

SD 1-23 Improve North/South bicycle connections on Raymond from University Avenue to the BNSF Bridge.

Southern Core Manufacturing/Distribution Sub-District

The area roughly bounded by Charles Avenue to the north, I-94 to the south, Prior Avenue on the east and the City limits on the west, includes portions of three LRT station areas, the Rock-Tenn complex and other industrial uses on either side of University Avenue. As in the Northern Core, this Sub-District generates a fair amount of truck traffic, but is complicated by activity along University Avenue including substantial retail, services, offices and the Green Line LRT (to be opened in 2014). The City-adopted Station Area Plans for the Westgate, Raymond and Fairview Stations make specific land uses for most of this Sub-District.

The three station area plans are part of the City's Comprehensive Plan and as such, dictate land uses and zoning for designated station areas. The main intent for land uses within the station areas is the development of Transit Oriented Development within approximately ½ mile of the LRT stations. The City anticipates the Central Corridor area to be the highest intensity of development in the city, outside of the downtown. As such, it is likely the development will be mostly higher-density residential and office with some retail development.

To memorialize these changes, the City has already proceeded to amend the Zoning Code; which resulted in changing some zoning designations in those areas. However, the Zoning Code changes were undertaken with the understanding that no additional industrial areas will be converted to non-industrial zoning, except in extraordinary circumstances. (See Strategy PI-1.)

Green Line LRT tracks on University Avenue

The Study Area benefits from freeway access including direct access to Interstate 94 and Highway 280

The Westgate Station Area Plan anticipates significant high-density redevelopment, characterized by mid-to high-rise office and residential. Estimates include 1,800 to 2,500 new housing units, 700,000 additional square feet of office, 60,000 square feet of retail and possibly 150 hotel rooms. This level of development will not allow for much industrial growth in the immediate area, and will put additional stress on the street/highway network. Outside of downtown, this area is envisioned as the densest area in the entire City. Curfew south of University Avenue is envisioned as a major pedestrian link, with a Curfew-extended path connecting north to the Inter-Campus Busway, as redevelopment occurs.

The Raymond Station Area Plan envisions continued focus on the historic nature of the area, with a strong employment and residential character. It anticipates 700 to 1,100 additional housing units, 950,000 square feet of office space and 60,000 square feet of retail. Some of the housing and office space growth will be through conversion of existing heretofore industrial buildings and infill new construction. The geographic reach of redevelopment will be somewhat less than that of the Westgate Station Area, with industrial sites not fronting on University Avenue to retain industrial use. Pelham, LaSalle and Carleton are all recommended for pedestrian connections to the LRT Station. Territorial from Carleton to Hunt Place is also designated a pedestrian connection.

The Fairview Station Area Plan anticipates the developments of Episcopal Homes, renewal of Griggs Midway, and Goodwill Building will set the tone for likely new development in the Area. The reach of the redevelopment goes four blocks to the north of University Avenue and may see some conversions from traditional industrial uses to institutional, office or residential uses. The Plan estimates the addition of 600-800 new housing units, 300,000 square feet of office and 40,000 square feet of retail will be added by 2030.

Court International Building at University and Highway 280, near the Westgate Station


Raymond Station on Green Line Light Rail near University and Raymond Avenue

Roadways and Trucking

The primary objective is to limit the use of heavy truck movements along University Avenue, reduce difficult turning movements for large trucks and improve access to Vandalia/I-94.

SD 2-1 Through trailblazing, channel north/south truck traffic from the Vandalia, Hampden and Franklin intersections on University Avenue to the Cretin/Vanalia/I-94 interchange via Vandalia Street.

SD 2-2 Through trailblazing and selective roadway improvements, channel truck traffic on Territorial Road to northbound Hwy 280.

Stormwater

Stormwater generally flows to the west and virtually all is conveyed in storm sewers. Much of it ends up in the Mississippi River. There are no stormwater ponding areas in the Sub-District (as defined by Saint Paul Public Works Department).

SD 2-3 Larger new developments should contemplate stormwater management such as surface ponding, underground treatment systems, green roof technology and surface recharge areas as specified by the Captiol Region Watershed District and Saint Paul Stormwater rules.

SD 2-4 As part of street reconstruction, new boulevard development shall incorporate stormwater holding/planting environments to the greatest degree practicable (e.g. Vandalia).

SD 2-5 Encourage existing industrial businesses to consider adding planting areas with stormwater holding environments at street corners and to frame business entrances.

SD 2-6 Pursue Shared, Stacked-Function Green Infrastructure (SSGI) to realize "triple bottom line" benefits of strategic stormwater design to the economy, society, and the environment.

SD 2-7 Prevent water pollution through illicit discharge detection and elimination, and other means.

Landscape buffers on Territorial in the Westgate Area

New industrial development at Pierce Butler and Grotto Street

Mix of residential and commercial uses at University and Raymond Avenue.

Residential/industrial interface on Franklin Avenue and Berry Street

Transit Access

SD 2-8 Implement the West Midway Sidewalk Infill program. (See Sidewalk Infill Program map, page 30)

Vulnerable Land Use Edges

There are two vulnerable edge segments between industrial use and residential neighborhoods in this Sub-District. (See Vulnerable Land Use Edges map, page 31)

SD 2-9 Prior Avenue between University and St. Anthony. Improve the north/south alley east of Prior with paving and fencing.

SD 2-10 Emerald Street from University to Wabash. Ensure that new development on the east side of Emerald has sufficient setbacks and landscaping to buffer uses from single-family development to the west.

Bicycle Facilities and Sidewalks

(See Bicycle Facilities map, page 32)

SD 2-11 Implement the West Midway Sidewalk Infill program.

SD 2-12 Establish an East/West bicycle connection along Franklin Avenue between the City Line and Pelham, and on Pelham south from Franklin across I-94 with bike lanes.

Emerging Research/Bio-Tech/Manufacturing Sub-District

This Sub-District is located west of Highway 280 from the Westgate Industrial Park in the south to Como Avenue in the north, and immediately east of the Minneapolis Mid-City Employment District. Its proximity to the two University of Minnesota campuses (via the Inter-Campus Busway) and potential for medical and technological developments to the west in Minneapolis suggest this Sub-District could also house bio-medical and research as well as manufacturing businesses. Existing uses appear compatible with this new focus: University Enterprise Labs (contemplating a Phase 2 of development); DaVita Universal Dialysis; Allina Health Medical Equipment; and University of Minnesota buildings in the north.

Regional accessibility has been studied extensively, both by the Cities of Minneapolis and Saint Paul. In the Northwest Quadrant Transportation Study, the City of Saint Paul studied the effectiveness of extending Pierce Butler west from Transfer Road and connecting with a new Minneapolis 'Granary Road'. Even if the connection were made, it would not provide any appreciable relief to streets in the City, but it would give better regional business access to Highway 280. The Transportation Study concluded that Pierce Butler should not be extended to the west. Meanwhile, Granary Road was being evaluated in Minneapolis to connect Highway 280 to the East Bank Campus of the University through the Southeast Minneapolis Industrial Site (SEMI). However, they too concluded that such a road would not provide appreciable relief, and are not pursuing a new roadway at this time.

Even though those studies did not conclude there were regional benefits to Pierce Butler and Granary Roads, local access is still a problem. Truck traffic within and from the Westgate Industrial Area is a growing concern. Such trucking movements might be better served with a connection to Highway 280 via the Energy Park/Kasota interchange, but would require major new infrastructure to accomplish. In addition, the Highway 280 ramps may be substantially improved at Kasota and Como in the long run. As this area redevelops, along with the SEMI area in Minneapolis, there may be momentum to re-evaluate street options in the area.

Regional access is also a concern, particularly with the on-ramp to eastbound I-94 and the interchange at Hwy 280 and I-94. Ongoing coordination with MnDOT is required to ensure that any reconstruction of Hwy 280 includes improvements to the interchanges at Energy Park Drive, at Como Boulevard and at Larpenteur Avenue.

Univerisity Enterprise Lab (UEL) located in the Westgate Area

Roadways and Trucking

Traffic and truck movements have become a significant problem for businesses in the Westgate Industrial Area.

SD 3-1 Continue to coordinate the monitoring of traffic operation issues with the City of Minneapolis with regard to the Westgate Industrial Park area and more regional east/west industrial traffic demand.

SD 3-2 Outline potential relievers of such traffic and evaluate their effectiveness and cost.

Stormwater

Stormwater generally flows to the west and southwest and is mostly conveyed in storm sewers. Much of it ends up in the Mississippi River. There are two stormwater ponding areas in the Sub-District, next to one another west of Highway 280 designated as Hwy 280 Ponds by Saint Paul Public Works Department (aka Kasota Pond/s). There may be opportunities for creation of more ponding in this Sub-District due to its proximity to Bridal Veil Creek. In addition, there is a division of opinion as to the benefit/cost of such action.

SD 3-3 Larger new developments should contemplate stormwater management such as surface ponding, underground treatment systems, green roof technology and surface recharge areas as specified by the Mississippi Watershed Management Organization and Saint Paul Stormwater rules.

SD 3-4 As part of street reconstruction, new boulevard development shall incorporate stormwater holding/planting environments to the greatest degree practicable.

SD 3-5 Encourage existing industrial businesses to consider adding planting areas with stormwater holding environments at street corners and to frame business entrances.

SD 3-6 Pursue Shared, Stacked-Function Green Infrastructure (SSGI) to realize "triple bottom line" benefits of strategic stormwater design to the economy, society, and the environment.

SD 3-7 Prevent water pollution through illicit discharge detection and elimination, and other means.

Transit Access

There are no transit access recommendations defined for this Sub-District.

Vulnerable Land Use Edges

There are no critical edges defined for this Sub-District.

Bicycle Lanes and Sidewalks

Since a strong pattern of development has not emerged, there are no specific recommendations for bicycling and walking.

SD 3-8 Ensure that design provisions for sidewalks, landscaping and lighting are integrated into any new industrial development.

IMPLEMENTATION MATRIX

Strategy #	Summary-Name	Implementers	Priority
B-1	Define needs of business	Port, PED, MC	High
B-2	Industrial Area Partnership	MC, B, Port, PED	High
B-3	Participate in Regional Economic Development Strategy	Metro Council, PED, Port	Medium
B-4	Relations w/U of M, bldg. owners	PED, Port, MC	Low
B-5	Relations w/bldg.. owners + residents	PED, Port, MC, B, DC	High
B-6	Expand workforce preparedness	Local Universities & Colleges, Port, Ramsey County	High
B-7	Environmental Sustainability	Port, MC, B	Medium
B-8	Assemble parcels; develop financing; seek Legislative help	Port, PED, Metro Council, Legislature	High
PI-1	Protect industrial land from other uses	PED, Port	Medium
PI-2	Street & roadway network improvements	PWD, MnDOT	High
PI-3	Physical environment improvements that benefit businesses	B, PWD, Port	Medium
PI-4	Physical environment improvements that benefit workers	PWD, B, Parks	Medium
PI-5	Physical environment improvements that benefit neighborhoods	PED, DC, Port, MC, B	Medium
PI-6	Bike and Pedestrian improvements	PWD, Parks	Medium

Implementers
Port: Saint Paul Port Authority;
HPC: Heritage Preservation Commission
PED: Department of Planning and Economic Development;
PWD: Department of Public Works;
MnDOT: Minnesota Department of Transportation;
MC: Midway Chamber of Commerce;
B: local businesses;
DC: District Councils

IMPLEMENTATION MATRIX, continued

SD 1-1	Reconstruct Ellis	PWD, MnDOT	High
SD 1-2	Rehab Territorial	PWD, DC	High
SD 1-3	Rehab Vandalia	PWD, MnDOT	High
SD 1-4, 2-1	Pathfinder Signage to Interstate	PWD, MnDOT	High
SD 1-5	Reconstruct Vandalia Interchange at I-94	PWD, MnDOT	Medium
SD 1-6, 1-7, 3-4	Consider ponding in public ROW	PWD	Medium
SD 1-8 to 1-12, 3-3, 3-5 to 3-7	Consider ponding on private property, SSGI, and pollution prevention	B, MC, Port, PWD, CRWD	Low
SD 1-13, 1-14, 2-8, 2-11	Sidewalk Infill	PWD, PED, HPC	Medium
SD 1-15 to 20, 2-9, 2-10	Create/build buffers	PED, PWD, DC, HPC	High
SD 1-21 to 1-23	Bicycle improvements	PWD	Low
SD 2-2	Thru trailblazing, channel trucks to Territorial to NB 280	PWD, MnDOT	High
SD 2-3, 2-5 to 2-7	Consider ponding on private property, SSGI, and pollution prevention	PED, MC, B, PWD, CRWD	Low
SD 2-4	Stormwater recharge along Vandalia street improvements	PWD	Medium
SD 3-1	Monitor traffic in Westgate	PWD, PED	High
SD 3-2	Evaluate possible relievers to truck traffic in Westgate	PWD, PED	High
SD 3-6	Sidewalks integrated into all new industrial development	PWD, DSI, PED	Medium

Implementers
Port: Saint Paul Port Authority;
HPC: Heritage Preservation Commission
PED: Department of Planning and Economic Development;
PWD: Department of Public Works;
MnDOT: Minnesota Department of Transportation;
MC: Midway Chamber of Commerce;
B: local businesses;
DC: District Councils

APPENDIX A: NEW INDUSTRIAL BUILDING DESIGN REQUIREMENTS

As the result of a study initiated by the Saint Paul Planning Commission, design standards for new industrial building construction are being changed. The text below includes the principle criteria of the proposed changes. Note that the vast majority of industrial lands in the City are zoned I1 – Light Industrial. Most of the West Midway Industrial Area is zoned I1 or I2 with only a small portion zoned IR (now IT); which occurs one block either side of University Avenue between Transfer Road and Vandalia Street.

I2 – General Industrial

- No Design Changes

I1 – Light Industrial Zone

- **Install substantial office window area.** For office portions of principal buildings, above grade window and door openings shall comprise at least fifteen (15) percent of the total area of exterior walls facing a public street.
- **Landscape along the public streets and sidewalks** to define the street edge, buffer pedestrians from vehicles, and provide shade. Provide street trees in the street right-of-way, in a planting strip at least five feet wide between the curb and sidewalk, or in structural soil or its equivalent.
- **Install sidewalks** as part of redevelopment along the frontage of the property.

IT – Transitional Industrial Zone

- **Buildings will anchor the corner.** At intersections in pedestrian-oriented areas characterized by such things as buildings located up to the public sidewalk, pedestrian-scale street lighting, a mix of uses, and availability of transit service
- **Articulate building facades.** The bottom 25 feet of building facades facing a public street shall include human-scale elements including, but not limited to, doors and windows, awnings and canopies, vertical or horizontal variations in color, texture, and material, and/or ornamentation, offset or recessed structural bays, projecting elements such as colonnades or bay windows, or other roof or wall features.

IT, continued

- **Use quality construction materials and detailing.** Buildings shall be constructed of high-quality materials, including, but not limited to, brick, stone, textured cast stone, tinted masonry units, concrete, glass and architectural metal.
- **Install substantial office window area.** For office portions of principal buildings, above grade window and door openings shall comprise at least fifteen (15) percent of the total area of exterior walls facing a public street.
- **Locate parking to the side or rear of main building** to the greatest extent possible, or on a separate lot. Up to two rows of parking spaces between the principal building and a street may be approved administratively.
- **Landscape along the public streets and sidewalks** to define the street edge, buffer pedestrians from vehicles, and provide shade. Provide street trees in the street right-of-way, in a planting strip at least five feet wide between the curb and sidewalk, or in structural soil or its equivalent.
- **Install sidewalks as part of redevelopment** along the frontage of the property.

» Zoning Map on following page

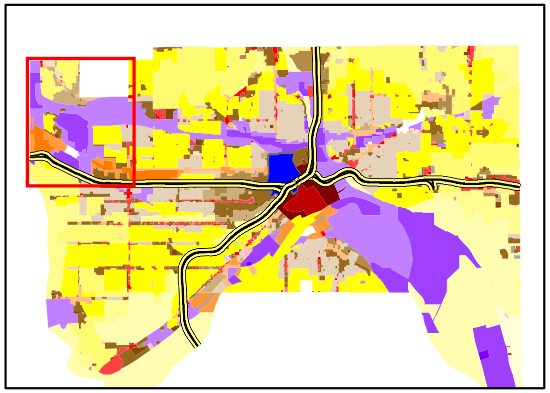
West Midway Study Area Zoning

Legend

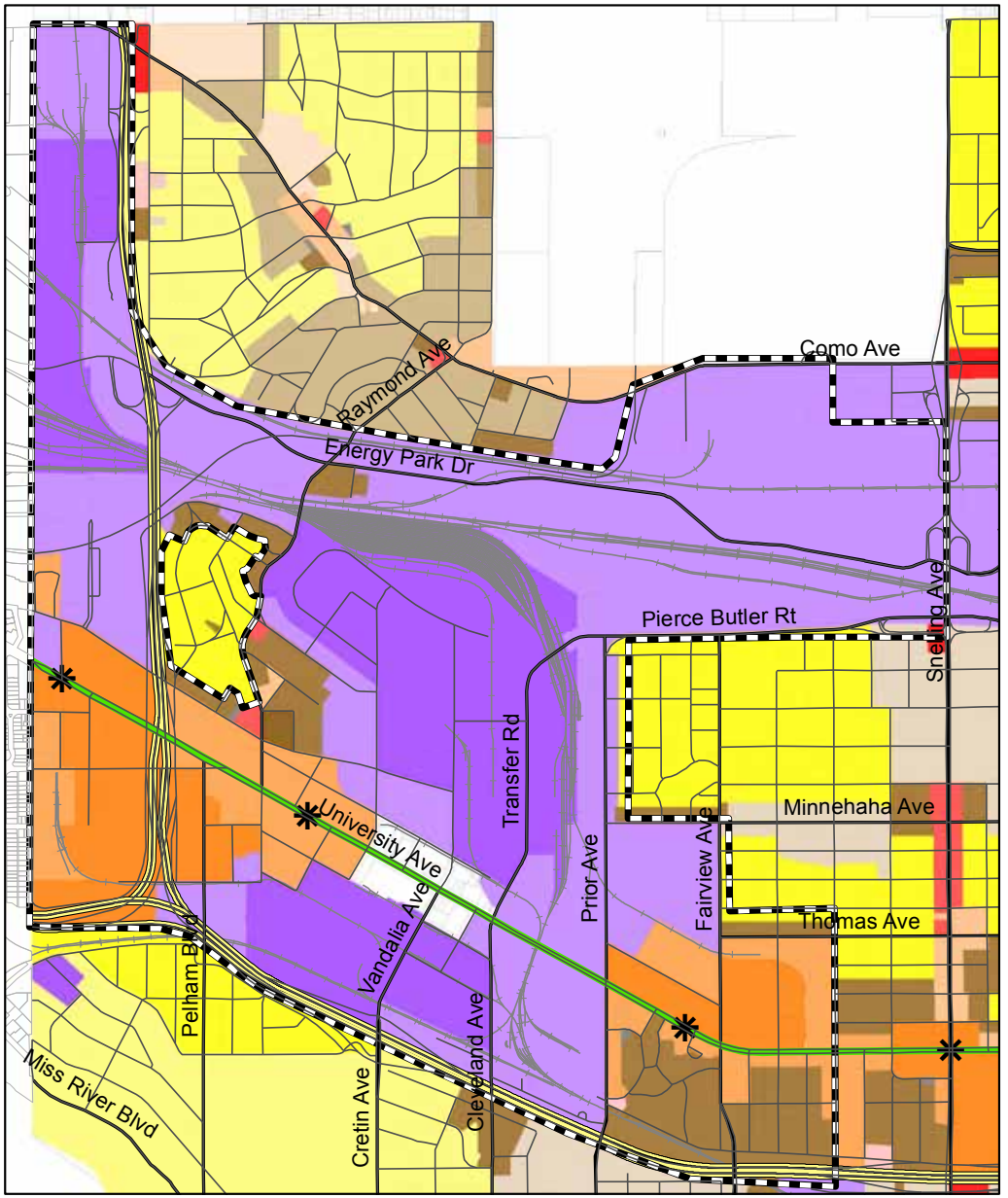
- LRT Stations
- West Midway Study Area
- Rail lines
- Central Corridor (Green Line) LRT

- RL One-Family Large Lot
- R1 One-Family
- R2 One-Family
- R3 One-Family
- R4 One-Family
- RT1 Two-Family
- RT2 Townhouse
- RM1 Multiple-Family
- RM2 Multiple-Family
- RM3 Multiple-Family
- T1 Traditional Neighborhood
- T2 Traditional Neighborhood
- T3 Traditional Neighborhood
- T3M T3 with Master Plan
- T4 Traditional Neighborhood

- OS Office-Service
- B1 Local Business
- BC Community Business (converted)
- B2 Community Business
- B3 General Business
- B4 Central Business
- B5 Central Business Service
- IR Light Industrial Restricted
- I1 Light Industrial
- I2 General Industrial
- I3 Restricted Industrial



Source: City of Saint Paul PED; Metropolitan Council



APPENDIX C: CITY PLAN POLICY

A few comments on each Plan pertaining to this Strategy are outlined on the following pages

Land Use Chapter of the Comprehensive Plan

Strategy 2: Provide Land for Jobs

Cities can be the fulcrum for regional economic prosperity. When the assets of urban centers are utilized creatively and with energy, they are catalysts for investment in industries and, thus, jobs for residents.

Cities inherently have much to offer. For many decades they were centers for economic and political activity and for culture and education. They had quintessential neighborhoods where men and women who worked in the city lived and raised their families. Although much economic activity has shifted to the suburbs and to other countries, the basic elements that made cities successful for so long are still in place: mature physical infrastructure; universities and vocational training schools; institutions and cultural amenities, which provide ideas; and important economic centers, such as medical facilities and financial institutions.

During the past 20 years, Saint Paul pulled together an array of strategies and projects intended to address the loss of manufacturing jobs. The focus has been reclaiming vacant and underutilized industrial lands and making them productive once again. Elements central to this effort included brownfield cleanup, redevelopment, and workforce development.

Now, early in the 21st Century, factors are converging that compel Saint Paul and its partners to hone these strategies and to supplement them, so that revitalization can continue to provide for job-rich industries. Globalization of many industries has intensified. Technologies have become increasingly more sophisticated. The land likely to be developed with job-rich industries may often be found in smaller parcels throughout the city rather than in large swaths of land in railroad corridors. Changing demographics are producing shifts in the labor market. Immigration is giving Saint Paul a new pool of potential employees – energetic and hard-working but sometimes lacking skills needed for jobs that are available – at the same time that baby boomers, though close to retirement age, are continuing to work, sometimes at part time jobs.

DEVELOPMENT GUIDELINES

There are core guidelines that establish a foundation for the formation and maintenance of employment centers.

2.1 Ensure the availability of sufficient quantities of land suitable for existing and new employment centers; prepare an inventory of properties zoned for industrial and commercial uses that have the potential for redevelopment as employment centers.

An inventory of vacant and underutilized buildings and land currently zoned for industrial and commercial use will provide the City and its development partners with baseline information necessary to pursue a program to develop employment centers.

2.2 Promote the redevelopment of outmoded and non-productive sites and buildings so they can sustain existing industries and attract emerging industries to Saint Paul; focus on issues that include, but are not limited to, energy efficiency, water conservation, and broadband capability.

2.3 Attract industries that use best management practices regarding environmental issues (e.g., air and water quality, soil contamination, solid waste, sustainable construction practices, etc.) in their site development and operations.

JOB-RICH EMPLOYMENT CENTERS AT STRATEGIC LOCATIONS

Saint Paul's employment districts historically have been located either in Downtown office buildings or within railroad corridors running through the city. Location, land availability, and transportation contributed to this pattern, which has continued with new employment centers developed since the late 1980s and early 1990s and is expected to continue into the future. The shift to an information-based economy, producing more service-sector employment and small-scale manufacturing, presents opportunities for redevelopment on all types of sites, including smaller sites and those on arterial streets.

CITYWIDE

2.4 Focus the growth of employment centers in Downtown, the Central Corridor [Green Line], industrial corridors, and on larger tracts of land, where there is infrastructure capacity and where redevelopment as employment centers, or as mixed-use development that includes employment centers, could occur…

2.7 Develop opportunity sites consistent with the Saint Paul Comprehensive Plan with mixed-use development that incorporates employment centers.

CORRIDORS

2.15 Redevelop underutilized or vacant land in railroad corridors. There has been significant redevelopment in the Phalen Corridor and the Great Northern Corridor in the last two decades. Ample acreage is available for light industry, commercial office development, and capitalization on the growth of freight rail.

2.16 Prepare a study of the West Midway industrial area outside the line of change as identified in the Central Corridor [Green Line] Development Strategy to determine how the industrial area may be best used to strengthen Saint Paul's industrial sector and employment base.

The West Midway, one of Saint Paul's historic railroad corridors, is strategically located, with much of its current business activity closely tied to the railroad lines that run through it. Many existing businesses, though successful, do not employ large numbers of people. The study, in part, will focus on how the West Midway can evolve to capture "knowledge-based" business activity and to take advantage of the potential for a jobs/housing match because of its proximity to the Central Corridor [Green Line].

LAND ASSEMBLY

Light industrial and commercial office complexes often require significant parcels of land, or parcels reconfigured to meet the requirements of modern business. Much land that might otherwise be appropriate for redevelopment as employment centers is on relatively small or oddly shaped parcels. Creating parcels large enough for an employment complex will require land assembly. The Minnesota Legislature in 2006 significantly limited eminent domain as a tool for assembling parcels for redevelopment except for the construction of public facilities. Consequently, government must use other tools, specifically negotiation with property owners, to assemble sites and, if needed, to clean up contaminated land.

2.17 Utilize appropriate financial tools to assemble parcels to be redeveloped for industrial and intense commercial uses.

2.18 Analyze the feasibility of using the City's land assembly bond program to acquire parcels for light industrial and business development as those parcels become available.

Using the land assembly bond program depends on the strength of the market to support the sale of projects so the bonds can be repaid. The program should be used with this caveat in mind.

2.19 Seek a revision to state legislation that limits the use of eminent domain as a tool for redevelopment

See the full text of the Land Use Plan section on providing land for jobs see: http://www.stpaul.gov/DocumentCenter/Home/View/11883

Central Corridor Development Strategy

"The Central Corridor Development Strategy is a vision and set of strategies for how University Avenue…should grow and change over the next 25-30 years in response to the planned investment in light rail transit. The vision is grounded in six principles including:

1. Reposition Saint Paul in the Region;
3. Link and Foster Economic Activity; and
4. Improve People's Mobility Throughout Their Community."

The Development Strategy also called for station area plans to be done for each station along the Corridor.

Westgate Station Area Plan

"This area, more than any other Station Area along University Avenue, has come the farthest to prepare itself for LRT; and to demonstrate the marketability of higher-density infill and its ability to sensitively fit into a traditional neighborhood fabric…The Westgate Station Area will leverage its location, accessibility and boundary conditions to define two distinct mixed-use transit villages that combine a high concentration of employment and residential uses in proximity to the LRT. These villages, located on the north and south sides of the Avenue, will each be structured around two shared elements: first, the Avenue, which will be the focus of civic life for this community,…; and second, two proposed open spaces that anchor opposite ends of the Westgate villages, and act as transitional and defining spaces for the residential and employment functions found here."
http://stpaul.gov/DocumentCenter/Home/View/7502

Raymond Station Area Plan

"The Raymond Station Area is distinguished by an enviable historic building stock, clusters of cafés, and small retail stores. This unique character must be strengthened and preserved through future development…[The Station Area will become] [a] model mixed-use urban village that successfully combines new and old: buildings, streets, land uses, and modes of transportation. This Station Area will evolve with an authenticity and sense of place that distinguishes it within the Corridor, and becomes a must-see district for visitors seeking to discover the places that make Saint Paul unique."
http://stpaul.gov/DocumentCenter/Home/View/7499

Fairview Station Area Plan

"The Fairview Station Area consists of distinct residential and employment districts separated by the Avenue…[The Station Area will become] [a] healthy and functioning "Main Street" with buildings, open spaces and many connections oriented towards University Avenue; and whose activities, uses and destinations are expressive and supportive of the diverse and daily needs of the surrounding residential and business community."
http://stpaul.gov/DocumentCenter/Home/View/7495

Hamline Midway Community Plan

The Plan includes five core values, defined to shape all aspects of planning and to serve as criteria for evaluating the success including: diversity; environmental sustainability; and quality design.

19. Plan and carry out improvements in transportation alternatives. Policies of particular note include:

- Mitigate noise and pollution problems at the intermodal hub as well as to advocate for its relocation.
- Create bicycle routes on non-arterial routes that link parks and make connections outside of the area.
- Reduce truck traffic through the neighborhood
- Strengthen relationships between businesses and residents
- Coordinate workforce development efforts through the Greater Midway Work Resources Hub.
- Help smooth the transitions between land uses where industrial, commercial or institutional uses are adjacent to or abut residential property, especially along…Prior,…and near Pierce Butler Route.

St. Anthony Park Community Plan

The Plan's visions include: "St. Anthony Park seeks substantial land use change in the existing industrial area to support more intensive use of the land and increased tax base…envisions a healthy balance of transportation options…encourage[ing] transit, bicycle and pedestrian connections between homes and workplaces, and between workplaces and commercial services." Policies of particular note include:

- "[Ensure that] introduction of Light Rail Transit to the University Ave corridor [will result in] a more connected residential and commercial area, while respecting the area's industrial base.
- Design Greenbelt buffers along edges between residential and commercial or industrial areas.
- Work with the University, railroads, land owners and policy makers to redevelop underused industrial land for higher value knowledge based industries requiring proximity to University research functions."
- Add a direct connection between Vandalia Street and its connection with Interstate 94 and Transfer Road.
- Enforce a truck ban on Raymond Avenue.
- Maintain and/or expand riparian zone surrounding the Kasota Ponds…[and] achieve measurable water quality improvements to the Kasota Ponds, Cathlin Wetland, and other natural remnants.
- Increase the level of ground water infiltration…by 30 percent through development standards,…and the retrofitting of existing structures and properties…[including use of] green roofs, pervious pavements and sustainable site designs.
- Develop a St. Anthony Park Business Association to work with area businesses on local goals and initiatives in conjunction with the Midway Chamber of Commerce."
- Create a pedestrian and bicycle route along Raymond Avenue between Langford Park and University Avenue.

District 12 Plan Amendment

Creative Enterprise Zone. "…[S]tabilize and advance conditions in which creative enterprises – light industry, artisans and artists – can thrive… including:

- Consideration of a special designation for the zone…to help advance job retention and creation for workers in light industry, artisans and artists.
- Public assistance] through site preparation, zoning ,cleanup, design standards, financial incentives, tax credits and/or financing…"

Bike Walk Central Corridor Action Plan

"The success of the Central Corridor [Green Line] project depends on people's ability to access its stations and move through the corridor on foot or bicycle. The City of Saint Paul initiated this Bike Walk Central Corridor Action Plan to ensure that bicycle and pedestrian connections and facilities create a safe and inviting environment around the LRT line and within the greater Central Corridor area. The plan sets priorities and strategies for creating a bicycle and pedestrian friendly environment. This Plan builds on other Central Corridor and City of Saint Paul planning work , including the Central Corridor Development Strategy, the University Avenue Station Area Plans…[and] the Transportation and Parks Chapters of the Comprehensive Plan..."

An Industrial Strategy for the City of Saint Paul

Although this Study has no official plan status it is foundational for many of the recommendations in this Strategy. Commissioned by the Saint Paul Port Authority, the Initiative for a Competitive Inner City (ICIC), Interface Studio and Laura Wolf-Powers at the University of Pennsylvania, the Study is a wide-ranging set of findings and recommendations. In addition, there is an analysis of the Midway/Pelham Business Center which gives some insights into the immediate geography.

In addition, there are important studies that should be referenced for a complete picture of community interest in the issues raised by this Study, including:

- "Bridging the Gap" Report from District 12: **http://sapcc.org/bridgingthegap**
- "Prospect Park Station Area and Gateway Planning": **http://www.prospectpark2020.org/**

Heritage Preservation Context

The following historic resources are within the Plan boundaries:

Applicable Context Studies

- Churches, Synagogues, and Religious Buildings: 1849-1950 (2001)
- Downtown Saint Paul: 1849-1975 (2001)
- Neighborhood Commercial Centers: 1874-1960 (2001)
- Pioneer Houses: 1854-1880 (2001)
- Residential Real Estate Development: 1880-1950 (2001)
- Transportation Corridors: 1857-1950 (2001)
- Neighborhoods at the Edge of the Walking City (2011)

1983 Historic Resources Survey

Designated Sites (1983)

- 1536 Hewitt Avenue West, Hamline University Old Main (NRHP 1977, local 1978)

Sites Eligible for Designation (1983)

- 1538 Englewood Avenue West, Oric Whited House
- 1305 Lafond Avenue West, Church of Saint Columba
- 1536 Minnehaha Avenue West, Knox Presbyterian Church
- 1885 University Avenue West, Krank Building (NRHP 1983, local 1985)
- 1684 Van Buren Avenue West, John J. Dewey House
- Of the 5 sites noted in 1983 for designation only one was designated.

Sites of Major Significance (1983)

- 1672 Blair Avenue West, Lena Howard House
- 1513 Englewood Avenue West, Manor House at Hamline University
- 1514 Englewood Avenue West, Hamline United Methodist Church (NRHP 2011)
- 634 Fairview Avenue North, J.W. Wallace House
- 877 Fry Street North, House
- 1288 Hubbard Avenue West, William A. Davern House
- 1300-1302 Lafond Avenue West, Peter Oleson Double Bungalow
- 1564 Lafond Avenue West, Hamline Playground Building (local 1992)
- 1378 Minnehaha Avenue West, John North House
- 1464 Minnehaha Avenue West, Frederick M. Grant House
- 1558 Minnehaha Avenue West, Henry Hale Memorial Library, Hamline Branch
- 1765 Minnehaha Avenue West, House
- 1153 Sherburne Avenue, House
- 1673 Sherburne Avenue, House
- 666 Snelling Avenue North, Snelling Service Garage
- 2021 University Avenue West, Minnesota Transfer Railway Building
- 1730 Van Buren Avenue West, Ellen Gillette House
- 1777 Van Buren Avenue West, House
- Of these 18 sites noted for "Major Significance" in 1983, none have been razed. One has been locally designated and one has been listed on the NRHP.

Heritage Preservation Context, continued

2001 Saint Paul Historic Context Study: Churches, Synagogues and Religious Buildings (2001)

Study Recommendations

- 1305 Lafond Avenue West, Church of St. Columba (designation form prepared)
- 1536 Minnehaha Avenue West, Knox Presbyterian Church (designation form prepared)

2001 Saint Paul Historic Context Study: Neighborhood Commercial Centers

Study Recommendations

- 26-734 Snelling Avenue North, Hamline Apartments and Stores (designation form prepared)

2001 Residential Real Estate Development

Study Recommendations

- Hamline is a strong candidate for further study as a local historic district. The significance is based on the planning ideas of the original plat, the strength of the developer's original marketing efforts, and resulting architecture and community character.

2001 Transportation Corridors

Study Recommendations

- The Midway has a number of buildings that merit designation studies. Some of them were noted in the historic resource database list in the study
- Also worthy of study along University Avenue in the Midway are any remaining historic resources focused on automobile sales, such as the Midway Chevrolet building. St. Paul has lost many of its early auto rows, such as along Grand Avenue.
- 1389-99 University Avenue West, Midway Chevrolet
- 1821 University Avenue West, Griggs & Cooper Co.
- 1885 University Avenue West, Krank Building (NRHP 1983, local 1985)

APPENDIX D: BNSF RAILWAY COMPANY/REGIONAL INTERMODAL HUB

BNSF RAILWAY CO/TWIN CITIES REGIONAL INTERMODAL HUB 9/27/10

- The BNSF facility became the intermodal facility 27-28 years ago under the Burlington Northern Railway. The BN Railway merged with AT&SF Railway, becoming the BNSF Railway, which currently operates the facility. Currently:
  - o 150 direct jobs are supported onsite
  - o 100 percent of the facility's business revenue is from the intermodal traffic
  - o 60 percent of the facility's business revenue from the transport of domestic intermodal traffic (UPS, JB Hunt) and 40% from international intermodal traffic (imports and exports).
- The BNSF intermodal facility is an intermediate station in the system, but it also originates daily trains to Chicago. Three trains per week also go to/come from ports in Tacoma or Seattle, WA. Also ships to Los Angeles, CA
- Container traffic comes from either steamship traffic (ports on the west coast) or truck trailer traffic (many of which are smaller companies in the Twin Cities).
  - o BNSF no longer owns the containers that are transported on the trucks/trails; they are owned by international steamship companies or national shipping companies
- National companies include Schneider, UPS, JB Hunt, and others. These are "door-to-door" trucking/shipping companies
- A brokerage company coordinates this traffic; the intermodal facility is an intermediary

Trains

- 5-7 trains stop in or set out per day from the intermodal facility
- Two major, high priority trains run out of the intermodal facility at night (the Z St Paul to Chicago 8 and 9). This includes UPS containers plus others.

Capacity

- The site is 44 acres.
- Before the recession, over 260,000 lifts were done per year. The theoretical capacity for the intermodal is up to 338,000 lifts per year. The facility has grown its capacity level in the last 8-10 years.
- Over the last four years, BNSF has made greater use of an overflow lot at Dale St (Lot 20) via an access road, as well as the "Bridal Veil" facility near Westgate.
- A study published 15 years ago, entitled "Need for Intermodal RR Terminal Facilities in the Twin Cities Metropolitan Area" aka the MIRTS study, concluded a new intermodal facility should be built in Rosemount. BNSF and CP Railroad companies were not happy with this conclusion as it would have required UP lines to be utilized, as well as would have required the construction of extensive new infrastructure. (MnDOT, BN, CP and Met Council participated).

MN Commercial Railway

- This is the former "Minnesota Transfer Railway," once jointly owned by the railroad companies (now it's privately-owned). It appears on a map as the large expanse of tracks between Prior and Transfer, in the Midway. Daily connections are made with BNSF, CP, UP, CN IC&E, and TC&W.
- It is a short line railroad (unlike the Class 1 railroad companies), and does swhtching work. MN Commercial focuses mainly on local industries, and "local-to-local" goods delivery:
    - Operates 150 miles of trackage dedicated to serving the Twin Cities manufacturers, warehouses, lumber and steel transloads, and grain mills. It operates a transload facility equipped to handle multiple commodities. Operates 7 days a week, 24 hours a day.
    - Offers leasing tracks, transloading, team track services, and logistical assistance. From www.mnnr.net/index.html

Cargo Carried

- 500 trucks/container units enter the facility per day. Many long haul trucks originate in other parts of the state or Iowa, the Dakotas, and parts of Wisconsin.
    - 120 of these trucks/container units per day are from UPS alone. UPS has two sorting facilities in Minneapolis and Saint Paul. (USPS uses Amtrak).
    - Large retailers like Walmart and Target have direct accounts.
    - Principal cargo transported through BNSF Twin Cities Regional Intermodal Facility includes mail/packages and consumer goods. Agricultural products and raw materials for export are also transported to a lesser extent.
    - Car parts, refrigerated cars with produce, other agricultural goods, glass, wood, construction materials, electronics, coal, industrial products, etc., are also transported through the larger BNSF network.
    - See www.bnsf.com and www.bnsf.com/tour/ for more information on volumes of goods and end destinations, and the economic impacts.

Future of Twin Cities Regional Intermodal Hub Facility

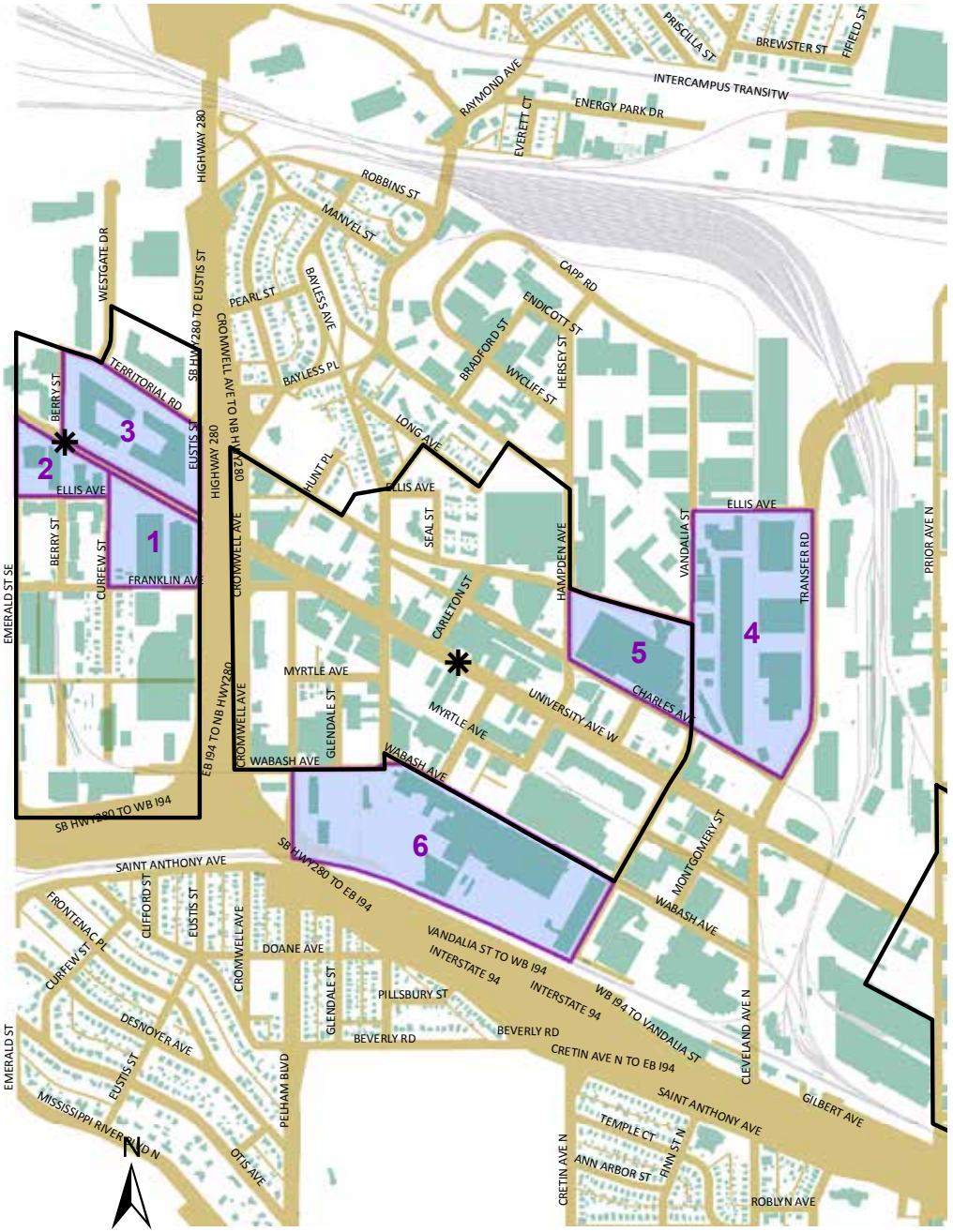
- There is a high demand for intermodal facilities by other states.
- The State of Minnesota Rail Plan identifies the Twin Cities Regional Intermodal Facility/Hub as an important asset for the local/regional/state economy.
- BNSF plans to increase its volume of goods transported without increasing its land use footprint.
- BNSF desires improved transportation connections, including the eastbound extension of Pierce Butler Route. They are studying ways to possibly remove traffic from Snelling Ave N, and create better north-south alternatives.

West Midway Jobs/Acre, Dunn & Bradstreet Analysis (analysis on following page)

Jobs per acre, blocks analyzed*

- ✱ LRT stations
- Right-of-way
- Station Area Plan boundaries
- Building footprints
- Blocks analyzed for job density (numbered)

***Note:** A jobs per acre calculation by parcel was not possible because much of the firm-specific data from Dunn & Bradstreet was spatially located at the nearest point on a street centerline, and could not be successfully matched to a specific parcel.*



Source: Saint Paul PED; Dunn & Bradstreet data

West Midway Employment Density, by blocks

(key findings below)

#	Block description	Block location	Prototype land uses / built form	# businesses	Sample businesses	Total built-out square footage	acres in block	# jobs in block	jobs per acre	Estimated Floor Area Ratio (non-residential only)
1	Court International	University, Eustis, Franklin, Curfew	Office, surface parking, deck parking *(Office uses and parking uses - according to Ramsey County Land Use Codes)*	89	*Upper Midwest Organ; On Assignment Staffing Svcs; Big Bros Big Sisters of MN; MN Gastroenterology PA; Regional Multiple Listing Services*	448,283	9.67	1,447	150	1.1
2	Metro condos / MN Geological Survey	University, Curfew, Ellis, Emerald	Offices, multifamily housing, vacant commercial parcel, deck parking *(Commercial vacant land; office; condo/coop; other residential; small (under 10K sf detached retail); commercial warehouse uses - according to Ramsey County Land Use Codes)*	14	*Wackenhut Corp; MN Geological Survey; Trust for Public Land; Camp Fire USA*	63,604	5.60	555	99	0.3
3	Westgate Business Center	University, Eustis, Territorial, Berry	One (Two-?)-story office/light industrial buildings, surface parking *("Flex Industrial Center" according to Ramsey County Land Use Codes)*	11	*Synovis Life Technologies Inc; Healthpartners Inc; Innovative Furniture Solutions; Protatek International Inc*	171,981	14.99	888	59	0.3
4	Office/warehouse predominant block	Charles, Transfer, Ellis, Vandalia	One-story office/warehouse buildings with loading docks, surface parking *(Commercial warehouse, and Railroad real property (MN Commercial Railway) - according to Ramsey County Land Use Codes)*	28	*Aspect Automation LLC; Remmele Engineering; Midway Training Services LLC; Stericycle Inc; Browning-Ferris Industries*	507,149	34.12	577	17	0.3
5	Warehouse predominant block	Charles, Vandalia, Territorial, Hampden	One warehouse building with large footprint (MSP Industrial Park), including loading docks, and small ancillary office building on north *(Commercial warehouse - according to Ramsey County Land Use Codes)*	8	*Bro-Tex Co. Inc; Superior Third-Party Logistics; Trademark Transportation Inc.; Lincoln Trading International*	398,832	12.48	167	13	0.7
6	Manufacturing predominant block	Wabash, Vandalia, Pelham, and I-94 frontage	*(Foundries and Heavy Manufacturing Plants; Manufacturing and Assembly - Light; Industrial Vacant Land; Commercial Truck Terminals - according to Ramsey County Land Use Codes)*	6	*Rock-Tenn, Co; Root River Valley Transfer; Johnson Security, Inc.; Bison Freight Inc.; Recycling Association of MN; Universal Am-Can Ltd*	*744,146**	38.49	633	16	0.4

**Rock-Tenn facility at 2250 Wabash Ave =728,335 sf based on Ramsey Co Tax Records*

Key findings:

*Block 1 (Court Int'l block) has the highest job density of all blocks analyzed (as well as the highest job density in the West Midway study area) of 150 jobs/acre.

*Block 2 (MN Geological Survey) is not yet fully developed andincludes housing, but still has a high job density of 99 jobs/acre.

*Block 3 - the Westgate light industrial/office business center - has a fairly high job density of about 60 jobs/acre, which is about four times as intense as blocks dominated by office/warehouse, warehouse, and manufacturing uses.

*Despite Block 3 (Westgate center) having a much higher job density, it is developed at a similar FAR (0.3) as the predominantly office/warehouse and warehouse blocks.

*Blocks 4-6 (office/warehouse predominant, warehouse predominant, and manufacturing predominant) have similar job densities.

West Midway industry-specific job density: Average square feet per firm devoted to one job

Industry/Industry cluster	# establish-ments	total square ft	total # jobs	average sf per one job
	Jobs per square foot of business space analysis *(not an acreage analysis)*			
Administrative & Waste Services	102	699,014	4,933	142
Business Services	296	1,510,122	6,551	231
Healthcare & Social Assistance	151	713,591	2,881	248
Information Technology	17	69,982	277	253
Construction	56	297,604	1,071	278
Educational Services	33	129,735	454	286
Financial Services	33	85,612	226	379
Government (Public Administration)	14	147,457	341	432
Production Technology	9	173,634	385	451
Printing & Publishing	29	191,275	330	580
Metal Manufacturing	14	273,684	267	1,025
Distribution Services	145	3,057,583	2,574	1,188
Goods-related Transportation	32	504,628	325	1,553
Medical Devices	2	26,730	13	2,056

average sf per one job

300 Common figure for **office** job density (Int'l Facility Mgmt Association, Colliers International)

384 Common figure for **retail** job density (Colliers International); equivalent to 2.6 jobs:1,000 sf

588 Light industrial / Green manufacturing / Port Authority actual historical (1.7 jobs: 1,000 sf)

1,000 Port Authority minimum requirement

Notes:

1. There is a large overlap between Business Services and Administrative and Waste Services. Both sectors are expected to see large job growth in MN over the next 10 years.

2. Healthcare & Social Assistance is the sector expected to see the most job growth in MN over the next 10 years. A substantial amount of the West Midway's employment in this sector is due to social service organizations.

3. Information Technology includes both manufacturing (projected to decline), and services (expected to see job growth, including data management, internet service providers, etc.).

4. Printing & Publishing are Metal Manufacturing are projected to decline in MN in terms of employment over the next 10 years.

5. Construction, Financial Services, Goods-related transportation, and Distribution Services are projected to see modest job growth in MN over the next 10 years.

The presence of the Twin Cities metro area's traded industry clusters in the West Midway study area

The attached maps show the presence in the West Midway of eight of the nine industry clusters identified by DEED as important for the Twin Cities metro area, based on Dunn & Bradstreet business data. Firms' NAICS codes were grouped into the nine clusters to analyze the number of firms and jobs in each cluster (with some accompanying statistics about their significance to the overall West Midway). Each dot on the map represents one firm; the larger the dot, the greater the number of workers employed by the firm (i.e., employment density, in this case, is not the number of jobs per acre).

The nine clusters are as follows (listed with a descending level of employment and firms in the West Midway study area):

Employment

Twin Cities Metro Industry Cluster	# **Jobs** in the West Midway Study Area	% of total, West Midway
Business Services	6,554	30%
Distribution Services	2,574	12%
Publishing and Printing	330	2%
Production Technology	330	2%
Metal Manufacturing	267	1%
Information Technology	277	1%
Financial Services	226	1%
Medical Devices	13	0%
Analytical Instruments	10	0%
Total jobs, entire West Midway	21,967	100%

Note: Not all firms in the West Midway fall into the nine selected Twin Cities industry clusters. Firms may fall into multiple industry clusters. The total number of jobs in the nine clusters (10,226) is less than the total number of jobs for the entire West Midway Area (21,967).

Businesses

Twin Cities Metro Industry Cluster	# **Firms** in the West Midway Study Area	% of total, West Midway
Business Services	297	24%
Distribution Services	145	12%
Financial Services	33	3%
Publishing and Printing	29	2%
Information Technology	17	1%
Metal Manufacturing	14	1%
Production Technology	8	1%
Medical Devices	2	0%
Analytical Instruments	1	0%
Total firms, entire West Midway	1,253	100%

Note: Not all firms in the West Midway fall into the nine selected Twin Cities industry clusters. Firms may fall into multiple industry clusters. The total number of firms in the nine clusters (524) is less than the total number of firms for the entire West Midway Area (1,253).

The Analytical Instruments industry cluster is not mapped because it had only one firm in the West Midway, and this firm also fell within the Medical Devices industry cluster.

Key summary points:

- **Business Services** (e.g. accountants, ad agencies, employment placement agencies, engineering firms, janitors, lawyers, materials recovery facilities, temp help, etc.) and **Distribution Services** (e.g. wholesalers) lead the West Midway both in terms of employment and number of firms
- **Production Technology** (e.g., machinery manufacturing) and **Metal Manufacturing** are grouped on a single map (given their related manufacturing emphasis)
- **Financial Services** (e.g., commercial banks, insurance agents) has a higher number of firms but fewer employees in the West Midway
- **Information Technology** (e.g., computer programming, data processing) and **Medical Devices** are on another single map (given their related technology emphasis)
- The West Midway is somewhat strong in the **Publishing** & **Printing** industry cluster, which parallels the Twin Cities metro's strength in this cluster
- While the Twin Cities metro is very strong in Medical Devices and Analytical Instruments, these clusters are **not** significant employers in the West Midway

West Midway Study Area - Jobs by Industry Type

Data from "On the Map" tool of the Census Bureau: http://lehdmap4.did.census.gov/themap4/

Total All Jobs

	2008	
	Count	Share
Total All Jobs	22,654	100.0%

Jobs by Worker Age

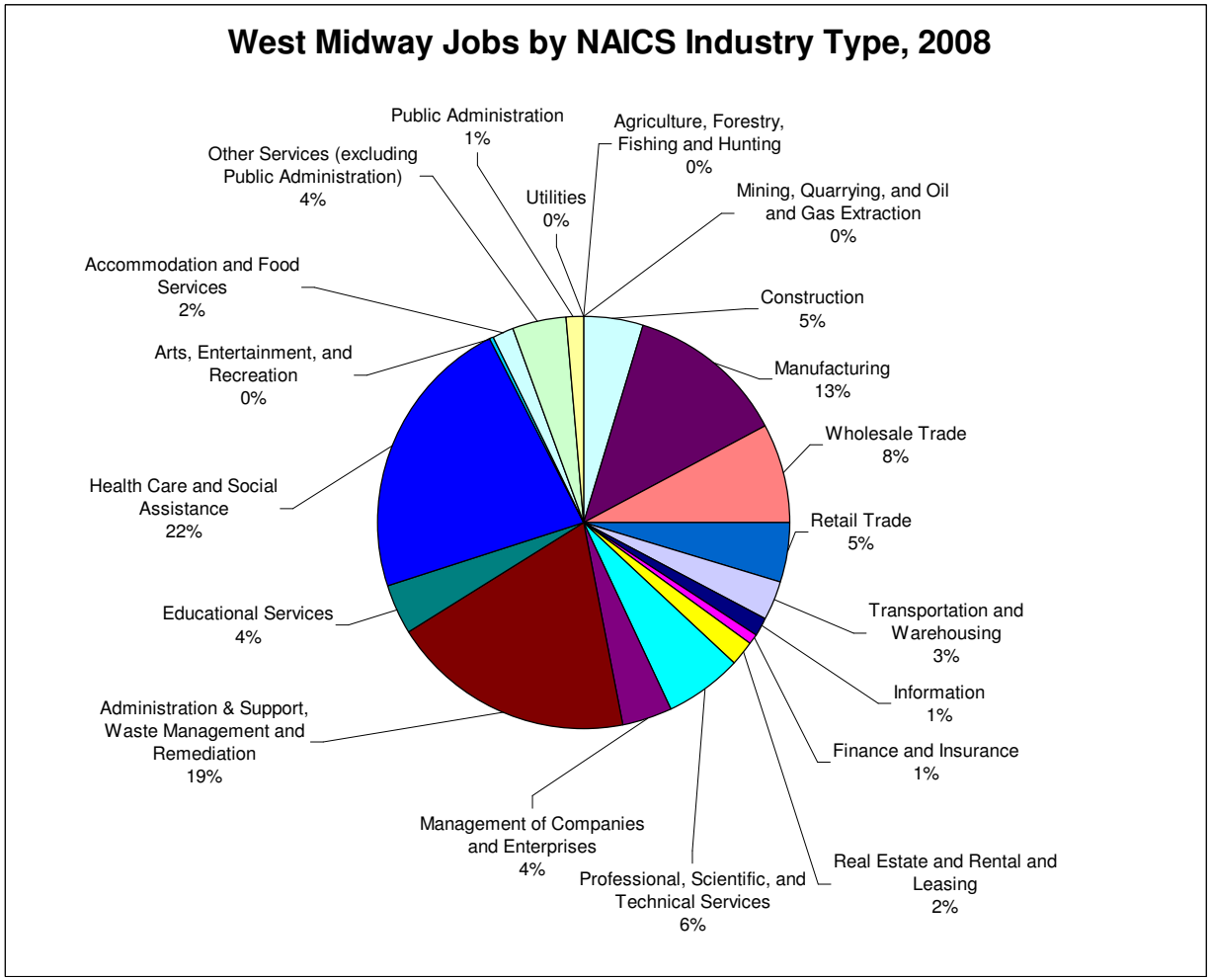
	2008	
	Count	Share
Age 29 or younger	5,674	25.0%
Age 30 to 54	13,042	57.6%
Age 55 or older	3,938	17.4%

Jobs by Earnings Paid

	2008	
	Count	Share
$1,250 per month or less	5,634	24.9%
$1,251 to $3,333 per month	8,565	37.8%
More than $3,333 per month	8,455	37.3%

Jobs by Industry Type (2-digit NAICS)

	2008	
	Count	Share
Agriculture, Forestry, Fishing and Hunting	3	0.0%
Mining, Quarrying, and Oil and Gas Extraction	1	0.0%
Utilities	2	0.0%
Construction	1,082	4.8%
Manufacturing	2,837	12.5%
Wholesale Trade	1,734	7.7%
Retail Trade	1,087	4.8%
Transportation and Warehousing	693	3.1%
Information	272	1.2%
Finance and Insurance	200	0.9%
Real Estate and Rental and Leasing	453	2.0%
Professional, Scientific, and Technical Services	1,401	6.2%
Management of Companies and Enterprises	849	3.7%
Administration & Support, Waste Management and Remediation	4,356	19.2%
Educational Services	866	3.8%
Health Care and Social Assistance	5,093	22.5%
Arts, Entertainment, and Recreation	60	0.3%
Accommodation and Food Services	387	1.7%
Other Services (excluding Public Administration)	981	4.3%
Public Administration	297	1.3%



Quarterly Workforce Indicators (QWI) in OnTheMap are considered to be experimental. For the latest and most accurate QWI statistics, use the QWI Online application at http://lehd.did.census.gov.
Job counts and average earnings measures that are subject to item suppression at the block-level do not contribute to estimates for the selected area in this report. To the extent that the selected area in the QWI Report is affected by item suppression, job counts in the QWI Report will be lower than the corresponding job counts in the Shed Report. QWI data for 2007 and 2008 are not yet available.

Data Sources

US Census Bureau, LED OnTheMap Origin-Destination Database
(Beginning of Quarter Employment, 2nd Quarter 2008, 2007, 2006, 2005, 2004, 2003, and 2002)

Report Settings

Year(s):	2008
Job Type:	All Jobs
Labor Market Segment:	All Workers
Selection Tool:	Polygon (Freehand)
Map Precision:	Blocks
Selected Block Count:	155
Query ID:	12762021633915586

APPENDIX F: SAINT PAUL PORT AUTHORITY DEVELOPMENT CRITERIA

ELIGIBILITY CRITERIA FOR PORT AUTHORITY BUSINESS CUSTOMERS TO DEVELOP FACILITIES IN PORT'S BUSINESS CENTERS

Criteria Used to Maximize Jobs and Career Opportunities For Saint Paul's Working Families

1. Real Estate & Financing Principles: Used by the Port Authority to determine Brownfield sites appropriate for acquisition and other environmental and land preparation, for ultimate sale to private sector businesses.

    - No Port Authority competition with private sector acquisition and development.
    - Availability of Port Authority financial resources.
    - Proximity to freeways and major arterial streets.
    - Marketable location that feels safe, inviting to customers and vendors, and likely to have stability of land use type.
    - Reasonable site costs.
    - Provision of developable site to business customer with no liability regarding formerly contaminated site.
    - Convenient/accessible to employees and visitors. Proximity to public transportation.
    - Good investment. Likely property value appreciation.
    - Well-trained workforce.

2. The Port Authority's customer base is comprised of companies that have grown past their start-up phase and have at least three years of profitable operations.

3. Minimum $75 per square foot construction value for manufacturing facility.

4. Building to land coverage ratio of at least 35%.

5. At least one job per 1,000 square feet of building space.

6. Minimum wage rates of $11.00 per hour plus benefits for entry-level production positions.

7. Execution of legally binding 10-year Workforce Agreement and Port Authority monitoring for compliance on job counts (with financial penalties for noncompliance).

8. Commitment to employ Saint Paul residents in at least 70 percent of new hire positions.

9. Commitment to abide by the Port Authority's Protective Covenants for building and site design.

10. Commitment to the Port Authority's Green Design Investment review process to evaluate energy-efficient building designs and sustainable site features (e.g. best stormwater management practices, water efficiency, native plantings) and share utility data to track building energy and carbon performance.

AN INDUSTRIAL STRATEGY FOR THE CITY OF SAINT PAUL

PREPARED FOR THE SAINT PAUL PORT AUTHORITY

ICIC INTERFACE STUDIO LAURA WOLF-POWERS

MAY 2012

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Special thanks as well to all private sector leaders who talked to us throughout the study (identities withheld to protect confidentiality).

PREFACE

The Initiative for a Competitive Inner City (ICIC), in partnership with Interface Studio and Laura Wolf-Powers of the University of Pennsylvania School of Design, began work on a comprehensive study of the Saint Paul industrial economy in June 2011. Based on a combination of data analysis, site visits, interviews with key stakeholders, and additional research, we found a city that is rich with industrial assets and opportunities, but one whose resources are not being fully appreciated or leveraged.

The project team brings a unique perspective to the study of industrial activity in cities, based on prior research and engagements. In recent years, we have been involved in an in-depth and ongoing study of the potential of modern industry to unleash growth in a re-imagined Detroit, and published a detailed industrial strategy for the city of Philadelphia. In addition, the team convened an industrial panel at the American Planning Association's annual conference.

ICIC is a Boston-based national not-for-profit organization founded in 1994 by Harvard Business School professor Michael E. Porter.* A 501 (c) (3), ICIC's mission is to promote economic prosperity in America's inner cities through private sector engagement that leads to jobs, income and wealth creation for local residents. There are two key aspects of ICIC's research and recommendations. The first is unparalleled access to data on urban economies, which allows ICIC to compile and track economic and demographic data for inner cities, central cities, and metropolitan statistical areas (MSAs) in its State of the Inner City Economies (SICE) database. These data allow for detailed analyses to be performed at the industry level. The second important aspect of ICIC's work is an emphasis on communication with practitioners through convenings, roundtables, and conference calls. ICIC's work in recent years has highlighted the fact that industrial activity, both nationally and in specific cities, represents a key vehicle for achieving economic growth that is not only robust, but equitable.

Interface Studio is a full-service planning and urban design practice based in Philadelphia that has worked on a diverse array of projects, including the Philadelphia and Detroit industrial strategy studies described above, corridor studies in Chicago and Macon, GA, and a master plan for Hamtramck, MI. Interface's work has been recognized with state and national awards, including three American Planning Association National Planning Excellence Awards, two for Grassroots Planning (2009 and 2012)

* ICIC is not affiliated with, funded by or in any way supported by the Harvard Business School.

and one for Public Outreach (2010) as well as a national award for Planning and Analysis from the American Society of Landscape Architects in 2010. The founding principal of Interface, Scott Page, is a leading authority on urban design, teaching at the University of Pennsylvania's School of Design and lecturing widely on the topic in both the United States and Europe.

Laura Wolf-Powers is an Assistant Professor of City and Regional Planning at the University of Pennsylvania's School of Design. Her research focuses on job-centered economic development, workforce development, urban political economy and the role of community-based organizations in urban politics and governance. Professor Wolf-Powers' practical engagements center on workforce development and on urban manufacturing and industrial land use. She has presented on urban industrial land use policy and strategy at the American Planning Association's annual conference and served as a juror for the Community Design Collaborative's Design Challenge, Infill Philadelphia: Industrial Sites. Professor Wolf-Powers has also organized "How Should We Grow? Philadelphia's Industrial Future," a forum highlighting the challenges and choices facing the city of Philadelphia as it attempts to recycle unsuitable industrial land for other purposes while supporting the city's still-substantial industrial employment base.

This study is organized in six chapters. The first chapter provides background on industrial trends at the global, national, regional, and local levels, the importance of industry and industrial jobs for the future of the City of Saint Paul and the Twin Cities region, and roles the Saint Paul Port Authority and its Business Centers play in supporting an industrial growth agenda. The second chapter documents the contribution of the industrial sector to Saint Paul and the region, and details the economic and fiscal impact of the Port Authority's Business Centers. Chapter Three describes the geography of industry in Saint Paul, identifying and illustrating the impact of local and regional assets on industry before closing with an overview of challenges to industrial development. The fourth chapter takes stock of the local and regional industrial strengths using cluster analysis, an investigation of workforce characteristics, and a review of peer cities. Chapter Five offers general recommendations on land use and urban design, leadership, cluster strategies, and workforce for key city stakeholders to consider, and Chapter Six concludes the report. Technical Appendices are available under separate cover.

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1 BACKGROUND

1. BACKGROUND

INTRODUCTION: A CASE FOR INDUSTRY

The 13-county Minneapolis-Saint Paul region has grown significantly in recent years and decades, serving in many ways as a striking contrast to its peers in the Midwest, many of which have struggled over the same period. Yet beneath the surface, trouble signs are brewing for the Twin Cities. Growth is not as robust as it once was, and once-significant edges in areas like educational attainment and innovation are beginning to diminish. At the same time, a growing gap between outcomes in the region's core cities and suburbs threatens to undermine the region's overall economic health.

A heightened focus on industrial activity holds the key to reversing some of these trends, while preserving middle-wage jobs that are accessible to residents across the educational attainment spectrum. In Saint Paul, which has experienced significant struggles over the past decade, existing industrial assets and a robust manufacturing legacy provide the opportunity to leverage industry into a sustainable vision that promotes growth in the city and region as a whole. With manufacturing experiencing a renaissance across the U.S., these strengths can be central to a successful economic development strategy.

Contrary to popular perception, such a vision hardly entails a city laden with smokestacks and pollution. Modern industry represents a range of activities involving the production, distribution, and repair of goods and materials. In fact, several cities now use the term "PDR," signifying production, distribution, and repair, rather than "industrial" to more accurately characterize the sector.[1] Modern industrial land may be occupied by laboratories, flex space, warehouses and distribution centers, or purpose-built manufacturing. This mix results in a broad array of opportunities for cities and their residents.

Based on an expanded version of PDR that includes activities like front-end design and recycling, industrial activity accounted for roughly 33,000 of Saint Paul's 154,000 jobs as of 2009. This number is supported by the work of the Saint Paul Port Authority, which actively converts unproductive, often-contaminated land into vibrant Business Centers that are occupied primarily by industrial firms. As in many cities, Saint Paul's industrial land is scarce; in some neighborhoods, this is due to encroachment from residential and retail and in many this results in pressure on industrial users to sacrifice functionality in favor of smaller land use footprints. Partly as a result of this, industrial activity is often overlooked or hindered by competition from these other uses as cities and regions think about new economy growth, vibrant retail, and short-term fiscal considerations. As this report will describe, however, industrial activity is not only complementary to these broader goals, it is an important vehicle for achieving them. This makes it imperative that city leaders – whether advocates of residential, retail, industrial, or other uses – work together to ensure a unified approach that recognizes the importance of industrial activity in growing Saint Paul equitably and sustainably.

Above: Collage of news articles documenting the rising fortunes of U.S. manufacturing activity

1 Adapted from An Industrial Land and Market Strategy for the City of Philadelphia, which was co-authored by ICIC and Interface. (http://www.pidc-pa.org/userfiles/file/PIMLUS_Report_September_2010.pdf)

REGIONAL TRENDS

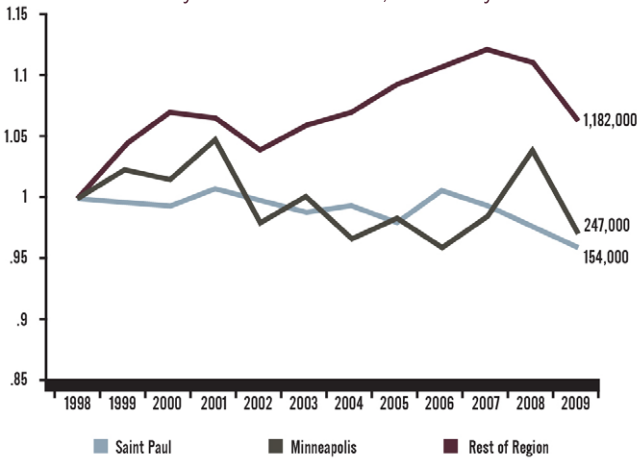
An Overview

The Twin Cities region – as defined for purposes of this study – consists of 13 counties, including 11 in Minnesota and two in Wisconsin. The map on the next page shows the shows the Minneapolis-Saint Paul-Bloomington, MN-WI Metropolitan Statistical Area (MSA), as defined by the U.S. Census Bureau, with the two largest cities, Minneapolis and Saint Paul highlighted.

The Twin Cities as a region has experienced high levels of growth – especially prior to the recession of 2008 – in a part of the country that has largely struggled in recent decades. In fact, its 3.7% growth rate from 1998 to 2009 ranks second among 16 large metropolitan regions located in or near the so-called "Rust Belt."[2] Yet it is worth noting that while Minneapolis and Saint Paul are home to roughly 700,000 of the region's 3.2 million residents, they have declined, with population changes of 1% and -2%, respectively, compared to 10% for the rest of the region.

In terms of overall economic strengths, the region is particularly well-represented in advanced manufacturing, such as medical devices and analytical instruments. Minneapolis carries a reputation for being strong in FIRE (Finance, Insurance, and Real Estate),[3] and this is largely borne out in the data, which show that financial services is one of the city's strengths, along with analytical instruments and a fast-growing biopharmaceutical industry. Saint Paul, meanwhile, is strong in educational and public sector jobs, due to the presence of major universities and state government offices in the city.

FIGURE 1. Indexed Employment Growth in Twin Cities, 1998-2009
SOURCE: County Business Patterns, ICIC Analysis



Saint Paul's private sector is most highly concentrated in financial services and information technology, but a number of industrial strengths are emerging, as will be discussed later in this report.

Yet despite the strengths described above, the cities of Minneapolis and Saint Paul have been unable to keep up with overall job growth in the region, as shown in Figure 1. Between 1998 and 2009, Saint Paul and Minneapolis employment declined at similar rates of 3% and 4% respectively, while the rest of the region grew. Meanwhile, the distressed portions of each city exhibited varying patterns.[4] Inner city Minneapolis actually outperformed the rest of its city as a whole, declining by just 1%, while Saint Paul's highest-poverty neighborhoods lost 6% of their jobs over the period.

Population trends in the region largely mirror those described for employment. While Minneapolis and Saint Paul have a combined population of roughly 700,000 of the region's 3.2 million residents, they have experienced changes of 1% and -2%, respectively, while the rest of the region has grown by 10%.

In light of this widely recognized trend of outmigration of residential and business activity,[5] the importance of economic activity in the region's urban centers – in particular, those neighborhoods that are struggling – is magnified. The trends shown above are an important reason why local and regional leaders should be concerned with leveraging existing assets to catalyze equitable growth across the region.

2 These regions (in order of growth rate) are: Madison, WI; Minneapolis-St. Paul-Bloomington, MN-WI; Columbus, OH; Indianapolis, IN; Pittsburgh, PA; Rochester, NY; Buffalo-Niagara Falls, NY; Cincinnati-Middletown, OH-KY-IN; Milwaukee-Waukesha-West Allis, WI; Chicago-Naperville-Joliet, IL-IN-WI; Akron, OH; Grand Rapids-Wyoming, MI; Toledo, OH; Fort Wayne, IN; Cleveland-Elyria-Mentor, OH; and Detroit-Warren-Livonia, MI.

3 Based on interviews and conference calls with city and regional leaders.

4 Based on ICIC's proprietary inner city definitions.

5 The Metropolitan Council reported that for each year between 2000 and 2009, the urban core lost an average of 10,545 jobs, compared to a target of an annual increase of 9,600. (Source: Metropolitan Council, "Regional Benchmarks: Measuring Our Progress." Last update: September 17, 2010. Accessed at: http://www.metrocouncil.org/planning/framework/benchmarks.pdf

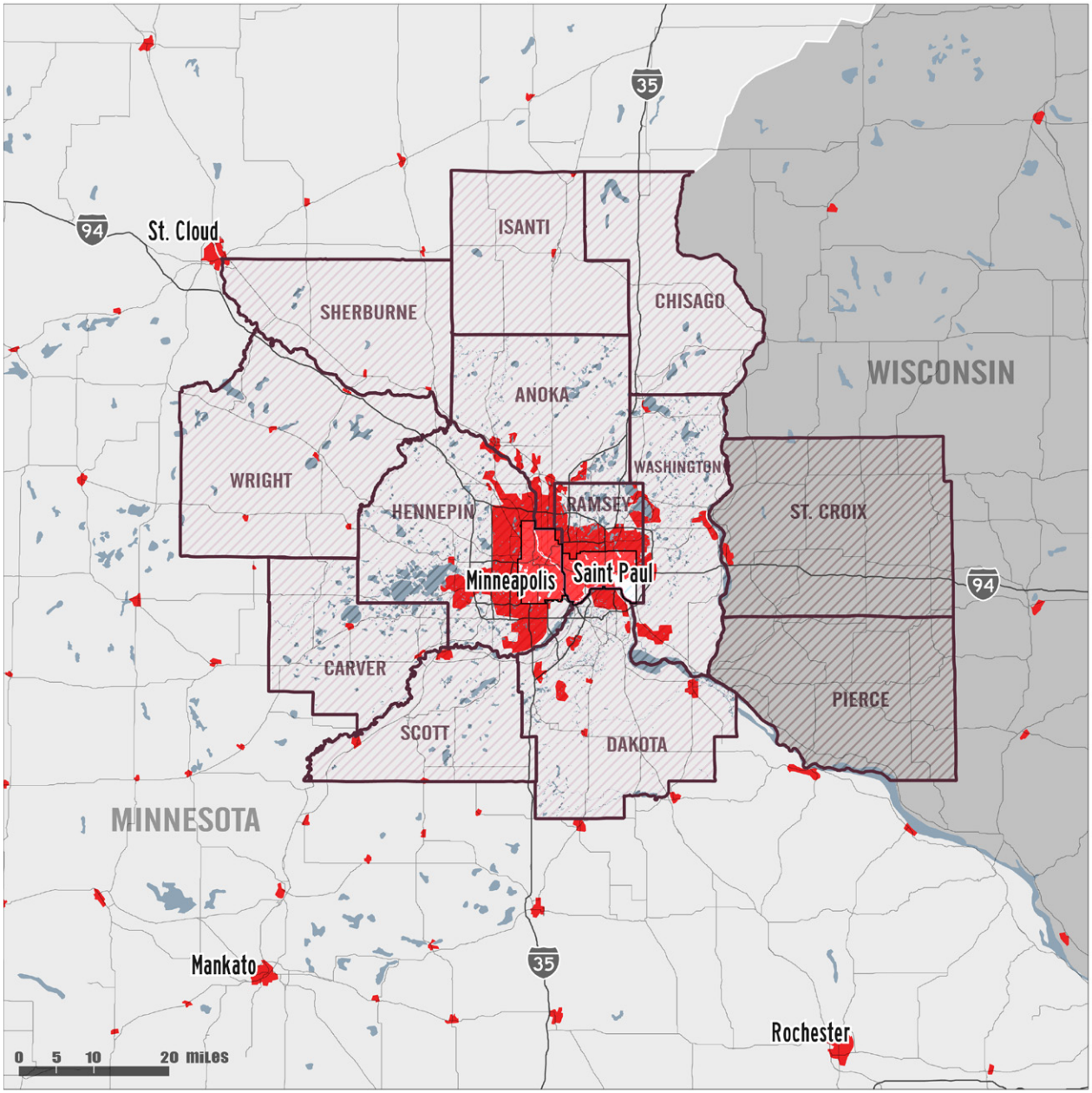


FIGURE 2. Twin Cities Region
SOURCES: ESRI, U.S. Census

High-Level Workforce and Firm Dynamics

Human capital is among the region's strongest assets. The regional workforce is considered among the most well-educated and competitive in the country,[6] with educational attainment rates that are significantly higher than the rest of the U.S. As shown in the table below, the Twin Cities region boasts high school and college graduation rates of 93% and 38%, respectively, compared to 84% and 28% for the U.S.

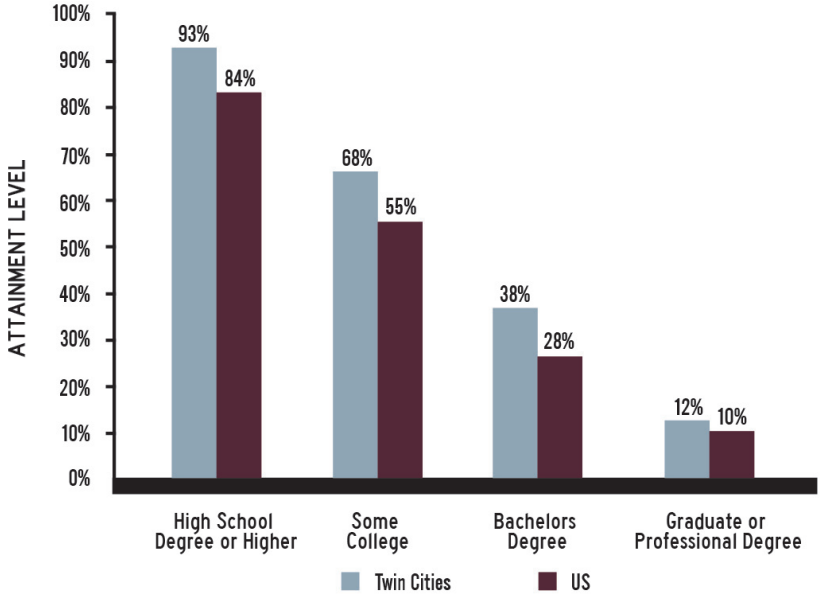
The Twin Cities also exhibit high levels of innovation. The region produces 56.7 patents per 100,000 people, more than twice the national average.[7] The combination of workforce and institutional strength has put the region in a position to thrive. This is driven at least in part by the presence of educational assets throughout the city and region, which will be covered in more detail in Chapter Two.

At the firm level, the regional economy boasts an unusually high concentration of large multinational corporations, with the headquarters of 21 Fortune 500 firms, many of which are homegrown. This represents more than four percent of the Fortune 500 in a region that is home to just over one percent of the nation's population. The presence of so many headquarters generates spending and an abundance of potential opportunities for local businesses and residents.

Yet despite its well-documented strengths, many believe that gaps persist in the regional economy. A recent report from the Brookings Institution concludes that, despite the region's strong asset base, its economy has suffered from missed opportunities.[8] The study shows that the region has lagged national growth in productivity, wages, and employment. The report also recognizes that technology transfer and spinoff from research institutions have not generated enough impact in terms of regional jobs and growth. To this end, employment projections for the region have been lowered in recent years, and, according to some, an image of the Twin Cities as fragmented and without an "open for business" identity has begun to take hold.[9]

FIGURE 3. Educational Attainment Levels in Twin Cities Region and U.S., 2009

SOURCE: Greater MSP. http://www.greatermsp.org/site-location-consultants/workforce/ (calculated using data from the 2009 American Community Survey)



6 See Appendix 2 of 2009 Metro MSP Business Vitality Index. http://www.metromsp.org/powerpoints_pdfs/2009MSPBusinessVitalityIndex_Appendix2_WorkforceDevelopment.pdf. This report shows that the region has the highest percentage of population with high school diplomas and is fourth in knowledge competitiveness among the top 25 MSAs.

7 MetroNation Profile: The Minneapolis-Saint Paul Metropolitan Area, Brookings Institution http://www.brookings.edu/~/media/Files/Projects/blueprint/metrosbp/Minneapolisbp.pdf.

8 Full report is titled Accelerate: A Minneapolis Saint Paul Regional Prospectus for Stimulating the Entrepreneurial Ecosystem. Available online at: http://www.brookings.edu/~/media/Files/rc/papers/2010/12_metro_business_muro/12_metro_business_msp.pdf

9 Based on interviews conducted during team visit to Saint Paul.

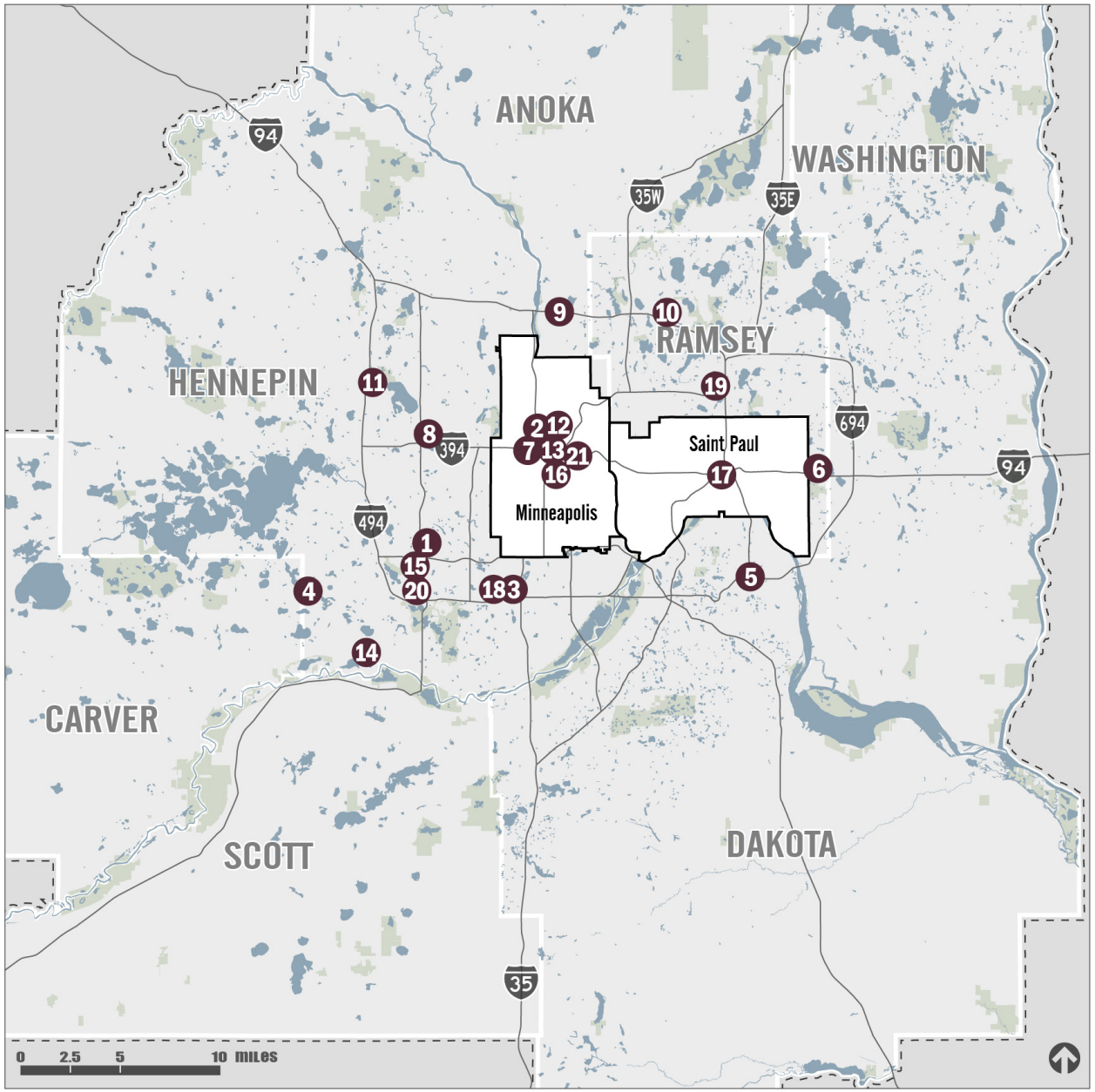


FIGURE 4. Fortune 500 Headquarters & Rank
SOURCES: ESRI, U.S. Census, Interface Studio, ICIC

1	UnitedHealth Group	21
2	Target	30
3	Best Buy	45
4	Supervalu	47
5	CHS	91
6	3M	106
7	US Bancorp	121
8	General Mills	155
9	Medtronic	160
10	Land O'Lakes	226
11	Mosaic	231
12	Xcel Energy	244
13	Ameriprise Financial	288
14	CH Robinson Worldwide	301
15	Hormel Foods	340
16	Thrivent Financial	342
17	Ecolab	365
18	Nash Finch	400
19	St. Jude Medical	445
20	Alliant	454
21	PepsiAmericas	464

Municipal Boundaries
Parks
Lakes, Rivers, Ponds
Minneapolis-Saint Paul-Bloomington MSA

Furthermore, a regional benchmarking effort showed that, over the course of the previous decade, the region's urban core lost more than 100,000 jobs while less developed suburbs added roughly 36,000.[10] This movement of jobs, combined with urban poverty rates that are more than twice those of the region,[11] highlights the importance of equitable development throughout the region, a goal that has become increasingly elusive in recent years in the face of an increased emphasis on regionalism.[12] This is especially relevant when it comes to economic growth and job creation, which increases the stakes associated with fully exploiting opportunities in the industrial economy. With this in mind, there have been groups and initiatives that focus on further developing local manufacturing capabilities. One example is Enterprise Minnesota, an affiliate of the Manufacturing Extension Partnership, a network of more than 70 not-for-profit centers with the sole purpose of providing services to small and medium-sized manufacturers.[13] Leveraging such organizations, perhaps as partners to regional and city stakeholders, would help to encourage the development of a base of skilled manufacturing workers in the Twin Cities, allowing the city and region to enjoy the benefits of industrial growth that will be described in detail in the chapters that follow.

GLOBAL AND NATIONAL INDUSTRIAL TRENDS

Despite a narrative around a post-industrial U.S. economy, the reality is that an industrial renaissance is beginning to take hold nationally. In fact, Labor Department numbers for 2011 are expected to show a second consecutive year of increased employment in manufacturing – the key industrial sector – following more than a decade of decline. Furthermore, the Institute for Supply Management reported that, as of December 2011, more manufacturers were hiring than reducing employment.[14] While traditional manufacturing industries like apparel continue to lose jobs, other manufacturing sectors including fabricated metals, plastics, wood products, and food manufacturing are expected to grow nationally over the next decade. Moreover, many of the sectors with highest projected national growth are in non-manufacturing industrial activities like construction, transportation, and warehousing.

Multiple local, state, and federal agencies have been at the forefront of recognizing the opportunity that industrial jobs can provide, with a number of city-specific studies and initiatives taking hold in recent years. Philadelphia, for example, has re-examined its industrial potential around more modern PDR uses that fit with current land use patterns.[15] Similarly, Seattle commissioned a two-year study to strengthen industrial land policies, while New York created an Office of Industrial and Manufacturing Businesses to oversee and coordinate industrial policy implementation across agencies.[16] Cities like Detroit are developing industrial strategies that combine existing assets with promising opportunities, knowing that a focus on industry is perhaps the most efficient way to create jobs for displaced workers.

The future of industry is also the topic of a current national conversation about jobs and the revival of the economy. A recent report to President Obama by his Council of Advisors on Science and Technology (PCAST)[17] advocates for an executive-level federal policy to support advanced manufacturing innovation, and in response the Obama Administration has launched a promising new

10 Metropolitan Council, "Regional Benchmarks: Measuring Our Progress." Last update: September 17, 2010. Accessed at: http://www.metrocouncil.org/planning/framework/benchmarks.pdf

11 Detailed data on poverty can be found in the discussion of workforce in Chapter Four.

12 Teresa Lynch and Adam Kamins. "Creating Equity: Does Regionalism Have an Answer for Urban Poverty? Can It?" ICIC Research: September 2011.

13 For more information, see http://www.nist.gov/mep/about.cfm.

14 Floyd Norris. "Manufacturing Is Surprising Bright Spot in U.S. Economy." The New York Times, January 5, 2012.

15 "An Industrial Land and Market Strategy for the City of Philadelphia," which was co-authored by ICIC and Interface. (http://www.pidc-pa.org/userfiles/file/PIMLUS_Report_September_2010.pdf)

16 Laura Wolf-Powers. Urban industrial land and land policy: national context. April 12, 2010.

17 Report to the President on Ensuring American Leadership in Advanced Manufacturing. Washington, DC: President's Commission on Science and Technology. June 2011.

initiative, the Advanced Manufacturing Partnership. This includes significant funding dedicated to the renewal of American manufacturing.[18]

There are numerous reasons why industrial activity is primed to increase significantly in the coming years and decades. For one, according to numerous studies, the competitive advantages associated with manufacturing abroad are eroding. According to the Boston Consulting Group, productivity-adjusted labor costs in the Yangtze River Delta region, China's industrial heartland, are rising 15-20% annually, making them likely to converge with those in Sun Belt states by about 2015.[19,20] From a demand side, as wealth increases in Asia, plants in China and India may no longer have the capacity to meet American demand.[21] In addition to the straightforward economic costs, there are hidden costs that include an increased risk of managing vendors or operations halfway around the world, along with high turnover, inconsistent quality, and inadequate protection of intellectual property.[22] On top of those concerns, the falling value of the dollar has reduced the relative price of U.S. exports, with the dollar to Euro exchange rate falling from $1.20 in 2000 to between $0.75 and $0.80 during the spring of 2012.

Broad economic trends from the previous decade also point to more domestic industrial activity in the coming years. For one, the real estate bubble resulted in significant competition for land from residential developers, crowding out industrial activity. Prior to the collapse of the housing market, industrial land prices in Los Angeles, for example, increased from one-third to twice those of residential due to pressure from conversions.[23] Now that residential demand has cooled significantly, more land – specifically, inexpensive land – is available for industry.

In addition, as crude oil has increased in price from $16/barrel in 1999 to roughly $100/barrel today, it has become more cost-effective for many firms to shift production closer to their headquarters and/or customer base. This, in combination with the concerns about energy usage and carbon emissions that helped spawn the green movement, has rendered long supply chains less desirable in recent years.

The confluence of factors described above helps explain recent positive trends when it comes to manufacturing and industry, while providing the foundation for an increasingly vibrant industrial sector in the coming years. In all, the signs point to an industrial economy that is poised to take off; the cities and regions that recognize this and cultivate industry stand poised to reap tremendous benefits in the coming years.

18 Is There a Progressive Approach to Innovation Policy? The President's Council of Advisors on Science and Technology Policy's Advanced Manufacturing Partnership 2011 Jennifer Clark, Georgia Institute of Technology

19 Harold L. Sirkin, Michael Zisner, and Doug Hohner. "Why U.S. Manufacturing Is Posed for a Comeback." BCG Perspectives, June 22, 2011. https://www.bcgperspectives.com/content/commentary/manufacturing_supply_chain_management_made_in_the_usa_again/

20 Harold L. Sirkin, Michael Zisner, Doug Hohner, and Justin Rose. "The U.S. Manufacturing Renaissance: Which Industries?" BCG Perspectives, October 7, 2011. https://www.bcgperspectives.com/content/commentary/manufacturing_supply_chain_management_us_manufacturing_renaissance_which_industries/

21 Harold L. Sirkin,, Michael Zisner, and Doug Hohner. "Made in America, Again." BCG Perspectives, August 25, 2011. https://www.bcgperspectives.com/content/articles/manufacturing_supply_chain_management_made_in_america_again/

22 James Manyika, Susan Lund, Byron Auguste, Lenny Mendonca, Tim Welsh, and Sreenicas Ramaswamy. "An Economy that works: Job Creation and America's Future." McKinsey Global Institute, June 2011. http://www.mckinsey.com/Insights/MGI/Research/Labor_Markets/An_economy_that_works_for_US_job_creation

23 Source: Bloomberg (adapted from Industrial Strategies for Distressed Urban Economies, ICIC, September 2009).

IMPORTANCE OF INDUSTRIAL AND BUSINESS CENTER JOBS

While the focus when it comes to job creation – industrial and otherwise – is understandably on the number of opportunities being created, there are other important considerations that must be taken into account. These include job quality, as proxied by average wage figures,[24] and accessibility, especially with respect to those workers who do not hold college degrees.

With respect to job quality, Figure 5 shows that while the average Saint Paul job pays just over $43,000, that figure is more than $4,000 higher when it comes to industrial jobs. Jobs within the Port Authority's Business Centers do even better, paying nearly $50,000 annually, on average.

In most sectors, increased wages correspond with higher barriers in terms of educational requirements; however, industrial jobs are actually more accessible than the average opportunity, as shown in Figure 6.

FIGURE 5. Average Saint Paul Wages, 2008
SOURCE: Bureau of Labor Statistics, ICIC analysis

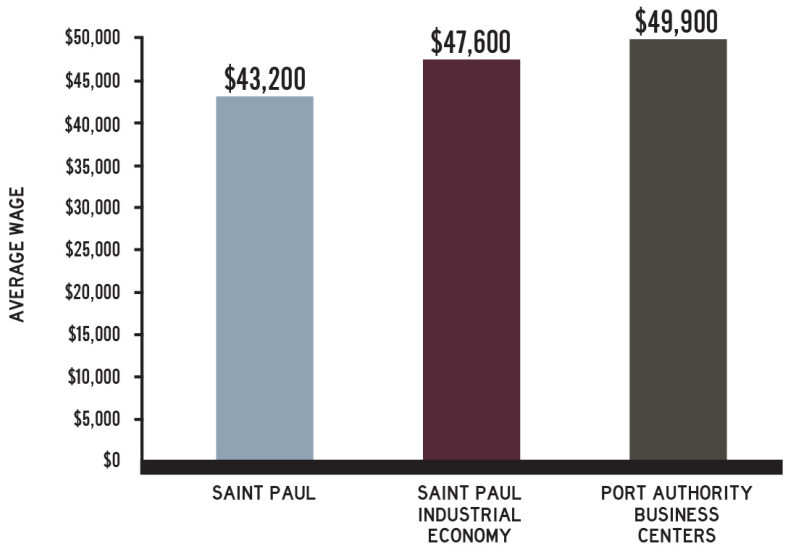
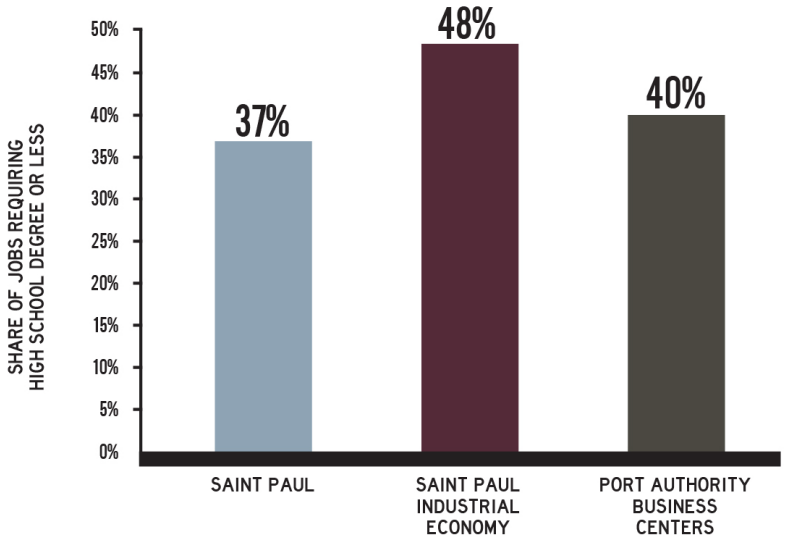


FIGURE 6. Share of Jobs that Demand High School Diploma or Less, 2008
SOURCE: Bureau of Labor Statistics, ICIC analysis



24 Average wages are based on industry averages that are calculated using Economic Census data on payroll and employees. Education and training requirements are based on a combination of data sets from the Bureau of Labor Statistics (BLS), one of which contains education and training data by occupation and another that shows the occupational breakdown by industry.

PREVIEW OF PORT AUTHORITY'S ROLE

In short, industrial jobs as a whole have relatively low barriers to entry but, unlike many opportunities that are available to less educated workers, still offer middle income wages. Within the Port Authority's Business Centers, the advantages of industrial activity can be seen clearly: despite average salaries that are more than 15% higher than the rest of the city's economy, accessibility to workers with a high school diploma or less is actually greater. These figures highlight the importance of industrial activity in the current Saint Paul economy to not only maximize job creation, but to do so in a way that results in the type of high-quality jobs that can catalyze broad, equitable growth and in turn play a role in reducing income inequality.

With this in mind, however, the industrial jobs of the future are likely to require increased levels of skill and training. While this will be covered in more detail during the discussion of workforce considerations, it is important that city leaders sharpen their focus on building the industrial skill base in Saint Paul in order to ensure that local residents are able to fully exploit emerging opportunities.

In light of the broad trend of industrial growth and its positive implications for the challenges facing the Twin Cities, the role of lead industrial organizations, including the Saint Paul Port Authority, is more important now than ever. Having served as an advocate for industry and a vehicle for industrial firms to succeed in Saint Paul for decades, the process of re-imagining and modernizing the city's economy requires the Port Authority to have a prominent voice.

The Port Authority's primary activity of converting brownfields into Business Centers that are home to large firms and thousands of jobs remains critical. These Business Centers have become an important part of the city's economy, contributing nearly $29 million in tax revenue and accounting for more than 17,000 jobs. It is important not only that this land be protected, but that the city maximize its economic potential. Improved access and upkeep in areas that surround Business Centers are critical to maximizing firm attraction and retention possibilities. This is particularly important in the face of competition from the suburbs, the larger Midwest region, and even the rest of the world. Such concerns are particularly pronounced when it comes to the Twin Cities, as neighboring South Dakota has aggressively promoted its low business taxes via radio and print advertisements in recent years, helping the state to successfully recruit businesses out of Minnesota.[25]

More broadly, the future may require better leveraging the Port Authority as the leading voice of industry in Saint Paul, ensuring that the concerns of the private sector are addressed and opportunities for the city to attract and retain industrial firms are fully exploited. Like many of their counterparts nationally, the industrial firms that the Port Authority touches generally understand and embrace their role in helping to strengthen the sector in the city and region. Yet with companies becoming increasingly footloose, it is important for cities like Saint Paul recognize that they risk losing firms and jobs without maintaining a sharp focus on the needs of industry. Leveraging the Port Authority to coordinate these firms with other industrial stakeholders can not only help to promote business retention, but will allow for the development and implementation of an industrial growth agenda. Ideally, such an approach would allow Saint Paul to emerge as the urban hub of the region's modern PDR economy, especially in light of the dramatic loss of industrial land in neighboring Minneapolis.[26]

25 A.G. Sulzberger. "Businesses Stand to Gain Most in Rivalry of States." The New York Times, April 7, 2011. http://www.nytimes.com/2011/04/08/us/08states.html?pagewanted=all

26 Based on interviews conducted during team visit to Saint Paul.

2 THE CONTRIBUTION
OF INDUSTRY TO SAINT PAUL & THE REGION

2. THE CONTRIBUTION OF INDUSTRY TO SAINT PAUL & THE REGION

THE TOTAL ECONOMIC IMPACT OF SAINT PAUL PORT AUTHORITY BUSINESS CENTERS

In order to fully understand the impact of Port Authority Business Centers and more generally, industrial activity on Saint Paul and the region, we examined the total impact of this activity on the Twin Cities, beyond simply reporting the number of people directly employed. These numbers represent indirect impacts, or the additional job creation associated with adding jobs in a particular industry, accounting for demand for intermediate goods and services; along with induced impacts, which are based on employee purchases.

The results of this analysis show that the roughly 17,000 Business Center jobs yield more than 27,500 additional jobs in the region before adjusting for double-counting.[27] Once the adjustment has been made (removing almost 4,000 jobs), the indirect and induced impact of Business Center firms is 23,700 jobs in the Twin Cities, meaning that firms in the Port Authority's Business Centers account for the creation of at least 41,000 jobs in the region. This is shown graphically in Figure 7.

27 See Appendix for more detail on how and why double-counting adjustment was made, as well as the rest of the methodology underlying the calculations in this chapter.

FIGURE 7. Overall Job Creation from Port Authority Business Center Firms, 2011
SOURCE: Bureau of Economic Analysis, ICIC analysis

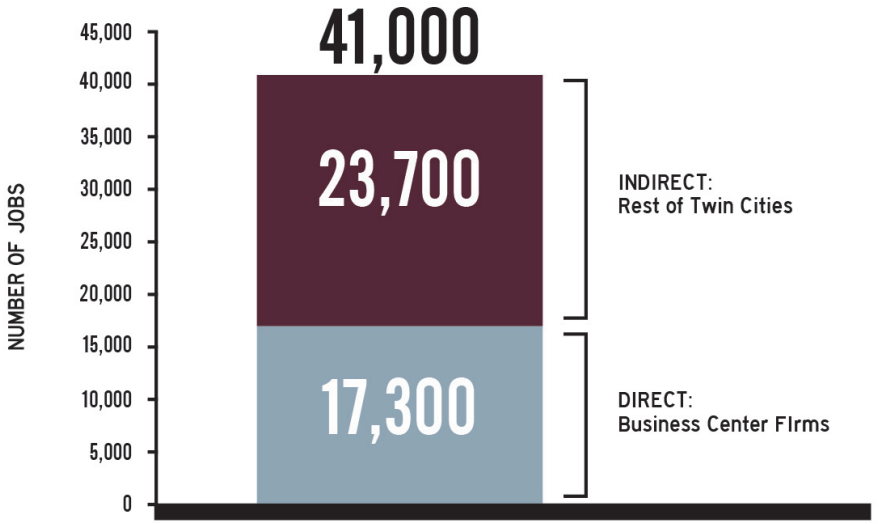


FIGURE 8. Industrial Job Creation from Port Authority Business Center Firms, 2011
SOURCE: Bureau of Economic Analysis, ICIC analysis

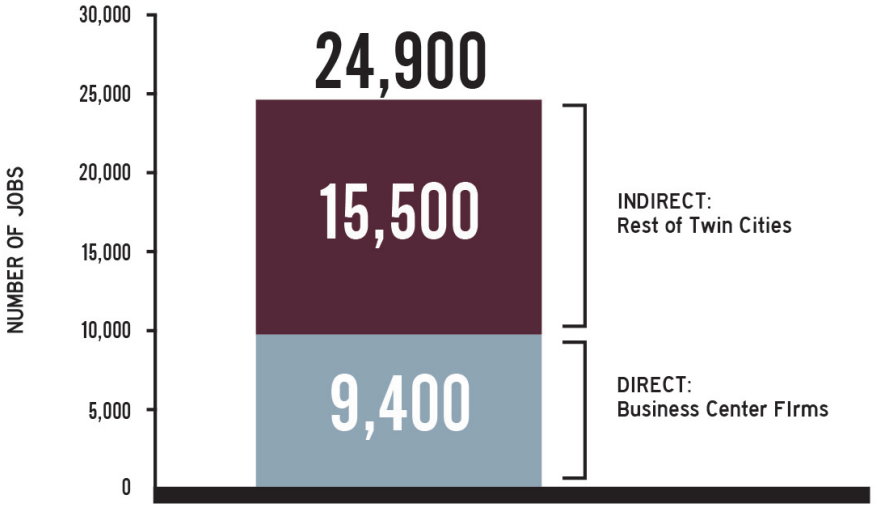


FIGURE 9. Diagram of Indirect Job Creation Driven by One Industry
SOURCE: Interface Studio

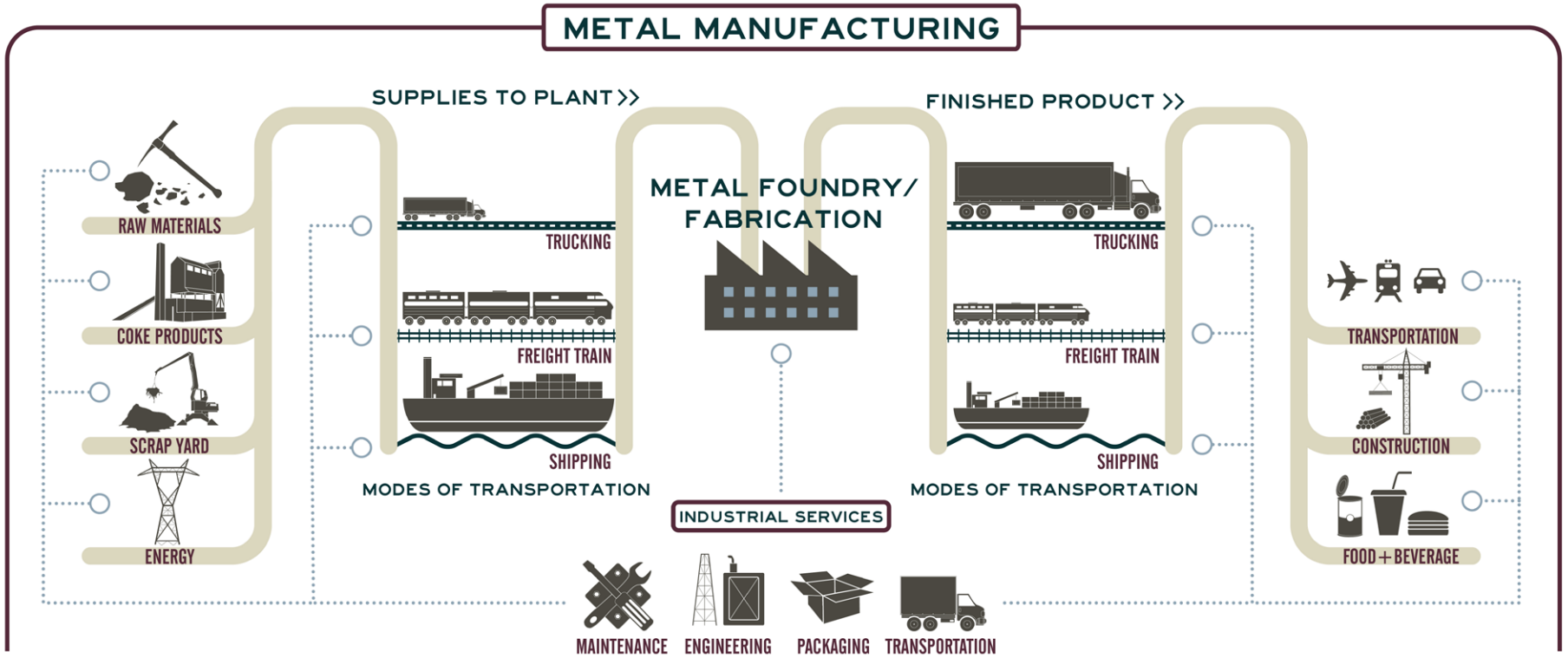


Figure 8 examines only jobs located in the Port Authority's Business Centers that are classified as industrial. After adjusting for double-counting, these 9,400 jobs lead to an additional 15,500 jobs for the rest of the region, resulting in a total impact of nearly 25,000 jobs.

As the figure shows, every industrial Business Center job yields roughly 1.6 additional jobs in the region; this is approximately 20 percent greater than the figure for all jobs in Business Centers and nearly 60 percent higher than the corresponding number for non-industrial jobs.[28] Overall, this indicates a significantly higher return on investment associated with industrial job creation, with nearly 0.6 additional jobs derived from industrial employment as compared to non-industrial job creation.

28 Non-industrial activity comprises the majority of economic activity in Saint Paul and nationally; among the key sectors classified as non-industrial are retail, health care, education, finance, food services, and various professional services.

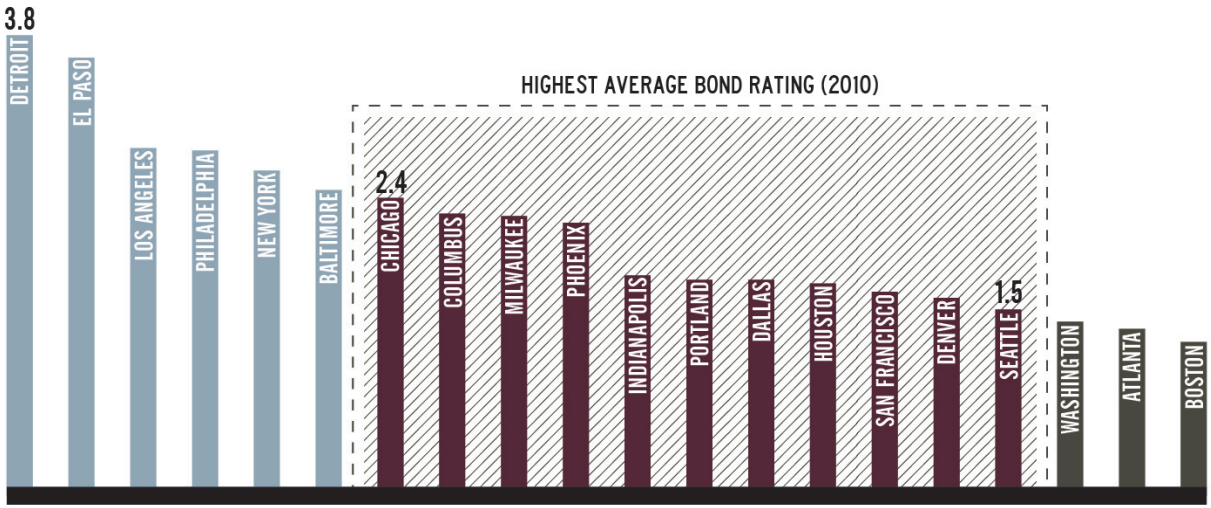
FISCAL IMPACT ANALYSIS

As cities struggle with their finances in an extremely challenging economic and political environment, it is more imperative now than ever that long-term fiscal viability be an emphasis for policymakers. One important question that faces every city in its attempts to achieve this goal is how best to balance residential and commercial development, as well as to understand where industrial activity fits into this mix. In order to better understand this, we analyzed and modeled the fiscal implications associated with various activities in Saint Paul.[29]

A key principle that emerges from an examination of national trends is that fiscally healthy cities must avoid becoming overly reliant on residential development. To this end, Figure 10 shows that the ratio of population to employment in selected major cities across the U.S., using bond ratings to represent cities' fiscal health. The cities to the left of the shaded area tend to be disproportionately residential, while those to the far right are more heavily skewed towards employment. It is the cities the find the appropriate balance, generally indicated by residential population that is somewhere between 1.5 and 2.4 times greater than employment, that tend to be the most fiscally healthy. While Saint Paul would currently fit into the shaded section of the chart, it remains important for city leaders to continually monitor the balance between job creation and residential growth in order to ensure continued fiscal health.

29 We worked with numerous local and regional officials, including Cecile Bedor, Director, and Luis Pereira, Senior City Planner at Saint Paul Planning and Economic Development (PED); as well as Robb Luckow of Hennepin County. Our basic framework was a model developed by Luis and Robb.

FIGURE 10. Population to Employment Ratios for Selected Cities, 2009
SOURCE: U.S. Census, Moody's, ICIC analysis



To estimate the impact of different activities on fiscal outcomes, costs and revenues in Saint Paul were analyzed, using additional studies and the project team's research in order to better understand the impact of residential and employment growth on fiscal conditions in the city.[30] Based on a range of scenarios, we found that on average, existing industrial activities generate significantly more in revenue than they consume in city services. As shown in Figure 11, we estimate that industrial activity consumes only $0.60 to $0.70 in city services for every $1.00 in revenue that it generates. Note that the impact of visitors on city costs on city services is not accounted for, meaning that each the cost per dollar of revenue may be overstated across each of the three categories in Figure 11.[31] While the impact of excluding visitors on each type of development is identical, the relative cost of each is not affected; in other words, it is possible that residential activity generates more revenue than it consumes but it will remain roughly 50 to 90 percent more expensive per dollar of revenue than industrial activity.

30 Details about sources and methods can be found in the technical appendix on this topic.

31 Note that the impact of visitors on Parks and Recreation costs is likely negligible, as large regional parks in Saint Paul (accounting for roughly half of the city's parkland) are operated by the Metropolitan Council. The rest of the city's parks are classified by Parks and Recreation as having limited service areas (Source: Saint Paul Parks and Recreation Vision Plan, http://www.stallionpublishers.com/demos/US/Brad/714/714/default.html).

In order to better understand the underlying drivers of these numbers, we examined some of the primary revenue sources underlying the $553 million Saint Paul budget. Selected tax rates that contribute to this total are shown in Figure 12, along with their relative rank in comparison to cities/counties for which comparable rates are available. Saint Paul's relatively low residential and non-industrial revenues can be explained at least in part by these numbers. The absence of an income tax and very modest local sales tax limit the revenue potential associated with non-industrial activities like retail and personal services. In addition to the rates shown in Figure 12, revenue generation in Saint Paul is affected by significant franchise fees, which shifts the tax burden towards large energy consumers, typically comprising commercial (especially industrial) users. Additionally, state commercial property taxes in Minnesota are third-highest in the nation, with an effective rate of 4.7%, placing an additional tax burden on businesses throughout the state and across various sectors of the economy.[32]

Meanwhile, on the cost side, there are numerous explanations for the fact that industrial generates a significant budget surplus when compared to residential. From a city expenditures standpoint, demand for police services, for example, tends to come from city residents or places where people

32 Michael A. Pagano with David Perry. Financing Infrastructure in the 21st Century: "How Did I Get Stuck Holding the Bag?" Prepared for CEOs for Cities, May 12, 2006. http://www.uic.edu/cuppa/gci/publications/workingpaperseries/pdfs/PAGANO%20AND%20PERRY.pdf

FIGURE 11. Ratios of Expenditures to Revenue, 2011

SOURCE: ICIC analysis

NOTE: The range represents a number of scenarios; a baseline (most conservative) set of assumptions; one that moves more revenues to residential; and one that moves more expenditures to residential.

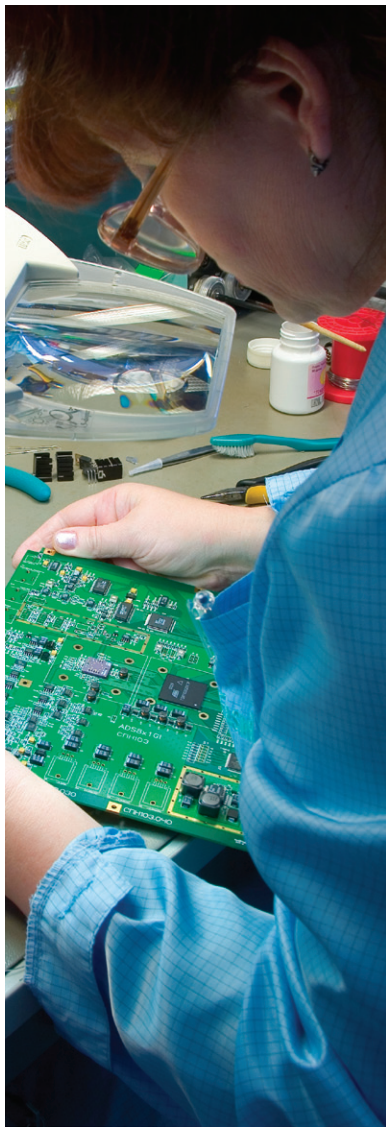
DEVELOPMENT TYPE	EXPENDITURES ASSOCIATED WITH EVERY DOLLAR OF REVENUE
Residential	$1.06 - $1.15
Non-Industrial	$0.77 - $0.94
Industrial	$0.60 - $0.69

FIGURE 12. Selected Effective and Actual Tax Rates for Saint Paul, 2010

SOURCES:

1) Minnesota Taxpayers Association. *Minnesota Property Tax Effective Rates, Payable 2010*, January 2011.
2) Joseph Henchman and Jason Sapia. *Local Income Taxes: City- and County-Level Income and Wage Taxes Continue to Wane,* Tax Foundation Fiscal Facts No. 280, August 31, 2011.
3) The Metropolitan Council. *Fiscal Disparities in the Twin Cities*, May 2011.
4) Minnesota Department of Revenue. *Local Sales and Use Taxes*, Sales Tax Fact Sheet 164.

TYPE OF TAX	RATE	RANK
COMPOSITE PROPERTY TAX RATE*		
Homestead	1.20%	11th of 87 counties
Non-Homestead	1.36%	21st of 87 counties
Farm	0.92%	3rd of 87 counties
Commercial/Industrial	3.15%	15th of 87 counties
Apartment	1.51%	41st of 87 counties
INCOME	0.00%	n/a
SALES + USE	0.50%	Equal to 19 of 22 cities/counties



congregate, such as retail establishments; generally speaking, industrial demand for police services is much lower. And fire department calls typically come primarily from city residents; interviews that the Saint Paul Planning and Economic Development (PED) team conducted with fire officials indicated that 80% of calls were for Emergency Medical Services (EMS), and that the elderly are five times as likely to need these services, imposing significant costs. So while industrial firms help to pay for these services, they account for only a small share of their costs. While the expenditures associated with road wear are typically more pronounced for industrial activity, this is a relatively small cost when compared to other city expenses.

The finding that industrial activity is usually beneficial from a fiscal standpoint is consistent with studies from across the country. An examination of similar analyses in other cities showed a clear pattern of industrial activity resulting in the lowest ratio of expenditures to revenue, based at least in part on many of the reasons described above.[33] While there are cases when industrial does not pay for itself, this tends to happen when low-cost industrial space contributes little in terms of property taxes, which is not the case in Saint Paul.[34]

33 Examples of such studies include the following: 1) Larry DeBoer. A Cost of Community Services Study for Indiana Counties and School Corporations, Purdue University, September 2010; 2) Tischler & Associates: Prototype Land Use Fiscal Impact Analysis: Prepared for Anchorage 2010. June 30, 2010; 3) Tischler Bise: Cost of Land Uses Fiscal Impact Analysis: Prepared for the City of Champaign, Illinois, May 2009; 4) Tischler Bise: Cost of Land Uses Fiscal Impact Analysis: Prepared for the City of Lawrence, Kansas, March 10, 2006.

34 Based on an interview with Julie Herlands, a Principal at Tischler Bise.

Within the Twin Cities, the Metropolitan Council has conducted its own fiscal impact study, the results of which were quite favorable toward industrial in a number of localities.[35] This underscores the importance of recognizing the opportunity that industry affords in not only creating jobs for residents, but generating revenue for the city without requiring the expenditure levels associated with residential and even other commercial development. As such, it is clearly in Saint Paul's best interest to promote and support industrial firm and job creation throughout the city. Doing so is a rare win-win proposition when it comes to managing a budget. Not only will additional revenue be generated for the city, but it will do so with fewer of the costs associated with residential or non-industrial development, all the while creating opportunities for residents of the city and region to access good-paying jobs, benefitting them and keeping the city's population to employment ratio on par with those cities shown in Figure 12 to be in good fiscal standing.

35 Metropolitan Council. The Fiscal Impact of Growth on Cities: Twin Cities Metropolitan Area. October 16, 2001.

SAINT PAUL'S INDUSTRIAL REACH

Based on industry classifications defined by the Institute of Strategy and Competitiveness at Harvard Business School, the study team was able to classify firms and jobs in Saint Paul as serving a global, regional, or local (i.e. neighborhood) market.[36] Using industry-level employment data for 2009, we were also able to break down Saint Paul employment – both industrial and non-industrial – by the geography that firms serve. The results are shown in Figure 13.[37]

While locally-serving firms employ just under half of the Saint Paul workforce, it is interesting to note that these firms are overwhelmingly non-industrial in nature, including activities like retail, health care, and personal services, all of which are very much locally based. However, industrial jobs in Saint Paul are associated with a much more diverse customer base, split relatively evenly among local, regional, and global demand. This has numerous implications: for one, it means that the industrial economy is better protected in the event of a local shock, such as a rapid decline in housing prices.

In addition, because firms that serve a global and regional market tend to provide higher paying – albeit relatively less accessible – jobs, the opportunities generated by modern industrial growth are more likely to be high-quality, good-paying ones. Yet there remains a strong presence of locally-serving PDR firms, which play an important role in urban and regional economies.[38] With their customer base located within the Twin Cities region (and frequently within a specific neighborhood), it is possible that such firms may be less footloose. As such, under the right operating conditions, those firms can help to create a stable base of industrial activity in Saint Paul, which would lead to jobs with low barriers to entry that are also resistant to pressure to move out of the city and region.

Yet the relatively high share of regional and global industrial firms as compared to the rest of the economy also indicates significant growth potential and the opportunity for workers who hone their skills at local companies, becoming part of a larger pipeline of workers who can access career ladders. On the whole, the data show that industrial firms in Saint Paul provide workers with significant opportunities that span the spectrum of wages and accessibility, leading to increased mobility and advancement potential. In concert with appropriate workforce development strategies, these characteristics of Saint Paul's industrial economy make it a critical component of any effort to grow the city effectively, equitably, and sustainably.

FIGURE 13. Market Served by Job Type, 2009

MARKET SERVED	LOCAL	REGIONAL	NATIONAL/GLOBAL	TOTAL
Industrial	10,800	11,800	9,700	32,300
SHARE OF TOTAL:	33%	37%	30%	
Non-Industrial	64,200	27,700	29,400	121,300
SHARE OF TOTAL:	53%	23%	24%	

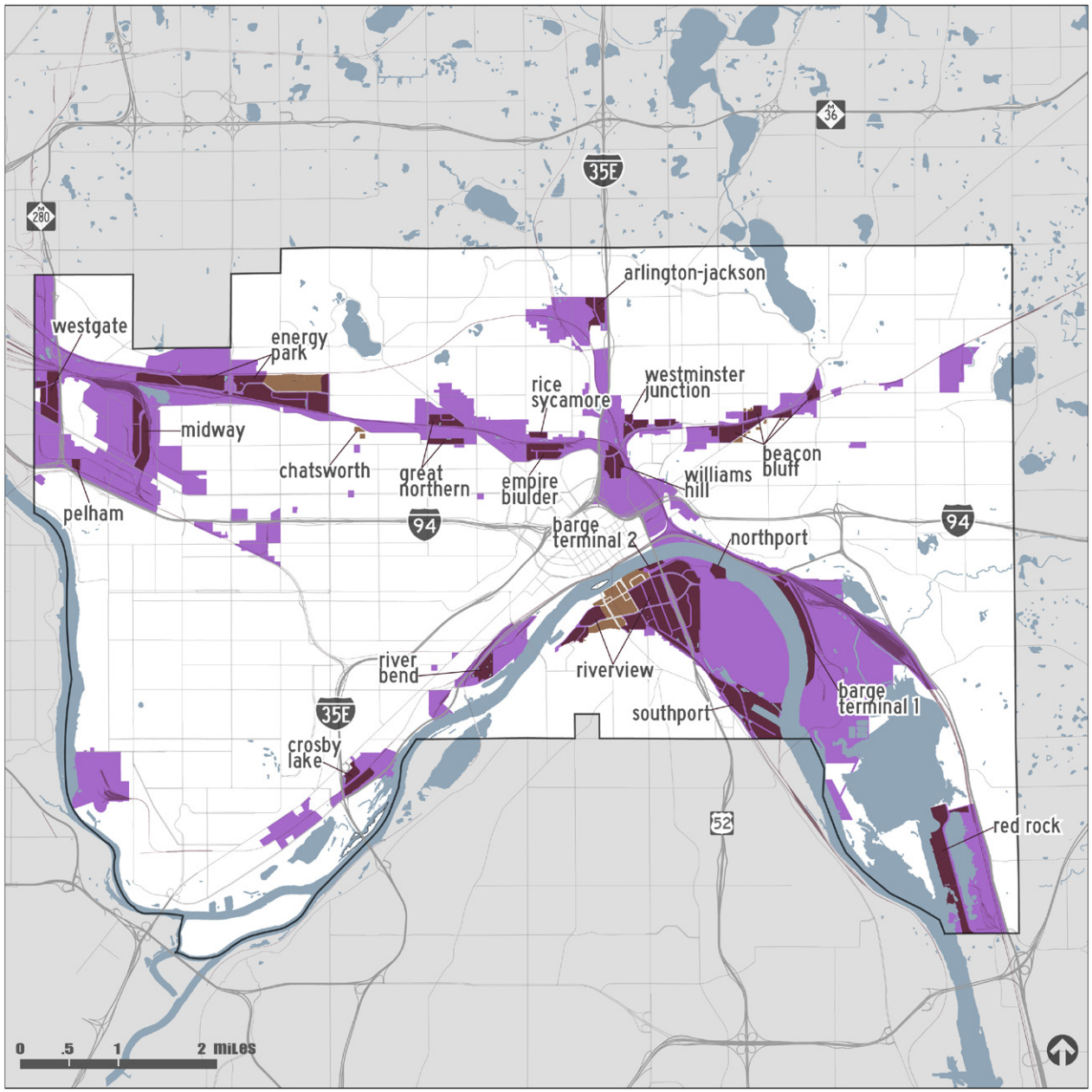
36 While the optimal approach would obviously involve an analysis of every Saint Paul firm's customer base, this would be extremely labor intensive and inefficient.

37 Note that total employment is slightly lower across these categories than the actual total. This is because a small number of jobs are classified as not fitting into any of the market categories above.

38 ICIC has studied this topic in detail, courtesy of a grant from the Surdna Foundation.

3 THE GEOGRAPHY OF INDUSTRY IN SAINT PAUL

FIGURE 14. Saint Paul Industrial Zones
SOURCES: ESRI, U.S. Census, City of Saint Paul, Interface Studio



Saint Paul Port Authority Business Center (Industrially Zoned)

Saint Paul Port Authority Business Center (Non-Industrially Zoned)

Industrial Zoning

Lakes, Rivers, Ponds

Freight Rail & Railyards

3. THE GEOGRAPHY OF INDUSTRY IN SAINT PAUL

INDUSTRIAL ASSETS

Saint Paul boasts a rich combination of resources that make it a prime location for industrial activity. Some of the key assets are described below:

GEOGRAPHY

Saint Paul's unique north-central geography and access to the interstate highway network is a significant advantage for many firms. A number of Saint Paul firms interviewed for this study revealed "pin maps" of their client bases and distribution markets. Such maps typically encompassed a 500 mile swath surrounding the Twin Cities, including major metropolitan markets such as Kansas City, Milwaukee, and Chicago, western markets in the Dakotas and beyond, and many major Canadian ports and metros. Saint Paul is also located just 150 miles from the Port of Duluth which, like the Saint Paul Harbor, provides marine freight access to the Atlantic.

FIGURE 15. North-Central Context
SOURCE: Interface Studio

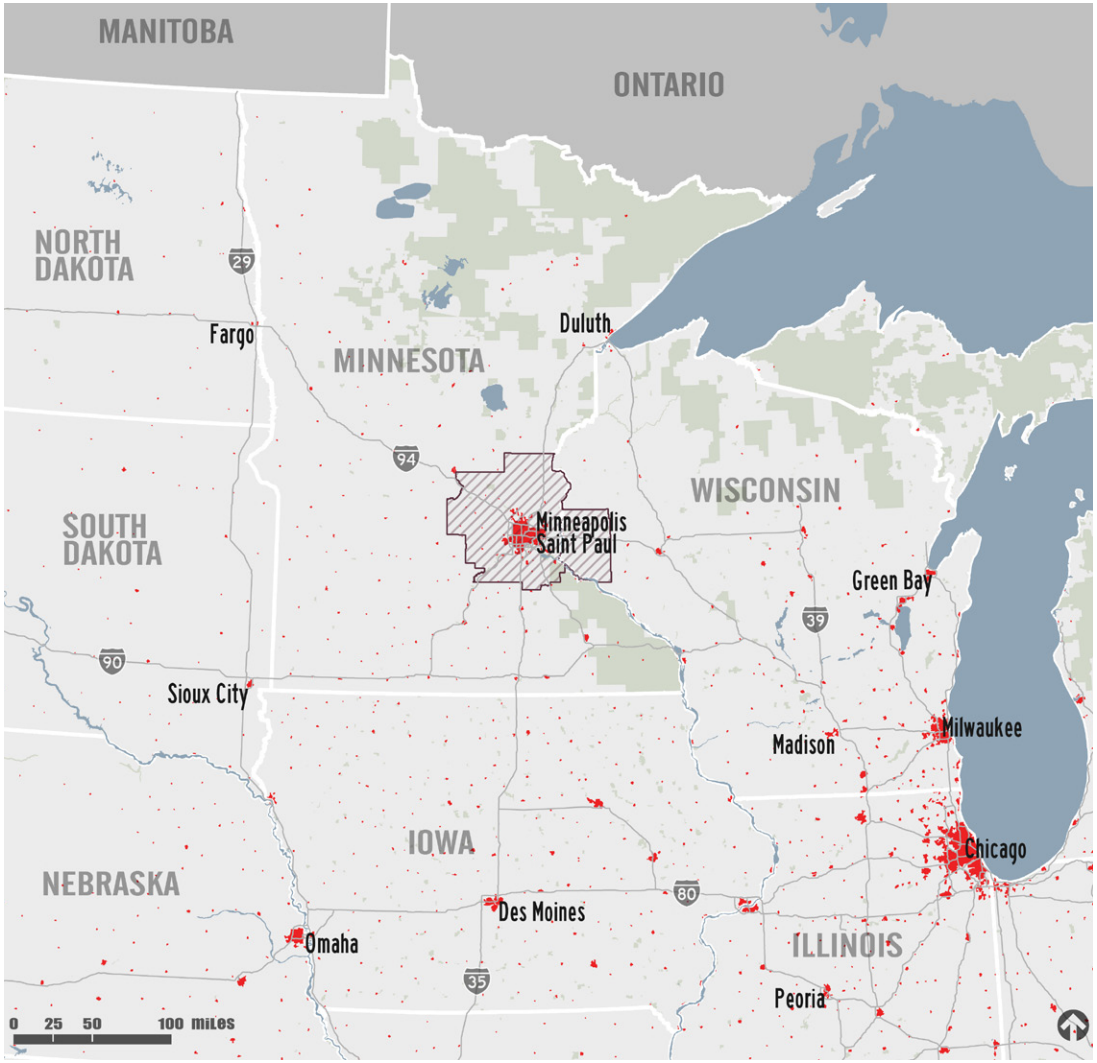
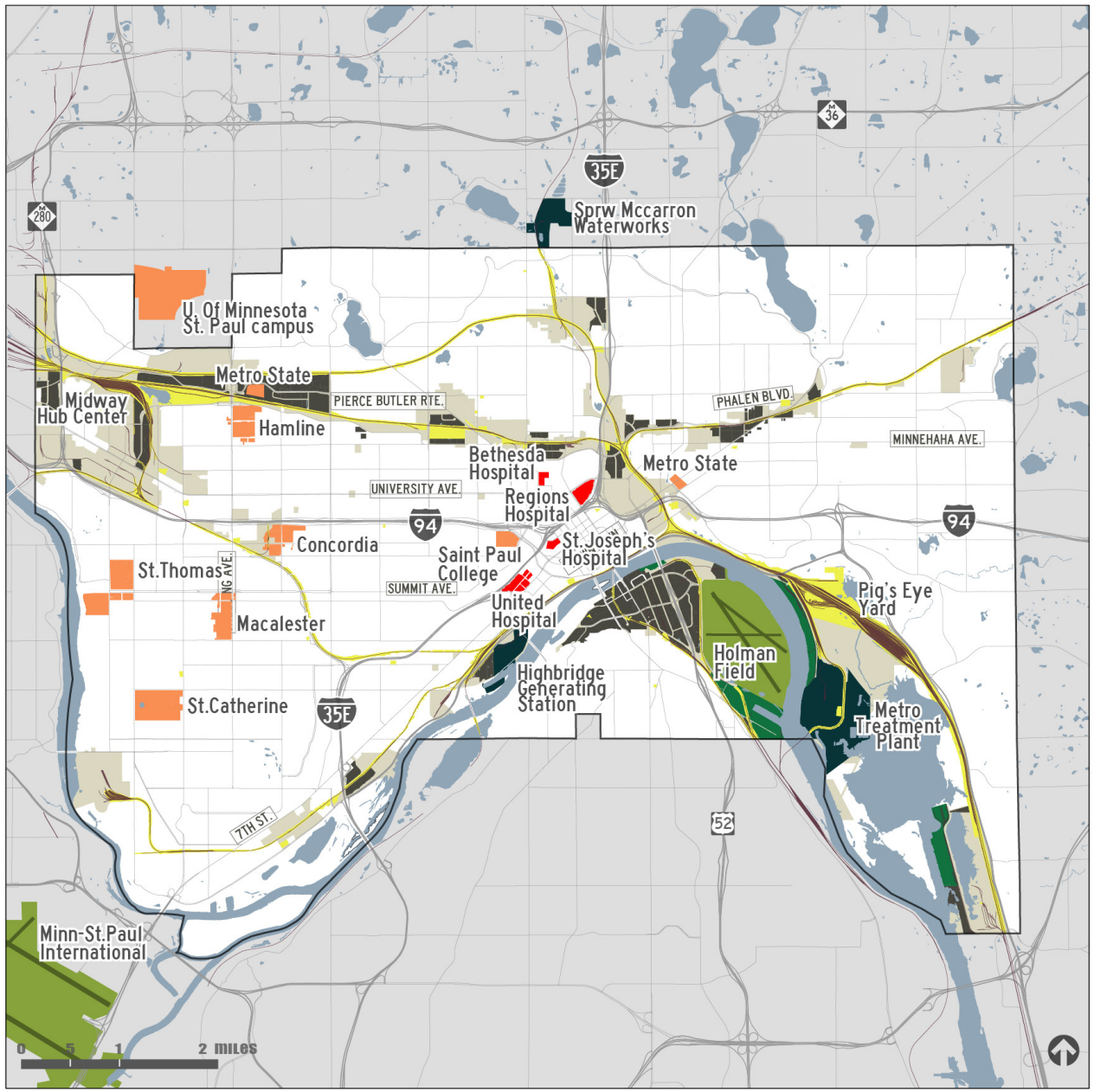


FIGURE 16. Saint Paul Assets to Industry
SOURCES: City of Saint Paul, Interface Studio



INDUSTRIAL LAND

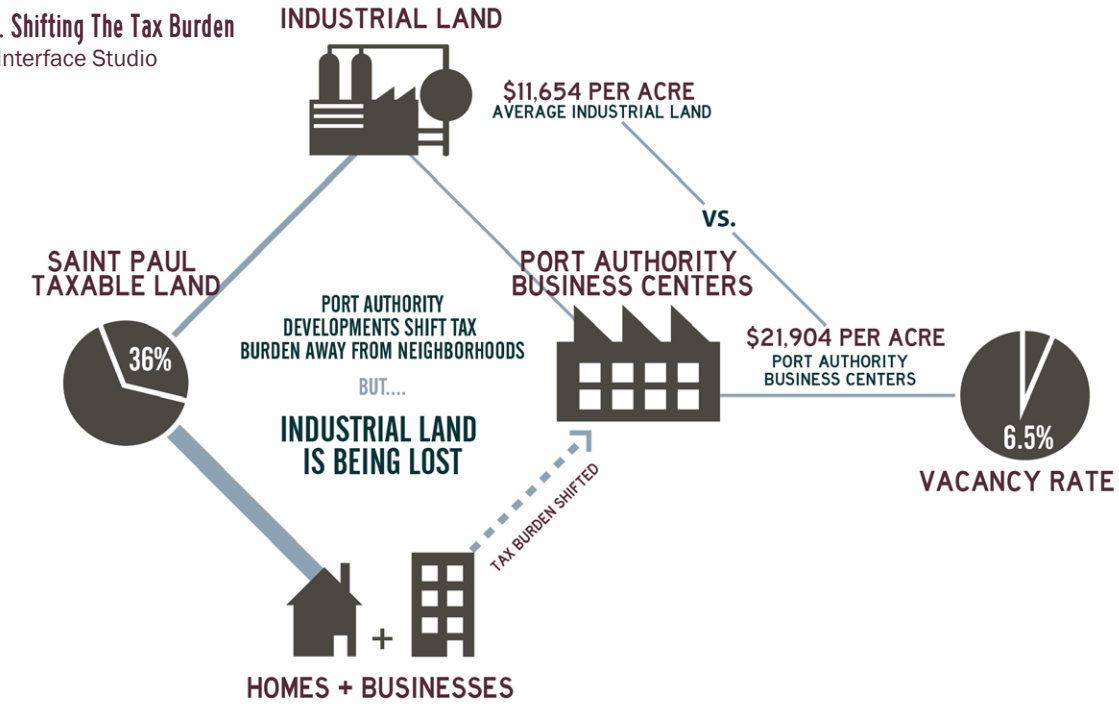
While land availability is a relative asset in Saint Paul, it remains an ongoing challenge, as in every large city, for the proponents of industry. On one hand, the city has significantly more land available for industrial development than neighboring Minneapolis, which has seen its industrial land base decline in recent years in the face of residential development and increased pressure on existing land. More recently, with the elimination of 3M's Saint Paul manufacturing plant and administrative offices over the past decade, as well as the December 2011 closing of the city's Ford plant, a select few large industrial parcels do exist on the east and west side of the city. While it would not be realistic to expect the Ford site, for example, to remain fully industrial, it is important to promote at least some new industrial development there.

However, the Port Authority, which has in recent years redeveloped over 226 acres of contaminated brownfields for productive uses, faces significant constraints in further assembly of marketable industrial property in Saint Paul. Because the parcels located in Port Authority Business Centers generate roughly $22,000 in tax and assessment revenue per acre, while the rest of the city's taxable parcels account for less than $12,000 per acre, there are significant long-term implications for the city if industrial land is not adequately protected.

Former Ford Plant

Former 3M Warehouse

FIGURE 17. Shifting The Tax Burden
SOURCE: Interface Studio



Freight Rail & Yards

Saint Paul is home to three Class I Railroads: BNSF Railway, Union Pacific, and Canadian Pacific.[39] Because of this, freight rail transportation is quite accessible to firms in Saint Paul, and was cited by numerous firms during the course of our research. This is important to the economy of the entire city and region, but specific types of firms, in particular those that are involved in or rely heavily on logistics, benefit from access to rail.

Meanwhile, broader trends indicate that rail is increasing in importance in today's industrial economy. Intermodal transportation is becoming more and more important, allowing firms to utilize rail for long haul freight movement. In addition, rail transit is growing in popularity due to its energy efficiency, especially in light of sustained high fuel prices. One interviewee mentioned that the threshold at which rail becomes less costly than trucking has dropped from 1,000 miles to 600, which obviously makes Saint Paul's strength in rail increasingly relevant. Some studies suggest that this number is even lower, including one that shows a breakeven threshold in the range of 300-350 miles based on current diesel fuel prices.[40]

Marine Terminals

Use of the Mississippi River for shipping and barging purposes is critically important to a number of industries, and the river has long been a vital asset for moving food and grain.[41] The river has played and continues to play a key role in the import and export of agricultural commodities to and from the region. The movement of steel also takes place largely on the river, as it provides cost-effective access to mini-mills in the South. A number of industrial firms use marine terminals for bulk transport of goods in combination with rail, depending on diesel prices, again reflecting the importance of intermodal transportation.

In fact, most of Saint Paul's industrial base is located in close proximity to rail or the river. Although this locational pattern is partially a legacy of the city's industrial past, the river remains vitally important to many industries today (in addition to the commodities described above, river terminals today handle a variety of materials including pig iron, scrap, coke, salt, fertilizer, wood pulp, and aggregate for concrete production); in light of the Panama Canal expansion that is currently being completed in the coming years, it is likely that water transport will increase in importance globally, with effects being felt throughout cities that rely on the Mississippi River, including Saint Paul.

Airports

Another important transportation asset is the presence of a major international airport in the region and a smaller downtown airport in Saint Paul. Minneapolis-Saint Paul International (MSP), located just south of Saint Paul, is a major passenger hub that generates a great deal of economic activity. Meanwhile, Saint Paul Downtown Airport (also known as Holman Field), while relatively small, is frequently used by executives and could potentially serve as a selling point for firms looking to locate or expand in the city. Because the corridor surrounding the airport – which includes the Riverview Business Center – is often one of the first places in Saint Paul that the executives who use Holman Field are exposed to, investments that address the surrounding infrastructure and aesthetics could be beneficial to the city's image, especially within the business community.

39 Minnesota Department of Transportation. Twin Cities Area Freight Railroad Map , July 2009. http://www.dot.state.mn.us/ofrw/maps/MetroRailMap.pdf

40 Impact of High Oil Prices on Freight Transportation: Modal Shift Potential in Five Corridors. Transportation Economics & Management Systems, Inc. (TEMS). October 2008. http://www.marad.dot.gov/documents/Modal_Shift_Study_-_Technical_Report.pdf

41 Based on information from an ICIC call with Lee Nelson, CEO of Upper River Services and a conference call with Port Authority staff.

Anchor Institutions

Educational Institutions

Among large cities in the U.S., only Boston is home to more colleges and universities per capita than Saint Paul.[42] The University of Minnesota, the nation's fourth-largest four-year university in terms of enrollment,[43] is located in the region's urban core, with campuses located in both Minneapolis and Saint Paul. In addition to the University of Minnesota, Saint Paul is home to an additional 16 institutions of higher learning.[44] This includes Saint Paul College, a renowned junior college that works closely with the business community to provide workforce training and development opportunities and was recently ranked the top community college in the nation by Washington Monthly.[45]

The high educational attainment figures associated with the city and region described earlier are related at least in part to this strong university presence. In addition, the prevalence of educational and medical institutions contributes to high levels of regional innovation, as covered in the discussion of regional trends. A key challenge facing local leaders is to be able to convert this activity into business and job creation by encouraging commercialization of local innovations.

Medical Institutions

The city is also home to major medical centers, some of which maintain close ties with the University of Minnesota and other area universities. Hospitals account for approximately 10,000 jobs in Saint Paul – as a share of the total economy, this is roughly 40% higher than the corresponding figure for the U.S. In addition to direct job creation benefits, this helps to promote regional strengths in medical devices and biopharmaceuticals. Near downtown Saint Paul are United Children's Hospital; Regions Hospital, which is home to Gillette Children's Hospital; and two HealthEast Care Campuses – Saint Joseph's and Bethesda Hospitals. University Enterprise Labs, in the Port Authority's Westgate Business Center in the Midway area of Saint Paul, is a unique collaborative research center and early-stage biosciences firm incubator that provides wet lab and office space, as well as invaluable business and technology commercialization guidance.

Corporate Headquarters

The 13-county Twin Cities MSA is home to an unusually large number of Fortune 500 headquarters, as described earlier. In many ways, these headquarters behave more like "anchor institutions" (a term typically associated with universities and hospitals) than in other parts of the country in that they are homegrown and heavily invested – both literally and figuratively – in the region, and would find it difficult and/or highly undesirable to relocate.

These headquarters represent an opportunity for industrial firms because of their locations – they are found almost without exception along the Twin Cities' primary freeways and "beltways." This means that firms located within this "ring" are ideally positioned to provide goods and services to some of the world's largest corporations – many of which could themselves benefit from a more strongly integrated local economy, in particular if links between urban businesses and suburban headquarters are strengthened.[46]

Saint Paul Port Authority

Any discussion of assets must include the Saint Paul Port Authority itself, which finances the creation and retention of job-producing uses within its 22 Business Centers across the city.[47] The Port Authority's Business Centers are home to 1,300 acres of industrial business activity, nearly a quarter of the city's total inventory of industrially-zoned land. Apart from its namesake operations on the city's Mississippi River port terminals, the Port Authority is also the largest single redeveloper of brownfield sites in Saint Paul. The presence of a steward of industrial land is unique among cities with an active industrial base, both in its focus on re-developing brownfields for productive use, and its emphasis on the jobs and tax base that industrial activity provides. Businesses benefit directly through the development of clean, modern, centrally-located and well-managed Business Centers, but also indirectly through the presence of an organization that represents their interests at the local and state government levels.

42 http://www.stpaul.gov/DocumentView.aspx?DID=5871

43 Per U.S. Department of Education figures.

44 http://www.stpaul.gov/DocumentView.aspx?DID=8649

45 http://www.washingtonmonthly.com/college_guide/rankings_2010/community_colleges.php

46 The Itasca Project, an employer-led initiative consisting of roughly 40 private sector CEOs committed to strengthening the Twin Cities' competitiveness has examined this topic.

47 This count considers the four Beacon Bluff sites (3M, E 7th, Globe and Griffin) as one Business Center.

OVERVIEW OF PORT AUTHORITY'S BUSINESS CENTERS

The Port Authority's Business Centers play a key role in fostering industrial growth in Saint Paul. As mentioned previously, these centers are located on converted brownfield sites, which have been transformed into engines of local industrial growth that result in job creation opportunities.

Generally nestled within larger industrially zoned areas, these 22 Business Centers support a diverse and modern industrial base in the city. There is significant variation across business centers in terms of age, size, and location within the city. In terms of functionality, some Business Centers are home to one primary use while others support a wide range of business and industrial uses. Typically, however, they are located near residential neighborhoods and buffered by infrastructure like rail, highways, or changes in elevation. Numerous Business Centers – in particular, those that were developed more recently – are designed to reflect the needs of businesses and promote an identity that can be embraced by Business Center firms and the city alike. This often entails creating a sense of place within each.

Saint Paul Port Authority Development at the former headquarters of 3M in Saint Paul, now known as Beacon Bluff

The broader impact in terms of job creation associated with these Business Centers was described in the previous chapter. Selected Business Centers (with an emphasis on those that have received more attention recently) are described in more detail below in order to provide a sense of the conditions, challenges, and opportunities associated with these key assets. Findings are based on a combination of Port Authority data, site visits, and stakeholder interviews.

RIVER BEND

Located at Shepard Rd. and Randolph Ave., River Bend is surrounded primarily by industrially zoned land and the Mississippi River. Yet this 22 acre site also provides an example of industrial activity successfully co-existing with residential. North of the Smith Avenue High Bridge is new, dense housing overlooking the river and a recreational trail. Activity along the trail tapers off near the industrial land south of the Bridge. The Business Center is partially undeveloped but a large Port Authority parcel is under construction, which will allow empty land to be transitioned to active use.

CHATSWORTH

Construction at this site, located at Chatsworth Blvd. and Pierce Butler Route, began in the summer of 2011. This 4.1 acre Business Center will be home to an office-flex space building on the site of a former bowling alley; the building will house wholesalers of imported goods. Geographically, it is surrounded by a residential neighborhood to the west, denser public housing to the east, and distressed properties to the south. North of Pierce Butler is an established and mostly occupied industrial area that abuts the rail corridor, leading to potential complementarity.

New industrial development under construction at Chatsworth

Modern business & industrial development in River Bend is well manicured adjacent to the riverfront trail

SOUTHPORT RIVER TERMINAL

To the south of Saint Paul Downtown Airport – Holman Field, Southport River Terminal is home to firms that currently process, among other items, recyclable materials and chemicals, including those used for water safety and improvement. These processes, and the Business Centers adjacency to rail, make Southport a vital resource for the long-term viability of industry in Saint Paul.

Although the Business Center was established in 1964, significant modernization has taken place, especially in recent years. In 2010, the Port Authority completed the installation of a new dock wall along the Harbor split, better positioning adjacent firms for increased activity and job creation, while also helping to prevent soil erosion. In addition, significant wetland upgrades have included the installation of new rain gardens to capture runoff, and the modernization of stormwater management, likely saving Saint Paul significant money in fines. An easement was also negotiated along the Union Pacific rail for a trail on behalf of the Parks Department.

These significant investments have resulted in numerous benefits, including an expansion of Harbor capacity, which has resulted in far-reaching benefits to the city and region.

Southport and Saint Paul Downtown Airport - Holman Field

The Port Authority has recently completed a new dockwall along the Harbor split

RIVERVIEW

The Riverview Business Center is the Port Authority's largest in terms of acreage, located just across the Mississippi River from downtown. It is home to industrial and non-industrial sites, including the Comcast office building. With 11.5 available acres – 13.2 including underutilized parking lots – opportunities exist to further grow industry in this Business Center.

Geographically, Riverview is adjacent to Highway 52, which extends over the river via the Lafayette Bridge, and is directly west of Saint Paul Downtown Airport – Holman Field. A complete reconstruction of the bridge is underway, which should benefit Business Center firms, although the current frontage roads to Highway 52 are tight, creating a barrier to industrial and commercial development. If the city was to focus on improving these roads, that in combination with the availability of land would provide the best path to continued growth at Riverview.

RIVERVIEW WEST

Established in 1962, Riverview West represents the Port Authority's first foray into inland industrial redevelopment. Adjacent to Riverview, this Business Center is home to a 500,000 square foot U.S. Bank facility that was built in 2001. Currently, Riverview West contains a mix of industry, institutions, medical office space, retail, and parking. Industrial uses are focused primarily along Plato Blvd., and Fillmore Ave./Water St., with Robert St. home largely to non-industrial uses. North of Water St., new facilities are being built to replace the trailers that currently occupy the area. A key asset for firms in Riverview West is an active rail line that is used by some tenants south of Plato Blvd; in other locations, however, old rail spurs dead end into grassy lots.

Despite the volume and variety of activity taking place within the Business Center, surrounding infrastructure is lacking. Nearby roads are in poor condition, lacking basic amenities like sidewalks, and chain link fencing is quite prevalent. Despite this, the location of the Business Center makes it quite desirable from a real estate perspective. As a result, there has been recent pressure on nearby land, including a proposed project called The Bridges of Saint Paul, which would have resulted in significant residential, hotel, and retail development along the West Side Flats, a largely vacant area north of Plato. While this proposal was rejected by the Saint Paul Planning Commission, it does point to the type of pressures faced by Business Centers like Riverview West.[48]

Above, left: Proximity to downtown Saint Paul, Holman Field, and active freight rail are strong assets to Riverview
Above, right: Undeveloped land adajacent to new development in Riverview West

48 http://www.fmr.org/projects/bridges_of_st_paul/proposal

BEACON BLUFF

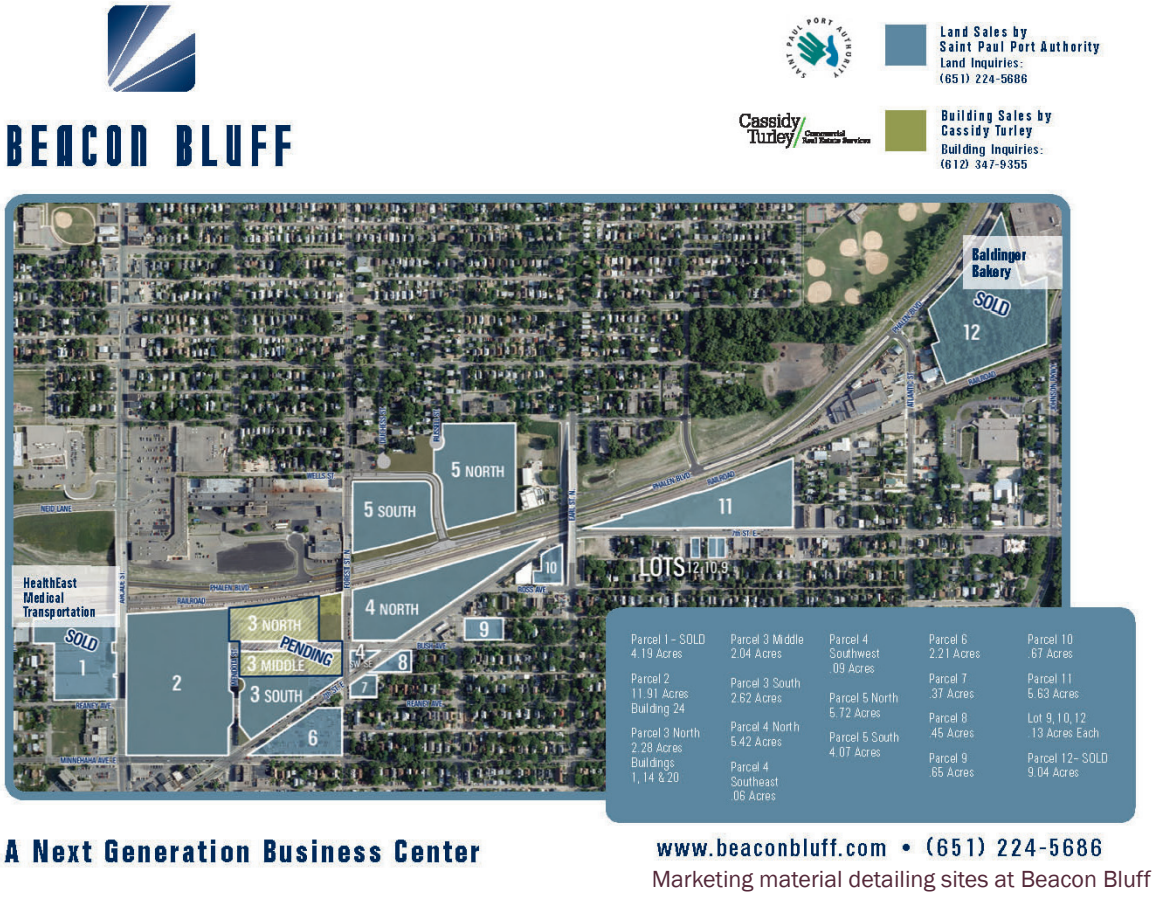
Beacon Bluff represents a relatively large and new Business Center, encompassing the Port Authority's largest jobs restoration effort in two decades. Located in the Dayton's Bluff neighborhood on the city's East Side, it consists of the formerly abandoned 46-acre 3M campus, along with 15 additional acres that the Port Authority already owns; the re-developed site of Globe Building Materials, which had decayed significantly; and Griffin, an adjacent site that is home to Baldinger Bakery, which has invested $30 million in upgrades.

The Beacon Bluff site is well-positioned with assets, including available land and proximity to transportation, including rail and highway. The key thoroughfare is Phalen Boulevard, which has historically been and remains a major east-west street in Saint Paul, providing access to the city and east metro, as well as Interstates 35E and 94. All Beacon Bluff parcels are located either on Phalen or within one block. While changes in elevation and grade along Phalen can cause the Business Center to appear disconnected, investments in nearby roads have helped to facilitate strong collaboration and access.

Former 3M Administration Building at Beacon Bluff

Currently, the Port Authority is involved in efforts to demolish a number of facilities on the site in order to open up additional possibilities for modern industrial facilities at the site. Building 24, the old 3M water tower, and a two-story structure on the south side of East Sixth Street – along with old utilities and blacktop -- would be removed in order to make the site buildable by 2012.[49] Additionally, the Port Authority has already installed a stormwater management system and is seeking additional infrastructure improvements. This effort should open up a variety of industrial opportunities for current and prospective Beacon Bluff businesses.

49 www.beaconbluff.com



Marketing material detailing sites at Beacon Bluff

MIDWAY/PELHAM

Midway is a 54-acre Business Center that was established in 1976; nearby Pelham is 5.2 acres and has been the subject of litigation around its future. Both sites are located within the larger industrial hub known as Midway. Since its beginnings in the 1800s as a freight transfer yard, Midway has had a long and unique history as an engine of industrial and manufacturing activity. Its strategic location in the region – part of Saint Paul, but adjacent to and easily accessible to and from Minneapolis – makes it a very attractive location for firms.

Midway is home to a range of distribution activities, some manufacturing and light industrial uses, warehouses and offices. Its geographic location makes it accessible via public transportation for workers. In addition, existing rail infrastructure provides a key strategic advantage for firms and freeway access to Interstates 94 and 280 create opportunities for businesses that rely on truck transport. In addition, the proximity of Midway to some of the region's largest and most prestigious universities, including the University of Minnesota, helps to attract firms, especially in those industries that require high levels of education and innovation, or those that supply educational (and other) institutions.

Pressure on land in these Business Centers has been increasing in recent years. Among the primary reasons for this has been the introduction of the Central Corridor light rail line along University Avenue, which includes three station stops: Westgate, Raymond, and Fairview. Partly as a result, mid-rise housing on University Ave. has become increasingly prevalent; in some cases, this has resulted in the conversion of buildings that were once home to industrial activity. On some streets, like Charles Ave., residential and industrial now co-exist in close proximity. This residential encroachment, not surprisingly, has led to inflated land values, increased traffic, and resistance to important new industrial activity. Nowhere has this been more pronounced than the Pelham site, over which the city of Saint Paul is being sued by Meridian, an industrial developer, for refusing to allow redevelopment of industrially zoned land due to new zoning and development guidelines, inspired by recent changes in Midway.

While the Saint Paul Planning Commission has appointed a West Midway Study Task Force to strike a balance between protecting industry and allowing for alternate uses, Midway remains one of the few sites that serves as a flash point of tension between advocates of industry and residential activity.

A range of land uses are found within and adjacent to the Port Authority's Midway Business Center

FIGURE 18. Midway / Pelham Opportunities & Challenges
SOURCE: Interface Studio

OPPORTUNITIES

1 FREEWAY & FREIGHT RAIL ACCESS
ready access to I-94 and 280 provide tremendous connectivity to the region; key intermodal center

2 DIVERSE, LEGACY INDUSTRIAL AGGLOMERATION
the history of industrial co-location has provided some land use certainty; strong base of industrial services

3 PROXIMITY TO CENTERS OF UNIVERSITY RESEARCH
most beneficial to the area's medical device firms; also provides ready access to skilled labor pools

CHALLENGES

A REDUCED TURNING RADII
likely to result from the placement of light rail down the middle of University Ave, hindering truck access

B ABRUPT CHANGES IN LAND USE
such as new high-density residential between University and Charles, directly abutting older industrial uses

- Saint Paul Port Authority Business Center
- I-1 Industrial Zoning
- I-2 Industrial Zoning
- Saint Paul City Limits
- Lakes, Rivers, Ponds
- Proposed Central Corridor Rail Stations

CHALLENGES TO INDUSTRIAL DEVELOPMENT

Despite the industrial assets and established Business Centers in Saint Paul that have resulted in jobs and tax revenue, there are a number of barriers to industrial development in the city.

RESIDENTIAL DEVELOPMENT ON INDUSTRIAL LAND

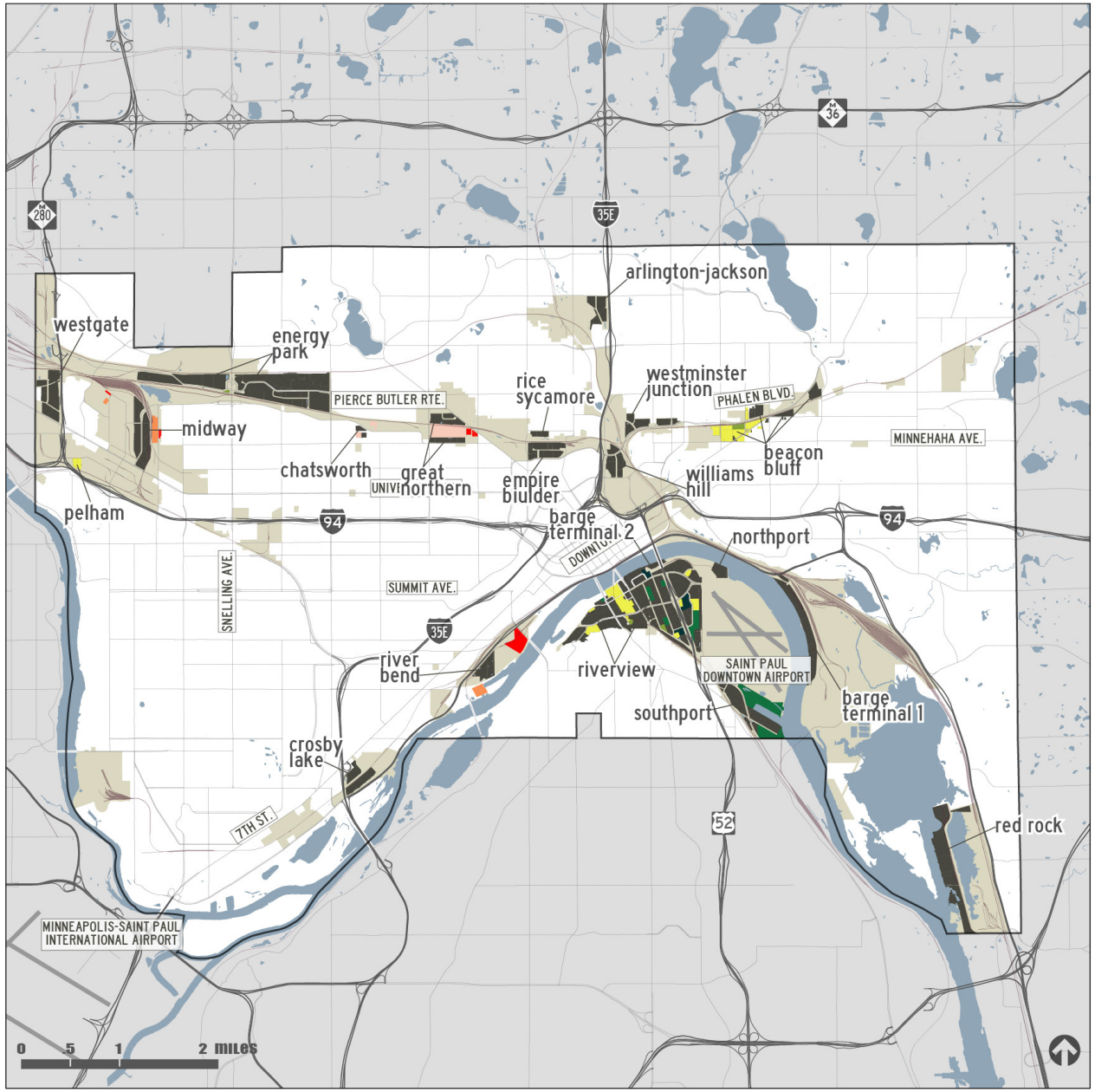
City economic development officials across the country have long relied on residential development as the key tool to drive growth. With this in mind, many cities have historically subsidized residential developers, given them preferential treatment, and/or allowed their plans to take hold on industrially zoned land. Among the reasons for this are the upside in terms of tax revenue (in particular, residential property tax revenue) should high-end housing attract wealthy new residents and the aesthetic appeal of such a plan, which typically entails additional park space and amenities. While residential activity is an important part of any economic development strategy, it can become a hindrance when such activity serves as a barrier to job creation opportunities. For one, as recent history has shown, housing is very vulnerable to short-term economic shocks, and those cities that relied heavily on residential in the past decade have been among those most damaged by the Great Recession. Furthermore, as discussed in the Fiscal Impact Analysis in Chapter Two, an overreliance on residential activity is tied to negative impacts on a city's fiscal health; on the flip side, industrial activity is an efficient means of increasing tax revenues without the costs associated with residential.

LAND AVAILABILITY

Saint Paul's inventory of industrial land for future development, while an asset, nonetheless presents challenges in that eligible parcels are limited and constrained. New ground-up industrial development requires access to critical infrastructure like highways and rail but also needs larger sites than are typically available in built-out cities. There are currently 85 acres of vacant land within Port Authority Business Centers, which represents only 6.5% of the total Port Authority inventory. An additional 95 acres within Business Centers are either partially vacant or consist of largely unused swaths of surface parking. While this indicates there is some land available for industrial redevelopment, the majority of that land is far from shovel-ready. Many sites will need infrastructure improvements and/or environmental remediation to make them market ready. Others are tied up because of zoning uncertainty. In order for new industrial development to occur, the market must know that zoning designations are definitive. As demonstrated through the success of cities across the country, strategic public intervention is necessary to create zoning certainty and provide supporting investments in infrastructure to stimulate private investment. For Saint Paul, this means ensuring that industrially zoned parcels are kept as such, that residential encroachment is minimized, and that the infrastructure around industrial land is maintained and/or improved.

This 22-acre vacant lot adjacent to U.S. Bank and overlooking downtown is a highly visible opportunity site within Riverview West

FIGURE 19. Vacant and Underutilized Land
SOURCE: Interface Studio



PORT AUTHORITY BUSINESS CENTERS
- Vacant Land
- Vacant Buildings
- Underutilized
- Underutilized Parking

NON-PORT AUTHORITY LAND
- Vacant Land
- Vacant Buildings
- Underutilized

- Saint Paul Port Authority Business Center
- Industrial Zoning
- Lakes, Rivers, Ponds

LAND ASSEMBLY

Assembling land for industrial development has always been difficult. It requires identifying sites that are largely unused and in the right location near infrastructure yet protected from residential competition. With the recent restrictions placed on the use of eminent domain, land assembly is even more challenging. Operating within these current realities limits the ability of the Port Authority to expand its land holdings or to create new, well managed Business Centers. It will be important, therefore, to maximize the value of the Port Authority's existing land and, where possible, promote the acquisition of additional industrial properties. This will lead to accessible, good-paying jobs, resulting in economic growth for the city and region that is far-reaching and equitable.

DESIGN

Organizations promoting industrial development in cities across the country face a shared challenge around industrial design. While many residents and city leaders often want jobs located in their city, the physical implications of industrial development often spark debate about whether and how modern industrial development can be done differently. The reality is that the market for industrial land and real estate is unique in several ways when compared to other types of real estate products. Businesses choose their space and location based on purely pragmatic criteria such as access to transportation infrastructure and workforce as well as building amenities like the number of loading docks, ceiling clearances, and floor loads.

As a result, many industrial businesses cannot reuse old buildings and must seek out opportunities for new development. Businesses looking for new sites generally require large enough parcels to accommodate truck staging and maneuvering, employee parking, and materials storage. New industrial development on sites smaller than five acres is rare, and irregular shapes can prevent efficient use of a site. The form of a building is driven by its function and developing new, ground-up multi-story industrial development is nearly non-existent in this country, with the only exception being supporting office space on a second floor.

These realities sometimes conflict with the expectations of residents, community organizations, and city agencies that are looking for higher densities and smaller footprints. The result is a set of conflicting prescriptions around how to most efficiently grow cities and regions. This leads to a missed opportunity for those who share an appreciation of development and growth based on business needs to work together towards outcomes that simultaneously serve economic development and neighborhood revitalization goals. An acceptance on the part of city leaders of these design considerations could help play a role in reducing the miscommunication and tension that often slows or even prevents the redevelopment of vacant sites. The experience of other cities demonstrates that to overcome this barrier, proactive and creative planning is needed through a partnership that brings together real estate and industrial developers with planners and community advocates around their shared interest in growing the city and region.

Twin City Glass Contractors, Great Northern Business Center

4 TAKING STOCK OF LOCAL AND REGIONAL STRENGTHS

4. TAKING STOCK OF LOCAL AND REGIONAL STRENGTHS

CLUSTER ANALYSIS

Methodology and High-Level Analytics

In order to analyze the Saint Paul and regional economy most effectively, we examined economic activity in terms of clusters. Unlike industries or sectors, clusters represent interconnected companies and institutions in a particular field in a particular location, be it a country, state, or city. Clusters generally include a group of lead firms; suppliers of specialized inputs, components, machinery, and services; financial institutions; and firms in related industries. In many cases, clusters also include firms in downstream industries; producers of complementary products; specialized infrastructure providers; and institutions that provide specialized training; and technical support. Classic examples of clusters include automotive in Detroit, and information technology in the Bay Area.[50] Understanding the cluster economy in Saint Paul and the Twin Cities provides a starting point for a targeted approach to developing industrial activity.

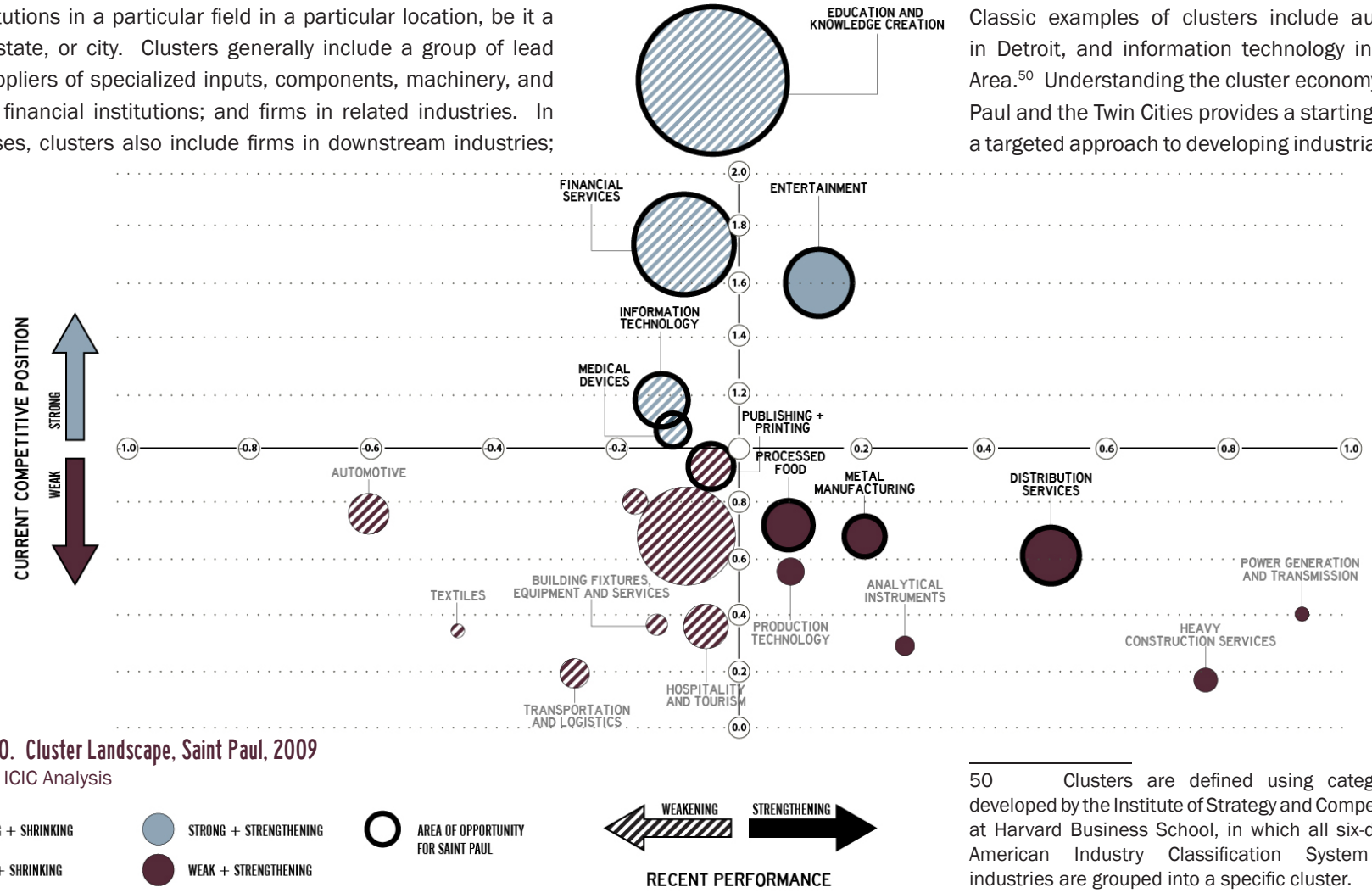


FIGURE 20. Cluster Landscape, Saint Paul, 2009
SOURCE: ICIC Analysis

50 Clusters are defined using categorizations developed by the Institute of Strategy and Competitiveness at Harvard Business School, in which all six-digit North American Industry Classification System (NAICS) industries are grouped into a specific cluster.

Clusters can be analyzed using location quotients, which provide a measure of competitive position relative to a reference region (typically the U.S.). In the case of Saint Paul, we compare the share of the city's jobs in a given cluster to the share of U.S. jobs in that cluster. A location quotient of greater than 1 indicates a higher concentration of cluster activity in Saint Paul than in the rest of the United States, while a location quotient of less than 1 indicates a relative lack of employment in that cluster.

Figure 20 and Figure 21 contain location quotient information as of 2009 for the city of Saint Paul and the entire Twin Cities region, along with data on location quotient growth since 2003. This information is combined with qualitative takeaways from interviews with local stakeholders to identify cluster opportunities.

Among the most promising clusters are a number of industrial ones that are concentrated or growing in Saint Paul, making them logical targets for attracting, promoting, and/or retaining firms. These include:

- Processed Food
- Medical Devices
- Publishing and Printing
- Metal Manufacturing
- Distribution Services

Each of these clusters is described in more detail on the following pages.

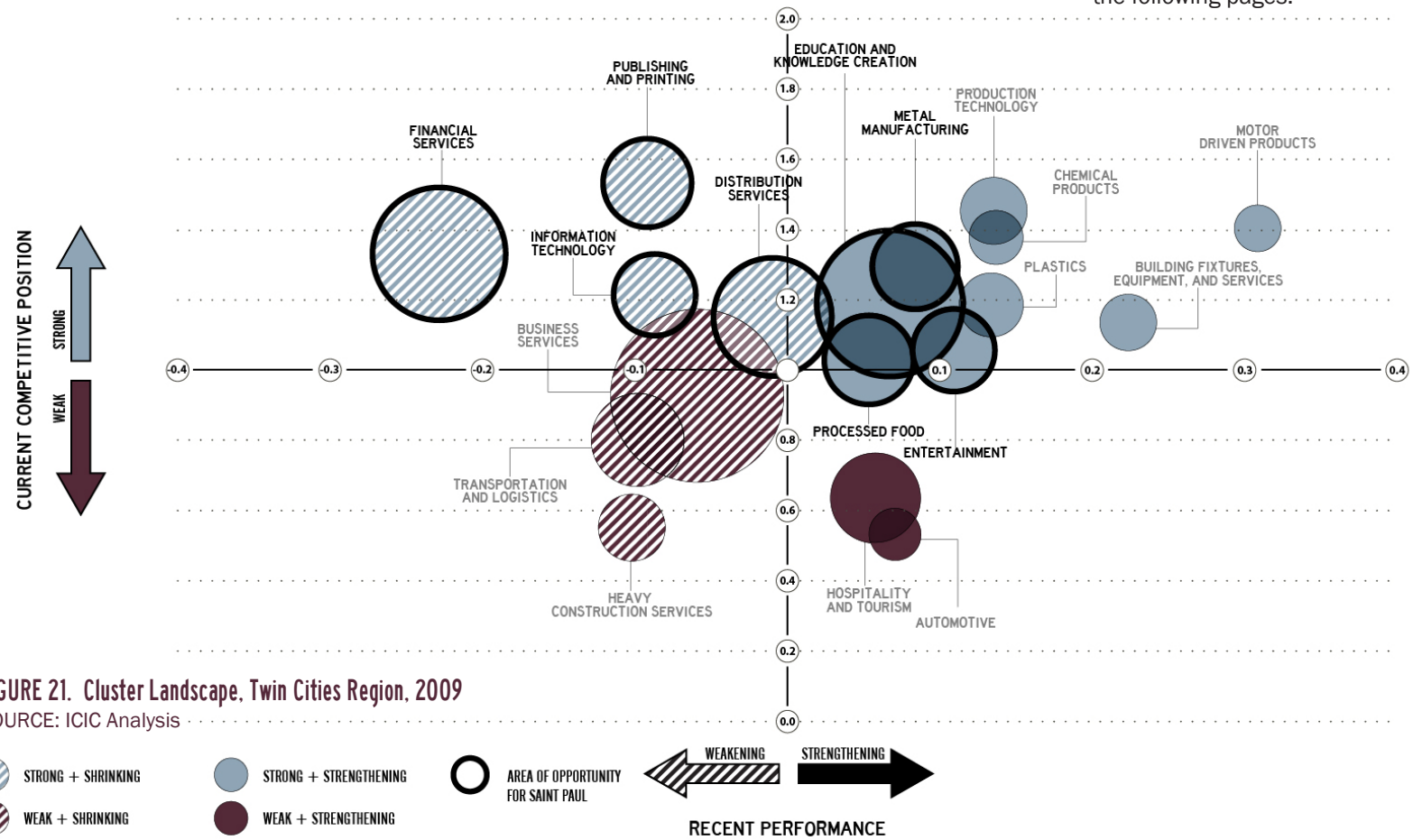


FIGURE 21. Cluster Landscape, Twin Cities Region, 2009
SOURCE: ICIC Analysis

Processed Food (Figure 22)

Growing in Saint Paul and the Twin Cities region, Processed Food represents a historical strength, indicating that many existing assets, including the Mississippi River, can be leveraged. This legacy of agricultural activity, a strong regional headquarters presence in the cluster, which includes Supervalu, General Mills, and Land O'Lakes, and a prevalence of co-ops and farmer's markets make the cluster a natural fit in Saint Paul. In addition, as one interviewee noted, the Twin Cities region is a hotbed for food distribution – in particular, produce distribution – again highlighting the importance of the river when it comes to moving agricultural commodities.

Not only is Processed Food a cluster worth paying attention to in Saint Paul, but the food cluster in general has attracted interest across the nation, especially in cities. Economic development officials in Saint Paul have indicated that this is a strength they would like to further develop, and they would be well-served to do so.

Medical Devices (Figure 23)

The city of Saint Paul has not fully realized its potential in this cluster despite its strength regionally. With a location quotient of more than two in the Twin Cities region, it is clear that the assets and institutions required for the cluster to be strong exist locally. Those assets are complemented by a very high concentration of educational institutions in the city of Saint Paul, providing opportunities to leverage intellectual capital and technological advances. In addition, with city and regional leaders focusing on Life Sciences,[51] this is a cluster that has already attracted attention from regional leaders, which could potentially be leveraged to benefit Saint Paul. One interviewee noted the importance of connecting the innovative activity taking place at the University of Minnesota to Saint Paul and the region's residents, spurring entrepreneurial activity and job creation.

Despite these positive indicators, as Figure 23 shows, activity in the cluster remains relatively scant. A focus on monetizing the innovation that takes place within the city, along with the cultivation of the linkages that exist between the regional and Saint Paul Medical Device clusters, would go a long way toward creating opportunities for Twin Cities residents. With this in mind, the proposed light rail could help facilitate knowledge transfer by encouraging increased interaction between regional thought leaders in the field.

Publishing and Printing (Figure 24)

Although it is one that has declined nationally, Saint Paul has retained some strength in this cluster, with a location quotient of nearly one. Although this is not a cluster that typically is viewed as one with high upside in terms of growth, there are certainly job and firm retention opportunities available. Given the potential links between Publishing and Printing and higher education, which – as discussed earlier – is very strong in Saint Paul, the city is better positioned in this cluster than most. Discussions with Publishing and Printing firms indicated that locations near major highways provide a particular strategic advantage, especially those that serve more of a regional market and therefore rely on short- to medium-haul distribution.

The link with higher education is especially pronounced when examining the geography of cluster activity. The concentration of firms in the Northwest corner of the city indicates co-location with Education and Knowledge Creation activity, especially near Saint Anthony, which is adjacent to both the Minneapolis and Saint Paul campuses of the University of Minnesota.

51 A state organization – the BioBusiness Alliance – is focused on fostering and cultivating the long-term viability of the state's bioscience sector (source: http://biobusinessalliance.org).

Metal Manufacturing (Figure 25)

Metal Manufacturing has grown in location quotient terms in the face of significant decline in Minneapolis, indicating that Saint Paul firms are successfully capturing a larger share of regional business. This, along with a large number of firms and an ability to capitalize on some of Saint Paul's key advantages, specifically Port Authority Business Centers and transportation assets, make Metal Manufacturing an attractive target. In addition, because the Twin Cities region is considered scrap-rich, there is an inherent advantage in terms of sourcing raw materials locally. Being in Saint Paul as opposed to the suburbs, however, has significant upside for Metal Manufacturing firms, because the ability to get immediate service should any issues arise is critical; a location near firms that can provide the necessary services results in a potential strategic advantage.

Figure 25 shows a number of neighborhoods in which Metal Manufacturing activity is located in Saint Paul. Activity in the cluster is often located near rail corridors, which are prevalent in Saint Paul.

Distribution Services (Figure 26)

Distribution Services does not boast a particularly high location quotient in Saint Paul, but the cluster has grown significantly in recent years. Again, given the transportation assets described in relation to other clusters in the city, it is not surprising to see that distribution firms may find Saint Paul an advantageous location. In this case, rail and river play a critical role, along with the region's location relative to Northwestern and Canadian markets.

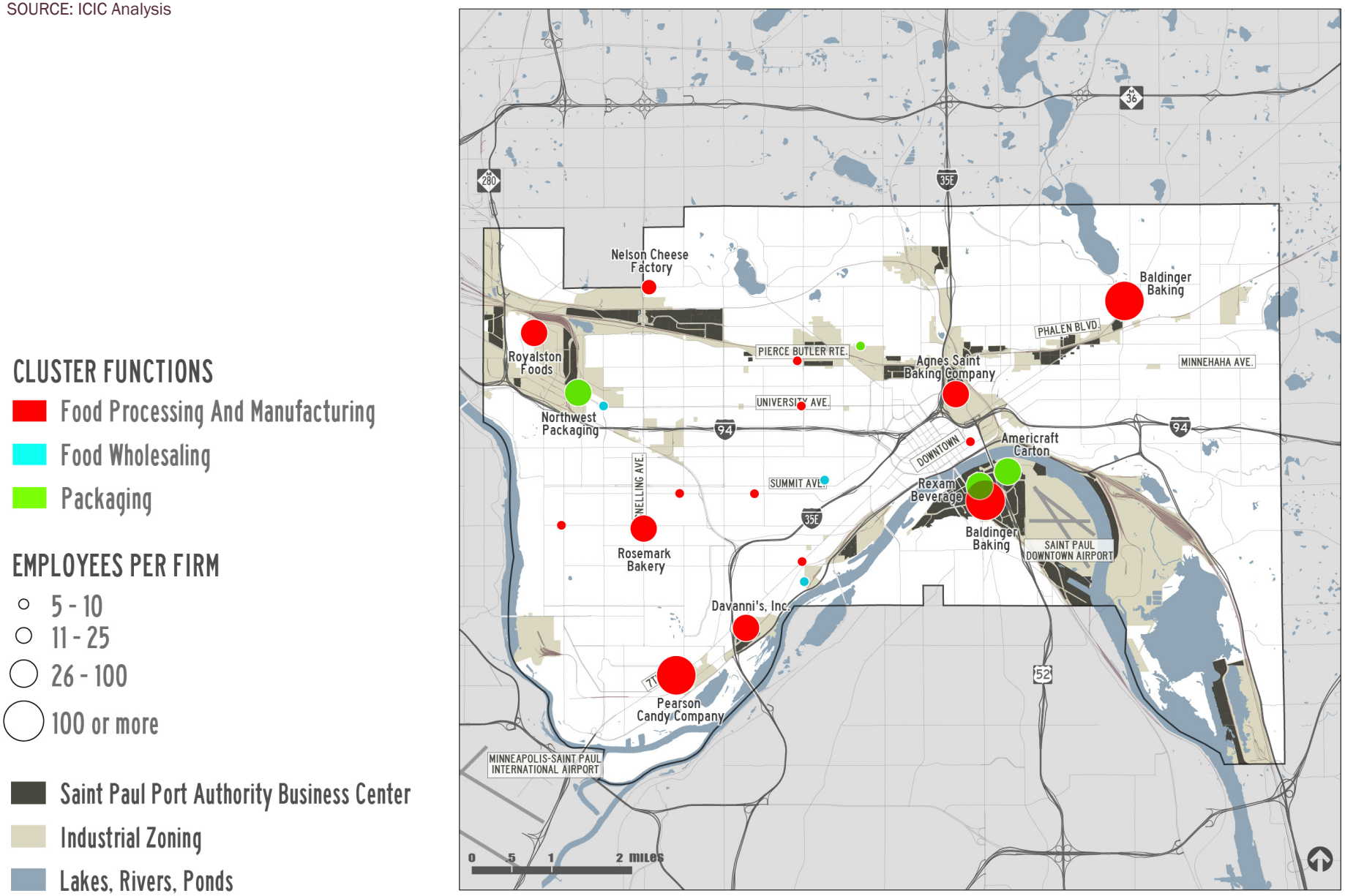
Distribution Services can be found in much of Saint Paul, but like Metal Manufacturing, it is concentrated around transportation assets. In fact, there is some evidence of co-location with Metal Manufacturing, indicating a reliance of one cluster on the other. While there is significant growth potential in Distribution Services, the city must be strategic about the cluster because it generally requires a lot of space, making it a more logical fit for large industrial parcels or those that could be assembled in a way that best serves the cluster.

Potential Long-Term Cluster Opportunities

In addition to the clusters described above, there are other long-term targets that should be considered for Saint Paul, based on related cluster activity, regional performance, and assets. These are described below:

- *Analytical Instruments*: Strength in Minneapolis and the region along with strong growth in Saint Paul indicate that future opportunities may exist, especially given the overlap with so many of the potential opportunities identified earlier. However, the cluster is very small at present.
- *Biopharmaceuticals*: Growing rapidly in Minneapolis, manufacturing activities in particular may represent a niche play for this cluster in Saint Paul, especially given its overlap with Medical Devices and Education and Knowledge Creation. However, its current presence in the city is minimal.
- *Production Technology*: Growth in this cluster, which primarily involves the manufacture of tools and equipment, may overlap with Metal Manufacturing. Production Technology remains small at present but is gaining strength in the face of strong regional performance and a decline in Minneapolis.
- *Transportation and Logistics*: The same resources that drive potential strength in Distribution Services could reinvigorate this cluster in Saint Paul, although its current location quotient makes it more of a long-term cluster target.

FIGURE 22. Processed Foods Cluster
SOURCE: ICIC Analysis



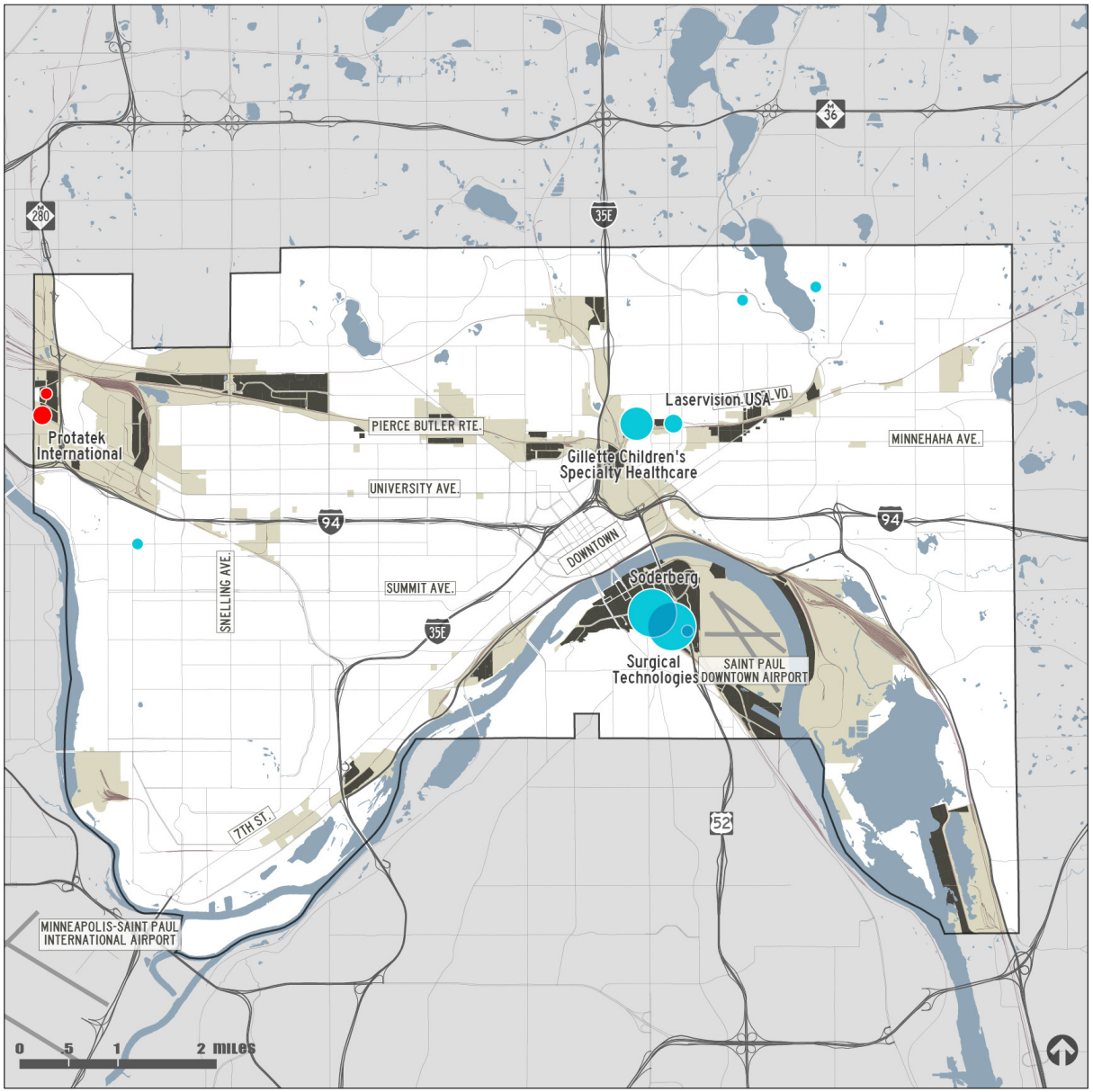
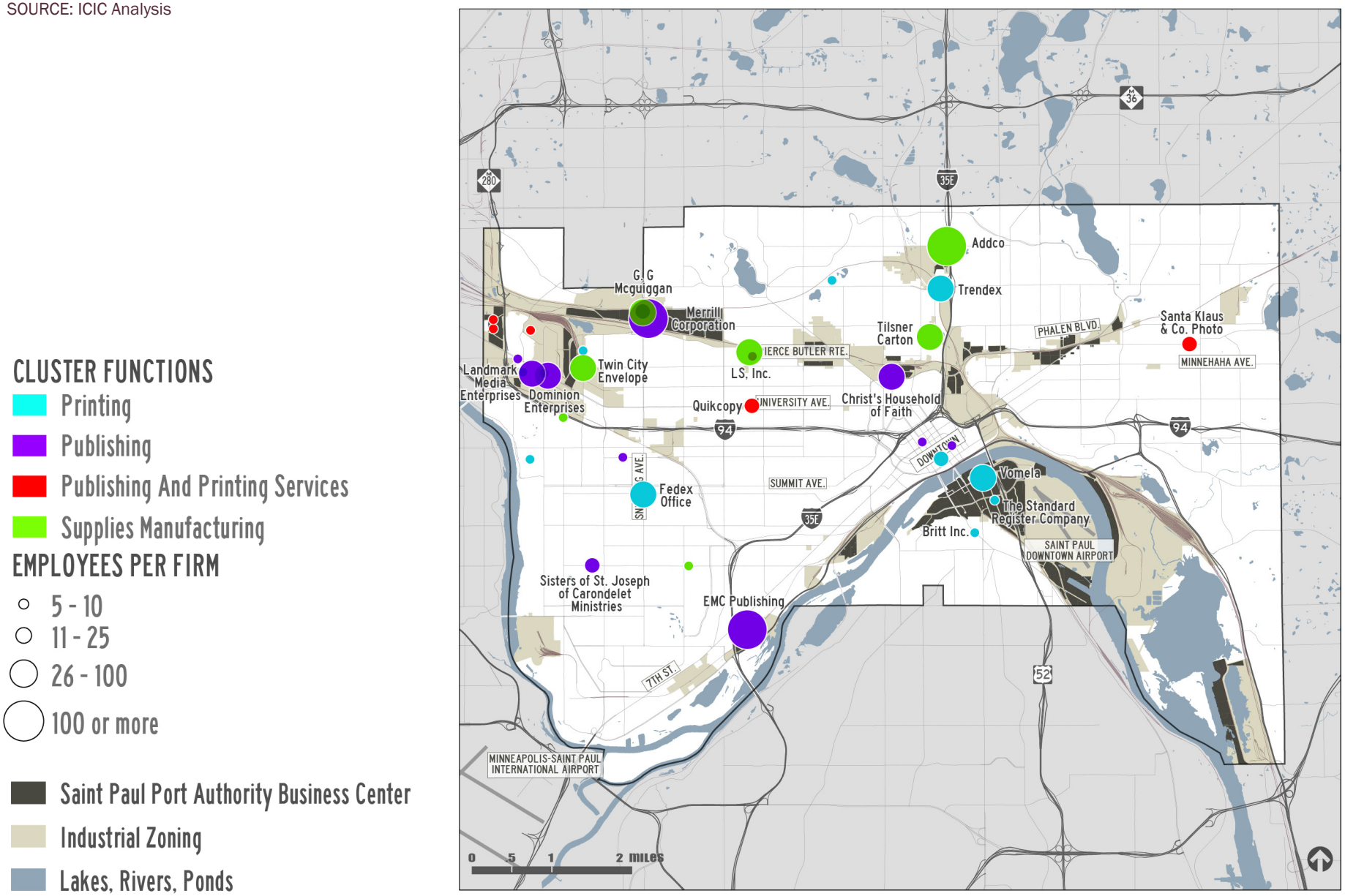


FIGURE 23. Medical Devices Cluster
SOURCE: ICIC Analysis

FIGURE 24. Publishing & Printing Cluster
SOURCE: ICIC Analysis



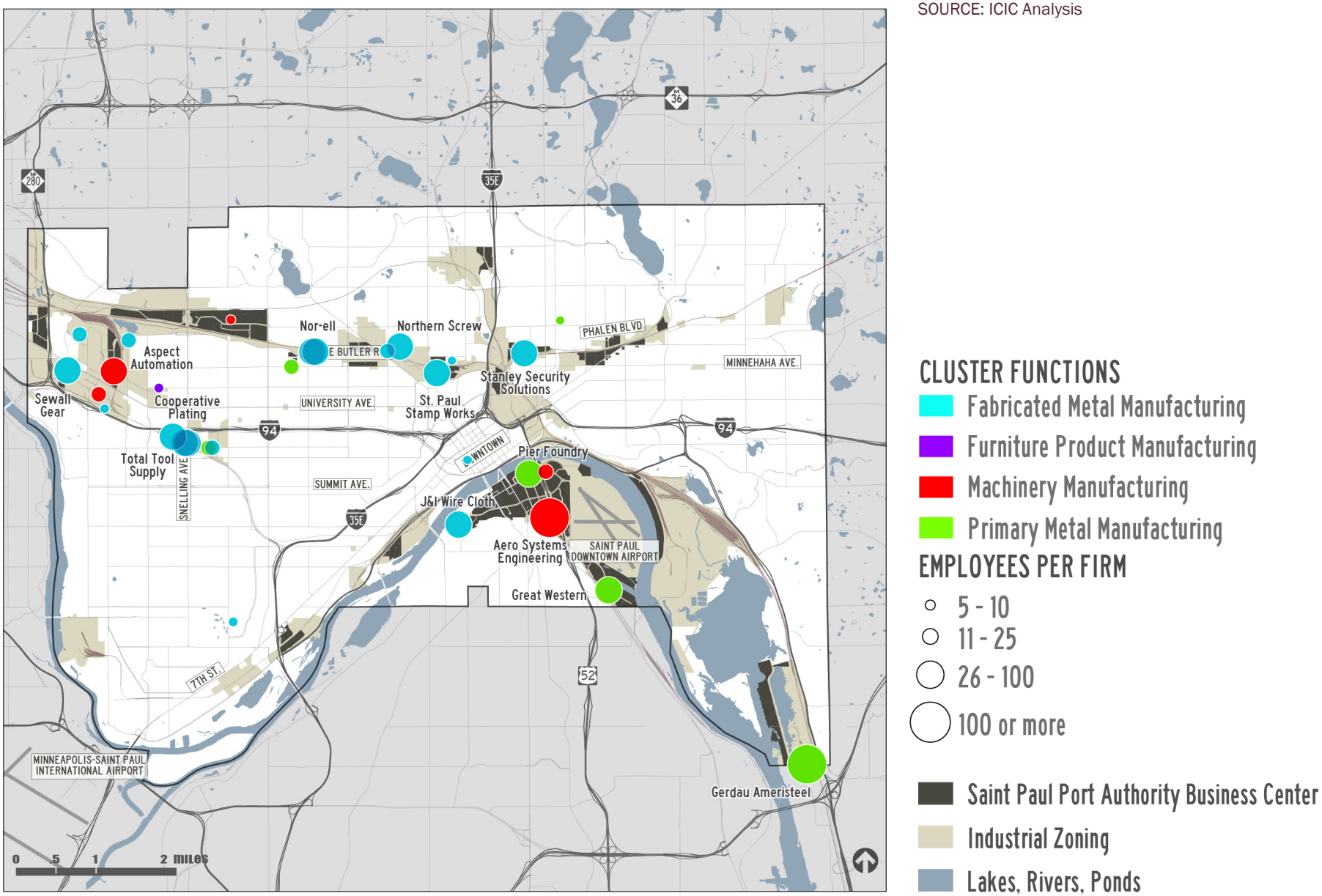
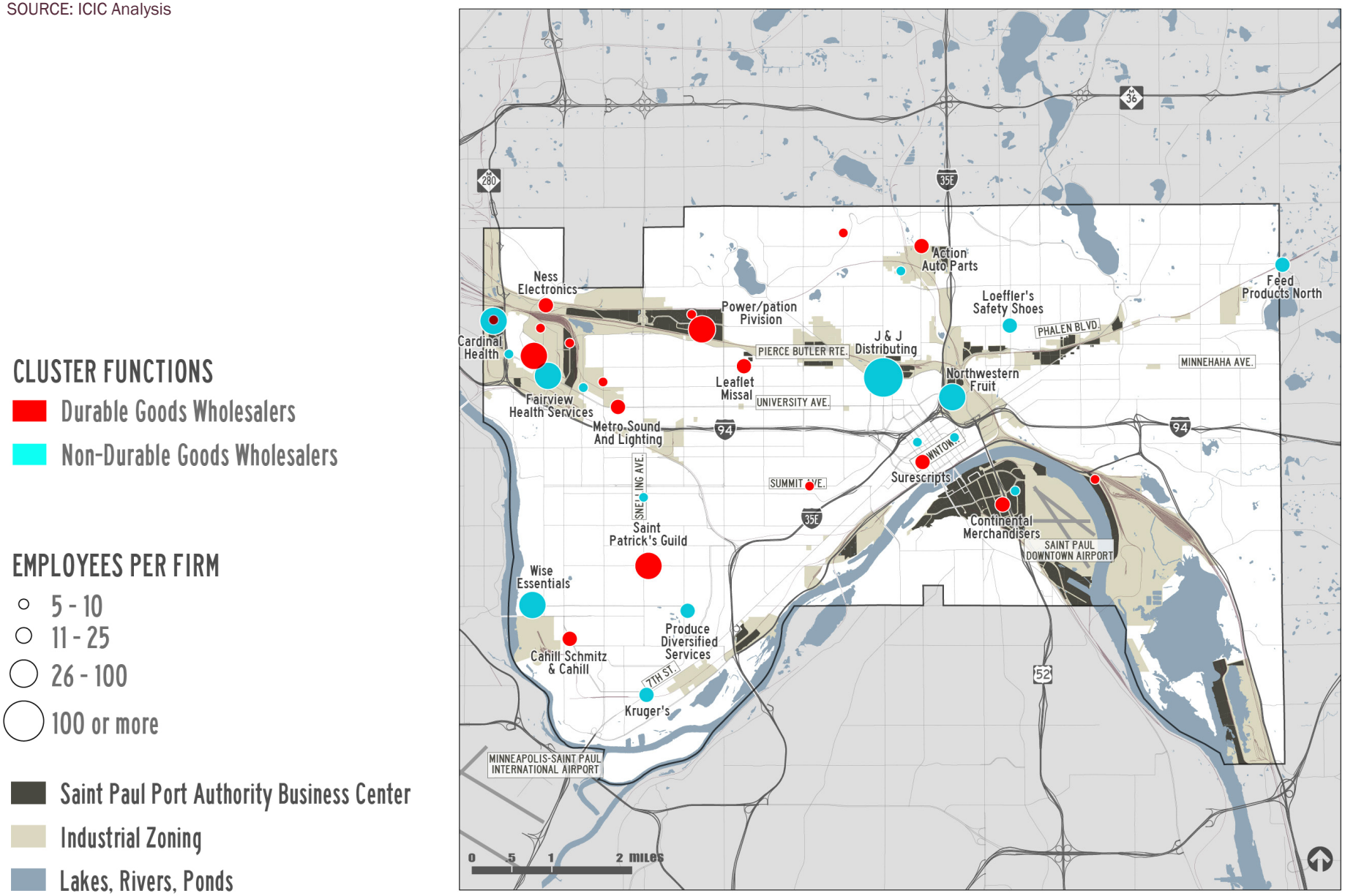


FIGURE 25. Metal Manufacturing Cluster
SOURCE: ICIC Analysis

FIGURE 26. Distribution Services Cluster
SOURCE: ICIC Analysis



WORKFORCE CHARACTERISTICS

As described earlier – in particular, during the discussion of the markets served by Saint Paul's industrial firms -- a major factor in growing and retaining employment in key industrial clusters in Saint Paul is the availability of a skilled labor force. This section takes a close look at the occupational characteristics of the region's workforce and discusses a theme that arose in interviews with firms and other informants: the importance of an agile, adaptable, computer-literate labor force to the future of Saint Paul's industrial economy. This is particularly relevant today, as industrial firms have historically hired employees with a high school degree and relied on social networks of existing workers to find new workers. However, today's industrial firms are looking for ways to enhance worker skills, which will require training existing workers and perhaps changing the model for identifying new workers.

This is particularly important given some of the context described earlier – namely, the fact that the industrial economy accounts for more than 20% of Saint Paul's jobs and provides accessible, middle-wage opportunities. With this in mind, Figure 27 provides a more detailed glimpse into what drives the substantially higher wages associated with industrial activity.[52] As can be seen when looking at Manufacturing, Wholesale Trade, and Transportation and Warehousing wages, this is not simply a case of one category driving the industrial average; in fact, all categories provide for significantly higher salaries than the rest of the economy does.

52 It should be noted that these wage figures include employees in white-collar occupations as well as production and transportation employees.

FIGURE 27. Average Weekly Wage by Industrial Category, 2011

SOURCE: Minnesota Department of Employment and Economic Development (drawn from Quarterly Census of Employment and Wages)

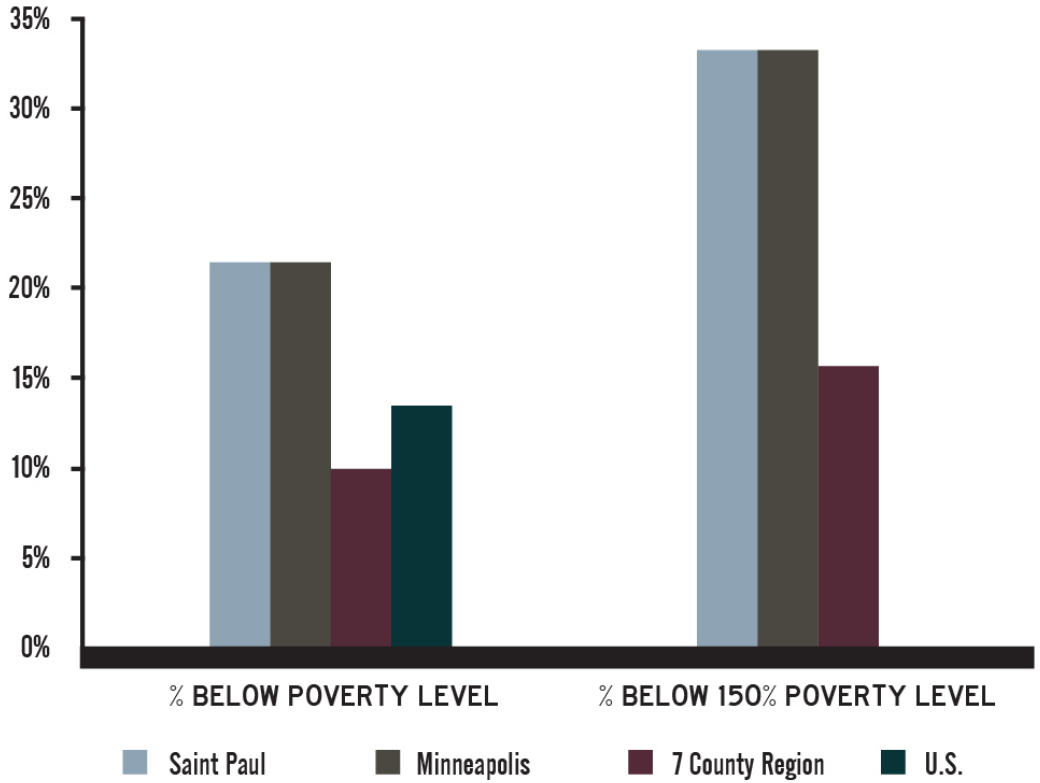
INDUSTRY CATEGORY	SAINT PAUL AVERAGE WEEKLY WAGE, 2ND QUARTER 2011
Manufacturing	$1,177
Wholesale Trade	$1,125
Transportation and Warehousing	$1,030
All Industries	$940

Educational Attainment

Across all industries, educational attainment has become an increasingly important determinant of economic success. Manufacturing is no exception; a recent report by the Center for Regional Economic Competitiveness[53] found that 47% of the manufacturing industry job openings it analyzed required a bachelor's degree or higher, largely because only about 10% of the positions being filled were in production. Perhaps more surprisingly, employers were requiring a bachelor's degree for a full one-fifth of open production positions, although it is important to note that there is some variation across industries and that slack in the labor market may drive overqualified workers with high levels of educational attainment toward production positions.[54]

The Minneapolis-Saint Paul region has long been known for its high levels of educational attainment relative to the rest of the U.S. (as discussed earlier), which likely explains why unemployment rates have been consistently lower than the national average throughout the recent recession.[55] However, it is also clear that the knowledge economy is not working for everyone; one fifth of the residents of both Minneapolis and Saint Paul live below the federal poverty line, and fully one third live below 150% of the poverty standard, as shown in Figure 28. These trends are even

FIGURE 28. Poverty in Minneapolis and Saint Paul versus the Region and U.S.



Note: 1) U.S. data for 150% below poverty level are not available.
2) Poverty Level is just over $22k of all income, including public assistance and unemployment, for a family of four, and barely over $11k for an individual.

SOURCES: American Community Survey 2008-2010; Met Council 2011 Economic Indicators; Minnesota Local Area Unemployment Statistics * American Community Survey 2005-2009; http://www.census.gov/hhes/www/poverty/about/overview/measure.htm

53 U.S. Manufacturing Jobs: Where Companies are Hiring. Arlington, VA, Center for Regional Economic Competitiveness, November 2011. The report analyzed web-based job advertisements for manufacturing industry job openings during the first six months of 2011.

54 The most common production openings were for production supervisors, inspectors and CNC machine operators.

55 Data from the Bureau of Labor Statistics (BLS) show a dramatic difference in unemployment rate by educational attainment level as of December 2011: 14.3% for those without a high school diploma; 8.7% for high school graduates; 7.4% for those with some college; and 4.0% for those with a Bachelor's or higher (http://www.bls.gov/news.release/empsit.t04.htm).

more troubling; over the past decade, the Twin Cities region ranked 66th out of the 83 largest regions in terms of poverty alleviation.[56]

Stemming from these sobering poverty statistics as well as recent employment losses, there is a general anxiety that in the Twin Cities, workforce skills are not keeping up with firms' demands. These concerns were expressed in several of our interviews as well as in a recent Brookings Institution report that discusses employment disparities by class and race and points out that many moderate-skilled jobs have dispersed to the region's surrounding suburbs.[57] Younger residents of the Twin Cities have lower college completion rates than older residents, which raises concerns about the future competitiveness of the region.

At the state level, Minnesota continues to be among the top ten in the nation for K-12 school performance, but investment in post-secondary education has declined. Meanwhile, some of the state's key industrial sectors --biosicences, medical devices, other high tech manufacturing, and agricultural by-products (biofuels, wind energy, pharmaceuticals for animals) -- have higher-than-average skill requirements, even and perhaps especially among production workers. Finally, there is a substantial achievement gap dividing students of color from white students and low-income students from students from higher-income households, which translates into racial and class-based employment gaps (for example, a 2011 study found that in the Twin Cities 13-county area, U.S.-born Black adults were more than three times as likely to be unemployed as Whites).[58] These trends underscore the importance of including work force development into a strategy to grow industrial activity and create accessible, high-quality jobs, asoutlined in Chapter Two.

56 Teresa Lynch and Adam Kamins. "Creating Equity: Does Regionalism Have an Answer for Urban Poverty? Can It?" ICIC Research: September 2011.

57 Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities. Washington, DC: Brookings Institute: No date.

58 Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area. Blue Ribbon Commission on Reducing Racial Employment Disparities, September 2011.

Occupational Analysis

An occupational analysis using Public Use Microdata Sample (PUMS) data from the 2010 census further underscores the need to upskill the industrial labor force in the Twin Cities.

According to PUMS estimates, the seven-county Minneapolis-Saint Paul metropolitan area employs 1,672,767 workers; 205,747 are employed at firms classified as manufacturing enterprises by the North American Industrial Classification System (NAICS 31-33). An occupational analysis enables us to discover what types of workers (as classified by occupational codes) are prevalent within industries of interest. Figure 29 shows that computer and mathematical occupations, business and financial operations occupations, architecture and engineering occupations and physical and life sciences occupations are among the specializations of the Twin Cities labor force. Within the manufacturing labor force (see columns 3 and 4 of Figure 29), these specializations are even more pronounced.

In other words, in Twin Cities' manufacturing businesses, engineers, business, financial operations and sales professionals; life, physical and social scientists and technicians; and managers are more prevalent than they are in other regions' manufacturing labor forces. This supports the hypothesis, put forward in several interviews, that industrial jobs in the Twin Cities are less production-oriented than they are in other places in the U.S. and more oriented toward design, management, and product development (note, however, that the location quotient for production jobs within implications. First, the cultivation of a skilled workforce, whether those skills or obtained via outside education and training, or through training and career mobility for high school graduates, is important in order to enable the region to build on its current specialization in "manufacturing knowledge work." Second — and prefiguring our land use and development strategy recommendations -- the development of office, lab and flex spaces may be appropriate for the type of industry that forms around these particular occupational specializations.

A second potentially notable finding (Figure 30) is that among workers in the region's scientific research and development sector (scientific research and development, NAICS 5417), which employs over 10,000 people region-wide and close to 400 people in Ramsey County, production occupations are actually *overrepresented* relative to the nation. In other words, a much higher proportion of research and development sector workers are classified in production occupations in the Twin Cities than they are elsewhere.[59] One explanation for this is that research and development enterprises in the Twin Cities tend to engage in product prototyping and testing and in early stage production – activities for which they need production workers. Again, however, skill profiles for research-related production work suggest that the education and skill requirements are formidable, re-emphasizing the potential need for upskilling.

In the introductory chapter of this report, we emphasized the role of Saint Paul's industrial firms – both inside and outside of Port Authority Business Centers – in providing medium- and high-wage jobs to community residents without post-secondary education. That evidence forms a strong argument for continuing to create opportunities for industrial employment in the city. The data presented in this section, however, suggest that manufacturing and R&D sector workers in the Twin Cities are more likely than their counterparts in other places to be employed in jobs requiring post-secondary training.

The labor market as a whole is moving in this direction, as job openings in manufacturing nationwide – including openings for production workers -- increasingly list a college education as a prerequisite. An investigative article in the January/February 2012 Atlantic Monthly magazine also draws the conclusion that the technological transformation of U.S. factories, while the source of significant growth in output and productivity, is lessening demand for routine production labor that can be performed by people without specialized skills.[60] These data underscore the fact that while successful measures to boost industrial job growth in Saint Paul will continue to have a positive impact on less-skilled workers, it is also important to nurture a labor force in the city whose skills match the demands of 21st century high-value production.

59 Because of wide margins of error, these results are not as robust as those shown in Figure 29.

60 http://www.theatlantic.com/magazine/print/2012/01/making-it-in-america/8844/

FIGURE 29. Share of Regional Economy by Occupational Category, with Location Quotient

SOURCE: Public Use Microdata Sample (PUMS)
Note: Data in Figures 29 and 30 are from seven-county Twin Cities region

OCCUPATIONAL CATEGORY	% OF WORKFORCE IN MN/SAINT PAUL MSA* (TOTAL: 1,672,767)	LOCATION QUOTIENT (U.S.)	% OF MANUFACTURING WORKFORCE IN MN/SAINT PAUL MSA* (TOTAL: 232,711)	LOCATION QUOTIENT (U.S.)
Architecture and Engineering	2.1%	1.25	8.67%	1.30
Business and Financial Operations	6.12%	1.47	5.93%	1.59
Computer and Mathematical	3.81%	1.75	3.48%	1.26
Life, Physical, and Social Science	1.06%	1.20	2.18%	1.56
Management	10.58%	1.19	14.72%	1.32
Office and Administrative Support	14.91%	1.06	12.3%	1.27
Sales	11.96%	1.03	5.73%	1.33
Production	6.17%	.98	35.23%	.85

FIGURE 30. Occupational Analysis, Scientific Research and Development Sector

SOURCE: Public Use Microdata Sample (PUMS)
Note: Excludes two Wisconsin counties

OCCUPATIONAL CATEGORY	% OF RESEARCH AND DEVELOPMENT WORKFORCE IN MN/SAINT PAUL*	LOCATION QUOTIENT (U.S.)
Life, Physical, and Social Science Occupations	20.7%	.87
Architecture amd Engineering Occupations	7.8%	.97
Computer and Mathematical Occupations	12.7%	1.82
Production Occupations	6.1%	2.83

PEER CITY ANALYSIS

A close analysis of industrial trends and land policies in three "peer cities" – Baltimore, Maryland; Cincinnati, Ohio; and Tacoma, Washington – provides a sense of what is possible in Saint Paul over the next several decades. We chose these three cities because they are similar to Saint Paul in terms of total population, share of industrial employment (20-25%), percent manufacturing share of total employment (5-8%), and the historic and/or current significance of port and intermodal facilities. The peers also share industry cluster strengths and opportunities in common with Saint Paul, including Education and Knowledge Creation, Medical Devices, and Metal Manufacturing, and numerous transportation assets.[61] The summary that follows highlights the takeaways from each city that are relevant to Saint Paul.[62]

FIGURE 31. Peer City Comparison Table

SOURCES: Demographics: American Community Survey
Markets: Cushman-Wakefield, Jones Lang Lasalle, CB Richard Ellis, city websites, and interviews with city stakeholders

	BALTIMORE	CINCINNATI	TACOMA	SAINT PAUL
Population - 2010	620,961	296,943	198,397	287,151
Area - Square Miles	80.8	78.0	50.1	52.8
Persons Per Square Mile	7,685	3,806	3,960	5,400
Employment Growth - 1998-2008	-1%	-5%	9%	-3%
Poverty Rate - 2005-2009	20%	22%	16%	20%
Percent College Attainment - 25+	25%	27%	20%	32% - 38% in region
Percent Industrial Employment	25%	23%	25%	21%
Percent Manufacturing Employment	6%	6%	8%	5%
Industrially Zoned Acres	4,470 - (does not include Port property)	6,500	5,585 in Port of Tacoma Mfg/Industrial Center - 1,000 in other industrial districts	4,000
Volume of Trade Through Public Port Agency	8.2 million TEU's - 2010	n/a (port facilities are private, serve local supply chains)	1.5 million TEU's - 2010	5.2 million tons of commodities (Twin Cities overall)
Port Agency Role in Industrial Development	Port run by State of Maryland, but does market itself to off-port business as a logistics asset.	Port agency active, but exclusively dedicated to economic development (not port development).	Very. Active in land acquisition, preperation of sites, and marketing and leasing of property.	Very. Active in land acquisition, preperation of sites, and marketing and leasing of property.
Significant Industrial Sectors & Opportunities	Industrial and maritime logistics; metals; bioscience research and development, medical devices	Logistics and distribution; metalworking; R&D in the physical and life sciences	Maritime logistics; chemicals; lumber and wood products; food processing	Medical devices; processed food; metal manufacturing; printing and publishing

61 Tacoma and Cincinnati are roughly comparable to Saint Paul in population, while Baltimore is larger and denser. Similarly to Saint Paul, Baltimore and Cincinnati have experienced population and employment losses in recent decades, while Tacoma has grown.

62 A profile of each peer city – including a description of its industrial land market, major industrial development and retention initiatives, sectoral strengths, and relevant land use/zoning policies – is included in a separate Appendix.

CINCINNATI

Cincinnati is roughly identical to Saint Paul in population (though, with a land area of 78 square miles to Saint Paul's 53, it is less dense). It is a river port, and began as a transshipment and processing point for bulk commodities (particularly agricultural products) transported by barge, although the river is now less central to its economic health than its intermodal rail-to-truck facilities and access to major highways. Home to numerous corporate headquarters, it is strong in financial and professional services, and "Eds and Meds" are an important component of its economic base. Of its 6,500 acres of industrially zoned land, over 4,000 are occupied by CSX and Norfolk Southern, along with the logistics and manufacturing businesses that rely on this infrastructure.

Within Cincinnati, the most active industrial agglomerations (those around the rail-to-truck intermodal facilities) are not seen as being under threat from competing land uses. With most modern industrial areas well-protected, local economic development agencies (namely the Port of Greater Cincinnati Development Authority and the City of Cincinnati Economic Development Authority) are most concerned with redevelopment in districts with obsolete building stock. There has been some conversion of older industrial buildings to offices and loft apartments, namely in a riverfront neighborhood called "The Banks," but this is very much the exception. In a few cases, multi-story industrial facilities have been converted to incubator space for start-up firms with fewer than 20 employees.

Rendering of new development at "The Banks"
SOURCE: Current at the Banks, www.currentcinci.com

Flex/R&D space
SOURCE: City of Cincinnati, www.choosecincy.com/projects/sky_lofts_llc_the_edge

Because economic development authorities in Cincinnati do not own or operate business parks, there is no local equivalent to the Saint Paul Port Authority. However, city authorities do assist in the assembly of parcels and the development of land, often for Flex/R&D facilities or in some cases, big box retail. Access to state and federal brownfields funding has been an important tool to repurpose property for current needs. There are no large greenfield sites remaining in the city, so the ability to "recycle" sites is critical, since users demand anywhere from five to 20 acres.

Flex/R&D space is in high demand in Cincinnati due to the corporate headquarters, hospitals, and universities that dot the city and region. This demand, which has driven the industrial land market in the city for the past several years, is typically accommodated through the conversion of existing manufacturing space or infill development in these locations. Local economic development officials view the transition of some space from more traditional logistics and manufacturing to Flex/R&D positively, because Flex/R&D is considered environmentally friendly, higher tech and synergistic with the city's strong "Eds and Meds" presence.

Overall, Cincinnati officials are operating on two fronts: marketing the city's central "nexus" location as an advantage for logistics and distribution operations, and capturing research and office uses associated with corporate headquarters and higher education activities. Their efforts appear not to require protective zoning, largely because the intermodal rail-to-truck infrastructure is isolated and because new residential and commercial development tends to take place in areas already zoned for these activities. While there has not, up to now, been much demolition of obsolete buildings in industrial neighborhoods to make way for new industrial construction, this may be on the horizon because there is so little new land available for industrial development.

BALTIMORE

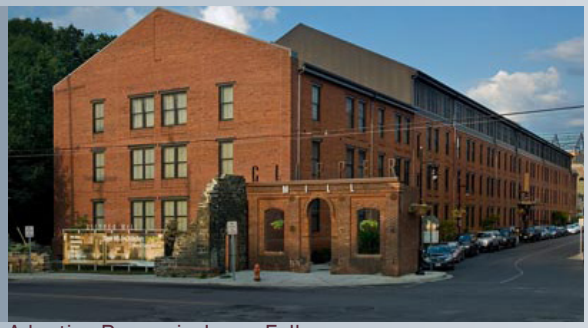
Baltimore's industrial landscape is dominated by its seaport, which is currently ranked #1 in the country for roll-on/roll-off activities (ro-ro), sugar, gypsum, and forest products; and is #2 in the country for automobile and truck exports. Maritime industrial and logistics activity related to the port is the city's industrial "bread and butter." Waterfront areas, however, have also been highly susceptible to residential conversion pressure. Traditional maritime industrial uses have been converted in recent years, primarily to large planned unit developments (PUDs) that combine residential, retail, and office uses. The Inner Harbor is the most emblematic of this change, having converted almost completely to non-industrial uses.

This transformation hinders industrial firms that depend on port facilities and access to open water. The city's Maritime Industrial Zoning Overlay District (MIZOD), put in place in 2004, has kept rents for the 2,700 acres of waterfront industrial land in line with what industrial firms can pay. The MIZOD, along with capital investments and marketing efforts, is credited with having stabilized and even grown the maritime industrial activities of the city in recent years (the Port itself is under the jurisdiction of the Maryland Department of Transportation). This is very important given that the Port is linked to more than 108,000 jobs. Building permits and property tax proceeds in the district have steadily increased since 2004. Yet, as with the other cities examined, developing new multi-acre sites for logistics and distribution is a challenge because unused and underutilized land consists primarily of small parcels, often with multiple owners, obsolete buildings and environmental contamination issues.

City agencies (notably the Baltimore Development Corporation) have been active in the development of business parks as a strategy for promoting industrial development outside of the port zone. Important tools include the Maryland's Enterprise Zone program, which provides income and property tax credits to businesses in return for job creation and property investments, and the federal Small Business Administration HUB program, which offers government contracting advantages to firms located in economically distressed areas. Notably, however, the new business parks (both those created through city-sponsored RFP processes and, more recently, the unassisted efforts of private developers) feature a range of activity, including Flex/R&D and the re-use of older industrial buildings as offices. The city, through its RFP process, has been able to combine adaptive reuse and industrial-to-commercial conversion with the preservation and growth of contemporary industry. For example, the Chesapeake Commerce Center, developed through an RFP awarded to the Duke Realty Corporation, combines offices with small-to-medium scale logistics operations and Flex/R&D. As in Cincinnati, the presence of universities and research hospitals has also led to demand for combined lab/office/small-scale prototyping and production facilities within the new business parks.

A key learning from Baltimore is that where there is strong residential pressure on industrial areas, protective zoning can deflect this. At the same time, outside of these critical zones, some conversion and adaptation – as long as it excludes residential and retail – can be combined with industry preservation and the growth of competitive industrial sub-sectors like logistics/distribution and Flex/R&D. Further, where conversions of industrial land to mixed-use and residential have occurred in Baltimore, concerted and serious efforts to buffer healthy adjacent industrial areas (through landscape and transportation features as well as clarity regarding zoning designations) are very important. Strategies employed in the city's Jones Falls area also illustrate the potential for shrewd re-use of obsolete industrial building stock to house artisanal or "making" activities and services in the absence of more desirable facilities.

Baltimore's Inner Harbor
SOURCE: http://www.usamapxl.com/images/cities/attractions/baltimore/baltimore_inner_harbor.jpg



Adaptive Re-use in Jones Falls
SOURCE: http://www.cbhassociates.com/projects/archive/renovation/images/clipper01.jpg

TACOMA

As in Baltimore, Tacoma's industrial base grew up around its port and continues to be port-oriented, although international trade is now a much more significant component of port commerce. Recent years have seen development pressure on industrial land near the port, a trend sparked by the conversion of obsolete factories and warehouses in downtown Tacoma to residential, retail and office space. An active port agency and a strong contingent of industrial business owners have engaged in strategic land purchases to create buffers between new mixed-use, pedestrian-oriented waterfront development and the warehousing and manufacturing districts that provide 14,000 direct jobs in the port. They have had a significant voice in the city planning process, leading to a general land use plan for Tacoma that acknowledges the job and revenue benefits of industry and strives to keep the sector stable and healthy.

In many ways, the Port of Tacoma, an independent municipal corporation chartered by the State of Washington, is more similar in nature and orientation to the Saint Paul Port Authority than analogous governance structures in the other two peer cities. As in Saint Paul, the Port of Tacoma operates as a land developer/broker and as a property manager, and its mission is to maximize the job creation potential of the property within its purview. It actively manages the 400-acre Commencement Bay Industrial Development District as well as 550 acres of land south of Tacoma in Fife, Washington, undertaking capital investments, preparing sites, and marketing land to manufacturers, warehouse users and consumers of flex space. Port officials' dedication to a strong industrial employment base is reflected not only in their acquisition and development activities but also in their participation in the city's land use planning process.

Over the past 20 years, pressure in Tacoma for new commercial and residential development has been accommodated without significant incursion into districts where such development would harm industrial businesses. Clear, strictly-enforced zoning has helped to shield industrial businesses from residential and commercial competition. Where this has been insufficient, the port agency has engaged in a more aggressive approach, acquiring land in order to prevent conversions like those that took place on the east side of the waterway in active industrial areas two decades ago. The Port's land acquisition strategy, supported by the city's general plan, has strategically separated mixed-use development and heavy industrial uses. For example, the 20-acre Wheeler-Osgood property on the Central Foss Peninsula, located on the site of a former mill, is zoned for a mix of office, research and development, and light industrial uses. If tenants are found successfully, this will yield a combination of uses that buffers heavier industry from pedestrian-oriented shoreline residential and retail development. Such an approach shows how Tacoma has been able to preserve a balance between various types of industrial activity, consumer-oriented neighborhood revitalization, and the incubation of new office-based sectors like corporate management and information technology.

Port of Tacoma
SOURCE: http://coastalnewstoday.com/wp-content/uploads/2011/11/Port-of-Tacoma.jpg

The conditions and trends that prevail in Tacoma differ noticeably from those in Saint Paul. Tacoma's industrial sectors are powered by international trade and the seaport-related commerce it generates. Saint Paul's port commerce comprises a relatively small segment of its industry, and the driver of Pacific trade is absent. Nevertheless, there is enough alignment on mission and strategy between the Port of Tacoma and Saint Paul Port Authority that it could be worth exploring opportunities for the two organizations to partner with and learn from each other, to the extent that they are not already.

Takeaways

The peer city analysis highlights several important implications concerning the role of economic development and planning agencies in promoting industrial stability and growth in contemporary American cities.

Not surprisingly, an important competitive advantage of urban industrial activity is its ability to shorten supply chains through intermodal transportation access, whether this access is based on port-to-rail, port-to-truck or rail-to-truck infrastructure. To the extent that non-industrial development in industrial areas compromises the functionality of these intermodal facilities and the competitiveness of the firms that use them, public sector protection of industrial land is critically important. Depending on the situation, effective responses vary. In Baltimore, a strict protective zoning overlay was required. In Tacoma, the port agency chose a defensive land acquisition strategy, which was complemented by clear language in the city's general plan about the importance of industry to the city's job and revenue base and the non-negotiability of stated industrial zoning designations even as some formerly industrial property was permitted to convert to other uses.

In addition, because of the challenges of parcel assembly and environmental cleanup in older, built-up areas, industrial stability and growth require active public sector stewardship in the land development arena. Whether in manufacturing, logistics, or university-linked labs, industrial firms across the spectrum rely on public organizations (sometimes working in collaboration with developers) to identify, assemble and prepare sites in competitive locations. In the cities examined, new industrial development, while economically important, is never simple. It may involve converting manufacturing space to Flex/R&D space, demolishing obsolete industrial building stock to make way for modern logistics facilities, or finding and preparing infill locations. Success, however, keeps industrial activity in places with existing infrastructure and where jobs and revenue are needed, making it vital that the public sector take on a leadership role.

Another important finding is that all three peer cities contain examples of industry advocates positioning themselves as allies of advocates for improved public space in waterfront areas. Tacoma's experience in particular demonstrates that accessibility to the shoreline for recreational users can actually complement industry preservation if strategically pursued.

Finally, entrepreneurial industrial development agencies are constantly assessing and adapting both to changes in the character and composition of urban industry and to changes in urban population. Particularly in Cincinnati and Baltimore, officials have capitalized on strong "Eds and Meds" sectors to take advantage of opportunities for Flex/R&D development. In Baltimore, the development of new business parks around existing transportation infrastructure has involved demolition of older industrial buildings to make way for new construction, as well as adaptive re-purposing of multi-story buildings for office tenants. The Port of Tacoma's new mixed commercial-industrial facility on the Central Foss Peninsula aims to accommodate Tacoma's new identity as a location for corporate headquarters and high-tech firms while helping to protect a traditional, job-rich industrial district from residential and retail development. All three peer cities contain examples of industry advocates positioning themselves as allies of advocates for improved public space in waterfront areas. Some of the key successes in each city involve cooperation between various interests and parties, a lesson that could easily be applied to Saint Paul.

According to the workforce characteristics analysis above, the Twin Cities are less specialized than the nation in production employment within the manufacturing sector, while being more specialized in production work within the research and development sector. This suggests the possibility of a niche in Saint Paul in which the development of "flex real estate"—space capable of accommodating business operations, research, product design and early-stage manufacturing—could present a valuable proposition for industrial land developers.


5
RECOMMENDATIONS

5. RECOMMENDATIONS

LAND USE & URBAN DESIGN

Retain Industrially Zoned Land for Industrial Use with Limited Exceptions

It is vital to protect Saint Paul's industrial economy in a way that balances competing land uses while preserving the small business and industrial growth that is critical to the city's economic vitality. The closure of Ford Motor Company's Twin City Assembly Plant and the planning for a mixed-use future around the inter-city Central Corridor Light Rail stations in the Midway area of Saint Paul mean that a significant erosion of the city's jobs base has already taken place. The Port Authority should consider a range of strategies designed to preserve vital industrial lands, and/or replace those that are lost to conversion.

Any such strategy must build not only upon the important work that the Port Authority does, but on the valuable efforts of the Saint Paul Department of Planning and Economic Development to protect industrial districts from land uses that can undermine future viability. Residential development, schools, and big box retail are examples of uses that are particularly sensitive to industrial business activity; as such, their presence on or near industrial land may threaten the sustainability of existing industrial operations. In addition, many cities have witnessed the introduction of such uses subsequently raising the value of surrounding land to a level that begins to put strong speculative pressure on adjacent industrially-zoned areas, eventually resulting in a domino effect of industrial erosion.

Obviously, any policy or ordinance must recognize the need for land use to be responsive to demand over the long term. This means that there will be instances in which the market dictates that conversion from industrial to another use is optimal. In theory, such conversions would be balanced by a corresponding addition of industrial land in Saint Paul. In practice, however, changes in land use tend to move only in one direction, with conversions from residential or retail to industrial exceedingly rare. This reality underscores the importance of ensuring that one-off developments and short-term speculation do not drive additional encroachment onto valuable – and scarce – industrial land.

Ideal Printers, Williams Hill Business Center

Identify and Protect Critical Industrial Buffers

In addition to promoting industrial activity, it is imperative that city leaders work to physically protect industrial land from the types of pressures that can lead to conflict and anti-industrial sentiment. A key tool when it comes to achieving this goal is the creation of buffers that physically separate industry from other uses. Such buffers can take a variety of forms. For example, infrastructure assets such as stormwater management systems serve as an effective barrier between industry and more residential uses, as is currently the case near the Crosby Lake Business Center. Similarly, dense landscaping may create a clear line of demarcation between industrial and residential activity, as is done near Great Northern North. Where the construction of physical barriers is not feasible, however, the "Tacoma model" described earlier could be employed. This would mean excluding certain adverse land uses including residential and retail, while still promoting provisions for physical buffering based on landscaping, street design, and setbacks.[63]

Such protections will serve to maximize the job creation potential of industry while minimizing tension over land, which is especially important in areas where industry faces significant pressure, such as Midway. Although this will not eliminate land use conflicts in all areas, a targeted approach that uses buffers to protect key pockets of industrial activity in Saint Paul – in particular those that are located near important industrial assets – is critical to job creation and retention efforts. Intermodal yards, utilities, and large manufacturing or distribution nodes provide a measure of security because they are less prone to conversion pressure and can help to create a critical mass of like activity and a "working" atmosphere. The result of displacement from such areas is often the flight of industrial firms from a city entirely. As such, where speculative pressure from competing land uses threatens to degrade a functioning industrial district, special care should be taken to balance competing uses, based on a combination of the techniques described above and the potential addition of a zoning category that forbids the most adverse uses.

While employing industrial buffers has the potential to bolster industrial activity throughout the city, the impact would be particularly robust in those neighborhoods that are under the most pressure from competing uses. In particular, a concerted effort to buffer industry in Midway and Pelham could potentially go a long way towards allowing residential developers to take advantage of desirable attributes like the Central Corridor rail while ensuring that industrial activity and its benefits in terms of job creation and fiscal impact are shielded.

Above Left: dense landscape buffer between Great Northern North and residential uses across the street
Above Right: closely adjacent institutional and industrial land uses in Midway

63 See the City of Tacoma's CIX Commercial-Industrial Mixed Use zoning category for a precedent.

Develop a Strategy for Older Industrial Districts and Business Centers

The Port Authority's newer Business Centers are well-designed, attractive, and environmentally sustainable. Yet older industrial districts and Business Centers often lack these characteristics, giving them a less cohesive feel and a lack of identity. This leaves these districts and the specific businesses that occupy them vulnerable to intrusion from other uses, as the job creation opportunities associated with these areas may be overshadowed by physical traits.

In such districts, it is critically important to incorporate modern amenities and aesthetics in order to maximize firm retention and avoid negative perceptions around industry. To do this requires upgrades that are both functional and cosmetic. The best approach to achieving this would involve a partnership between industrial businesses, the Port Authority, and the city that focuses on creating an inviting feel by promoting landscaping, signage, streetscapes, and other improvements that can encourage new and infill development in these employment centers.[64] Within Business Centers, it is important for all parties to work together to ensure sufficient space for parking and trucks, along with a front entrance that welcomes customers, tenants, and visitors. Ideally, this would be accompanied by efforts to link industrial hubs, such as the Riverview and Riverview West Business Centers, in order to promote collaboration and a focus on shared interests. In this case, a strategy would help to coordinate site assembly efforts, improve gateways, upgrade local infrastructure, and potentially promote new private investment. In order to accomplish this, a steering committee of local business representatives and Business Center-specific stakeholders could be formed to outline the intent of the initiative and to develop strategies for the district's future.

By changing the operating conditions and perceptions surrounding older industrial districts in Saint Paul, a stronger industrial base would result. An investment in improved features and aesthetics would ultimately benefit a wide range of stakeholders in the city and region by increasing the job creation potential of the firms located in industrial areas.

64 For an industrial district master planning precedent, see the Navy Yard Master Plan in Philadelphia produced in 2004 and currently under build-out. http://www.navyyard.org/master-plan

Construction of decorative bridge abutment in Riverview

Landscaping and signage at the gateway to River Bend

Consider an Industrial BID to Manage Common Spaces in Older Business Centers

In interviews with Business Center firms, the effectiveness with which the Port Authority manages common areas in its Business Centers was apparent. For older industrial districts, challenges stemming from older infrastructure and/or structures are more easily resolved when there is a clear management presence for both exterior spaces and interior common areas of multi-tenant Business Center facilities. This is a straightforward way of increasing retention of existing Business Center firms. In a time of budget constraints at all levels of government, one way to fund such measures could be the establishment of an Industrial Business Improvement District (I-BID). If agreed upon by area firms, a small assessment based on street frontage, facility square footage, or even employment could be pooled to fund "clean and safe" improvements and development/ communications programs in the immediate vicinity of the assessments. Such districts have a strong track record of success in commercial areas and are being increasingly utilized for urban industrial areas as well in major cities.[65]

Explore Strategies to Consolidate Surface Parking in Older Districts

Older industrial districts in Saint Paul would benefit from a more strategic approach to maximizing output and job creation per acre. One way to do this would be to consider alternate uses for the acres of underutilized surface parking that exist. This would free up industrially-zoned land so that additional development could take place, strengthening each district's character and adding to the city's employment and revenue base.

An obstacle to such a plan, however, would be that the owners of these surface parking lots are under no obligation to support such a strategy. It is therefore imperative that the private sector firms and individuals whose land would be affected by a revised district parking strategy be part of any discussions that take place; perhaps they could be granted right of refusal on productive land and compensated for parcels that are not essential to their business operations. Arriving at these types of solutions requires a shared vision and spirit of partnership among all parties.

consider consolidating underutilized parking lots to create opportunities for new development

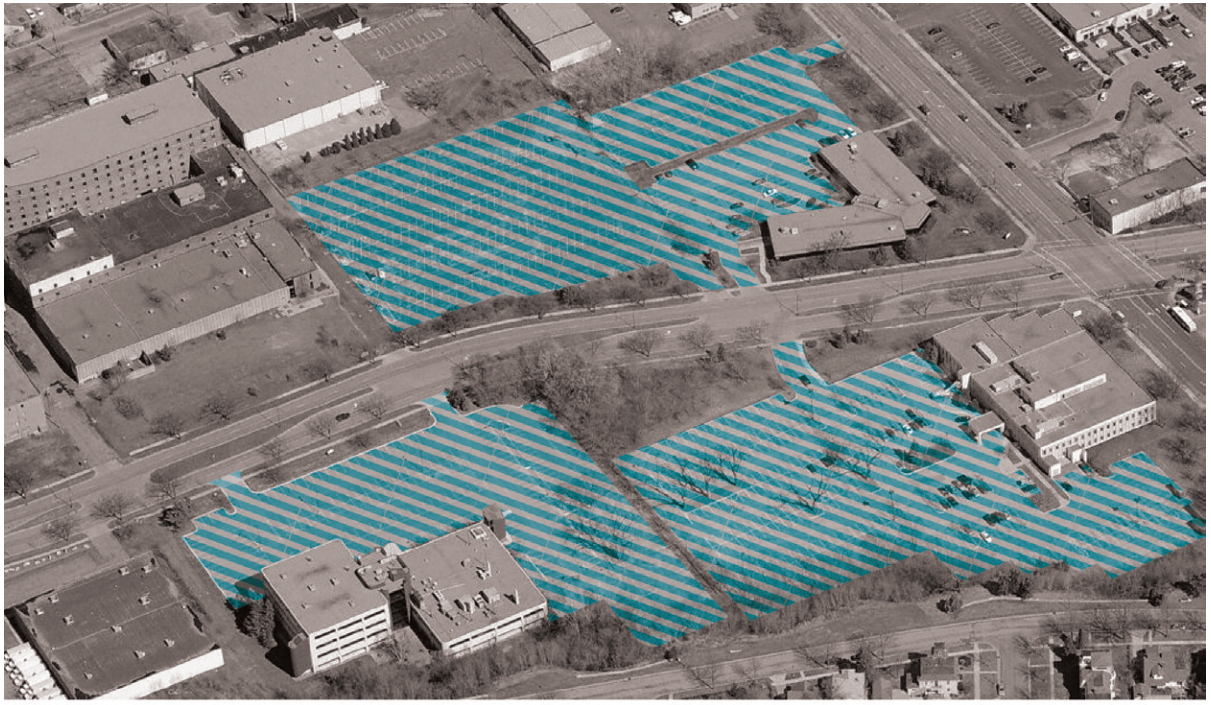


FIGURE 32. Underutilized Parking Lots

SOURCE: Interface Studio

65 For a precedent, see industrial BIDs in Los Angeles - http://cityclerk.lacity.org/BIDS/Downtown-Industrial-Engineers-Report-2010-2014.pdf and New York - http://www.nycedc.com/ProjectsOpportunities/RFPsRFQsRFEIs/Pages/Opportunity257_PC.aspx

Ally with Advocates of Open Space Access on the Waterfront

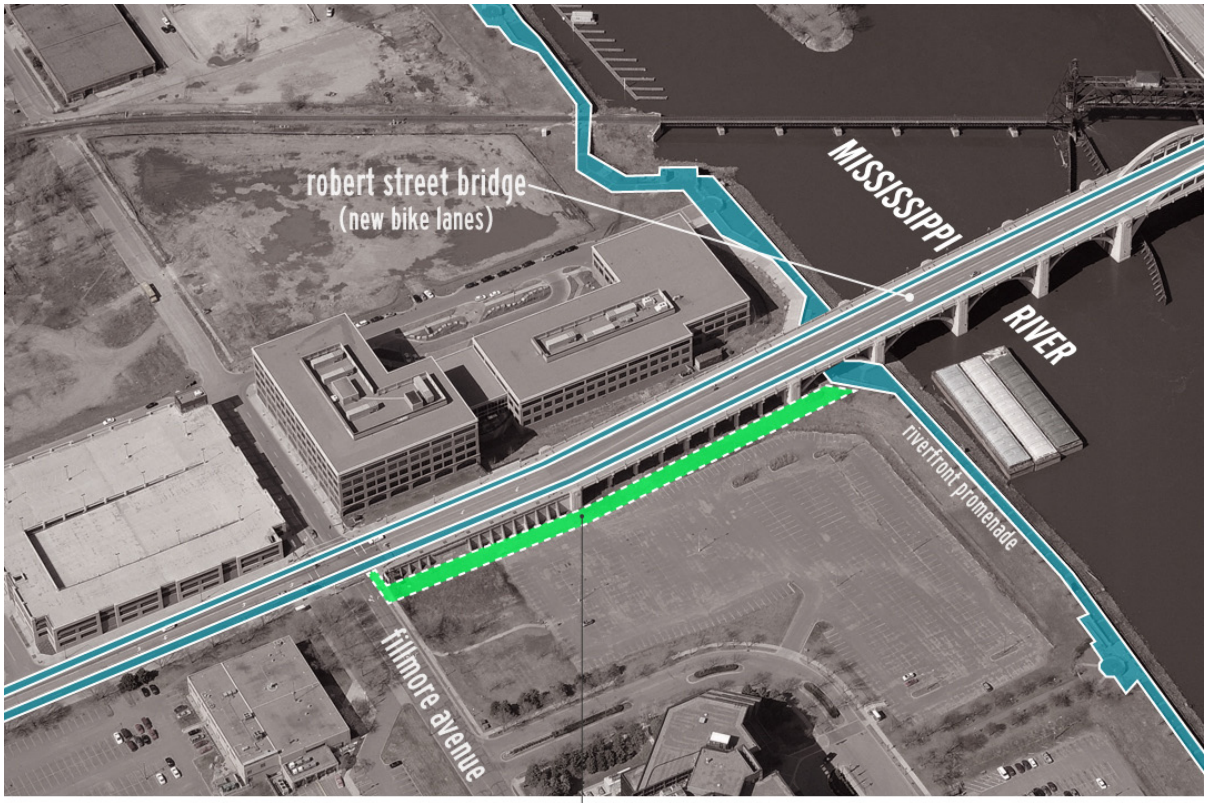
In many industrial cities with significant waterfront land, stakeholders have learned that industrial development and open space access can successfully co-exist. In fact, open space can be used to help create buffers for industrial businesses; the earlier discussion of Tacoma provides an example of recreational and industrial uses complimenting each other.

The Great River Passage Master Plan, which was completed in 2011, presents recommendations for orienting Saint Paul towards the river with a coordinated effort to exploit the recreational, natural, and economic opportunities afforded by the 17-mile stretch of the Mississippi River that runs through the city.[66] In an example of a mutually beneficial approach that promotes recreational activity while protecting industrial land, the Port Authority recently donated 16 acres of riverfront land to this effort. As part of this process, Barge Terminal 2, which was initially under consideration, was kept for job-producing industrial uses.[67]

Approaches like this that protect productive land uses are very important. A similar strategy could help, for example, the Riverview Business Center create more open space while strengthening its industrial presence, as shown in Figure 33. At the city level, targeted improvements in landscaping, signage, and public art – whether implemented by city officials or other local organizations – can also help promote a spirit of partnership around waterfront development.

FIGURE 33. Riverfront Access Opportunity at Riverview

SOURCE: Interface Studio



Right: Seattle's waterfront weaves well-designed open space and recreation areas through working industrial uses, providing a vision of what is possible along Saint Paul's Mississippi River waterfront

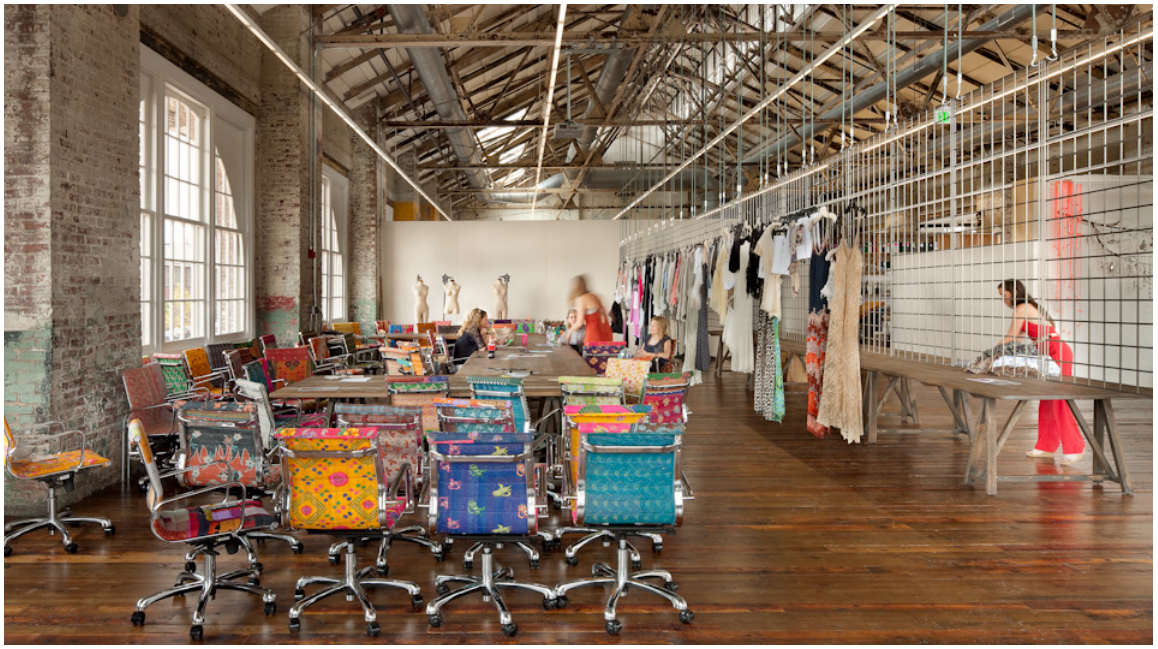
66 Great River Passage Master Plan. http://www.stpaul.gov/DocumentView.aspx?DID=19153

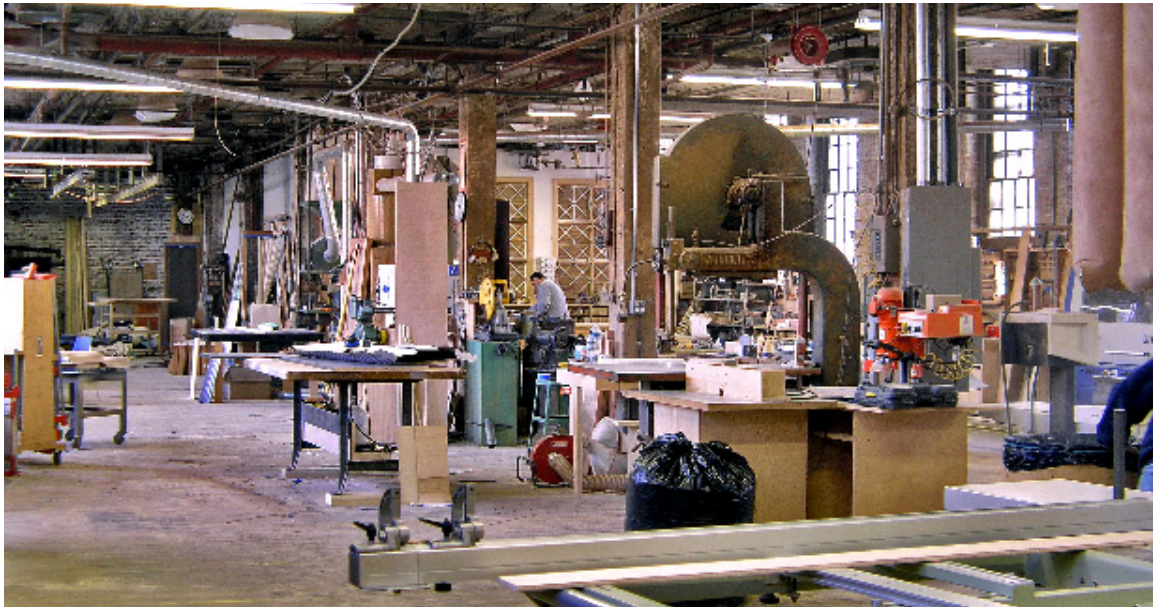
67 "A win-win for the river — Saint Paul Barge Terminal agreement results in 16 acres of riverfront parkland." Bob Spaulding, Friends of the Mississippi River. http://www.fmr.org/news/current/barge_terminal_land_exchange-2011-09

Support Efforts to Convert Former Industrial Buildings to Complementary Productive Uses

Although it adheres to strict development covenants in its Business Centers, the Port Authority has supported creative re-use of older industrial buildings and participated in community discussions around the topic. A continued willingness to engage some of these uses, including artisanal, do-it-yourself, and creative enterprises, would be beneficial to the economic development picture in Saint Paul. This would entail lending real estate development expertise to efforts to convert former or obsolete industrial buildings into complementary uses, where appropriate.

While re-use of older buildings, which are typically multi-story and lack the amenities needed to support modern industrial activity, comprises a very small niche market,[68] it can nevertheless benefit traditional and modern industrial development in a number of ways. For one, it supports continued job-generating activity in these buildings. In addition, such activities can create "buzz" and attention for Saint Paul as a place for smaller, artisanal, do-it-yourself activity as well as for the modern industrial uses that these activities tend to complement. Such an approach may have success in Midway, where multi-story facilities that are unfit for modern PDR could be re-deployed, perhaps using the Greenpoint Manufacturing and Design Center (GMDC) in Brooklyn, NY as a template. In fact, officials from GMDC have already visited Saint Paul and engaged in discussions with local partners about potential opportunities.





Top: URBN headquarters reactivated a historic factory in Philadelphia's Navy Yard
Bottom: Small-scale artisanal wood workshop in old, multi-story industrial building (also in Philadelphia)

68 For example, the Greenpoint Manufacturing and Design Center (GMDC) in Brooklyn – which has successfully used such a model – employs just over 500 people, representing less than 0.05% of New York's industrial economy. (Sources: GMDC Tenant Survey Statistical Report, Fall 2010; ICIC analysis)

Undertake a Public Relations Campaign to Broaden the Discussion about Industrial Use

Because of some prevailing attitudes about industrial activity and the political attractiveness of residential development – which remains a focus for many cities despite sharp declines in home prices and increased residential vacancies in recent years[69] – proponents of industrial job creation have too often been forced to adopt a defensive posture. This makes it imperative for cities like Saint Paul to take a proactive approach to promoting industry. One way to do this would be through a public relations campaign that highlights the benefits associated with industry. This would serve as an investment in getting city residents and some in the public sector to move beyond the outdated images of industry to an understanding that today's PDR activity looks dramatically different than industry did just one generation ago. This not only could help foster cooperation, but potentially lead to increased interest in industrial careers among students, neighborhood residents, and current workers as they learn more about potential opportunities.

69 U.S. Census Bureau Homeowner Vacancy Survey, First Quarter 2012. Table 2: Quarterly Homeowner Vacancy Rates: 1956 to Present.

"Most people don't get a chance to see this stuff. More exposure builds appreciation - for the service, jobs, products, process."
- Vice President at a Saint Paul-based foundry.

Partner with Other Local Organizations to Advance the Conversation around Industrial

An opportunity exists for Saint Paul and regional leaders to develop a more prominent voice in the ongoing national conversation about the revival of the industrial manufacturing sector. Groups like the Manufacturing Institute, the Urban Manufacturing Alliance and the Information Technology and Innovation Foundation are setting the agenda at the national level. Government initiatives have aligned with the goal of reviving innovation in the U.S. economy by supporting advanced manufacturing. This represents a timely opportunity for Planning and Economic Development officials to work in a parallel way with local groups (Capital City Partnership, Saint Paul Area Chamber of Commerce, Twin Cities LISC) to raise the profile of industrial activity in Minneapolis/Saint Paul and advocate for strategic efforts to promote it. This would provide a potential avenue for addressing regional problems using two tracks – the first would entail a partnership with specific manufacturing organizations, while the second would involve engaging parties that have a stake in growth and equity within the Twin Cities. Ultimately, the outcomes should include increased access to workforce, small business growth, land development, and/or technical assistance to firms.

"Job generation is a win-win, less controversial than land use - it can change the tone of the discussion."
- Leader at a local economic development organization.

Promote an Industrial Pipeline

While the Port Authority enforces strict development covenants around size and job density for Business Center firms, it is important that early-stage companies in Saint Paul that could potentially develop into future Business Center occupants be given every opportunity to thrive. Ideally, this would involve leadership from the city on preserving job-generating activities, especially in neighborhoods where industry is under pressure. Whether through product innovations or linkages to local headquarters, there are opportunities for smaller industrial firms to enter the Saint Paul and regional markets. Such firms would initially be a good fit for multi-tenanted flex buildings, such as the Langer Industrial Condos in Westminster, the new flex buildings in River Bend that are operated by Wellington Management or the proposed commercial development in Pelham that was described earlier. Ultimately, the goal would be for the relatively small firms that occupy these facilities to grow in order to generate the revenue and jobs needed to be part of the next generation of industrial companies.

"We need to do a better job of welcoming businesses and retaining the ones we have. We need to help people with expansion and turn around the policy dynamic. The regulation services staff is the only contact that most businesses have with city staff."
- Regional Economic Development Official .

Expand Industrial Outreach

While the Port Authority's Business Centers are home to much of Saint Paul's industrial activity, a majority still takes place elsewhere in the city. This presents an opportunity to promote the work of the Port Authority to businesses that may not be aware of all that it offers. Such an approach would be beneficial to all parties, providing increased visibility to the rest of the city's industrial economy (and further promoting a pipeline), while educating firms that may benefit from an eventual move into one of the Business Centers. In turn, because establishing personal outreach throughout the city is likely unrealistic, the Port Authority could potentially develop web interfaces that engage young entrepreneurs and start-ups accustomed to having information at their fingertips.

"We need to juice up the informational interfaces."
- Leader at a local economic development organization.

"Businesses need to feel love. It goes a long way – and it's FREE. City reps should go see businesses – just to thank them for doing business here, employing residents, paying taxes. It doesn't cost anything."
- Leader at a local economic development organization.

Target Rail and River Sensitive Clusters for Growth to Capitalize on Local Infrastructure

As described in the discussion of Saint Paul assets, rail and river are tremendously important to the city's economy. The existing infrastructure around both of these resources is a strong selling point to firms in a number of potential target clusters, including Distribution Services, Metal Manufacturing, and Processed Food, all of which are projected to grow nationally over the next decade. Firms in these clusters are well-positioned to thrive in Saint Paul based on existing assets and growth patterns. Additionally, as heavy users of rail and river, such firms could help to encourage continued investment in the city's industrial infrastructure.

Fill the Missing Link Between Local Industry and Universities

The assets exist for firms to take advantage of the many benefits associated with a strong university presence, including workforce development, innovation, and local procurement. While all clusters can benefit from Saint Paul's strength in these areas, Medical Devices and Biopharmaceuticals are especially well-positioned to leverage all of these benefits, creating industrial jobs for the residents of Saint Paul and the region.

"I love this town, and I'm doing a high volume business, but I don't know what the plan is for attracting businesses."
- General Manager at a Saint Paul industrial firm.

Capitalize on Manufacturing Opportunities in High-Skill Clusters

As described in the Workforce section, production jobs in high-skill sectors like Life Sciences are abundant in Saint Paul. Because of this, a targeted strategy of leveraging highly technical industrial clusters to create advanced manufacturing opportunities – ideally, done in conjunction with an effort to upskill existing workers – could yield significant benefits.

Promote Energy Efficiency and a Green Industrial Base

During conversations with industrial firms, energy efficiency was frequently mentioned as a theme, and Saint Paul appears to be on the cutting edge in this field in many respects. Although green is not a cluster per se, a sustainable energy source (anaerobic digesters, for example) within one or more clusters could draw new industrial uses or expansion among local firms.

As emphasized in the Workforce section, industrial jobs in the United States – particularly jobs in manufacturing – are increasingly "knowledge jobs," requiring proficiency with high-level mathematics and computer programming. While industrial jobs are significantly more accessible to workers with high school degrees, the Twin Cities specialization in production work within the research and development sector, for example, will require higher levels of education and training than those needed even a generation ago.

For decades, the prevailing focus of workforce and education policy has been knowledge jobs in the service industries. In the face of growing awareness that in fact, industrial jobs do involve knowledge work, the question of how to prepare young people for careers in the sector arises frequently. There is also a need for incumbent workers to upgrade their skills.

Port Authority affiliate Employer Solutions Incorporated, operating on a client-based model, has already made progress in preparing Saint Paul residents for jobs at Business Center firms. It has provided an array of workforce services, and created training opportunities by seeking state and federal grants, most recently securing a $300,000 training grant from the Environmental Protection Agency in August 2011. Any effort to further develop and upgrade the industrial and R&D production workforce in Saint Paul and the Twin Cities will be strengthened by the collaboration of the Port Authority with the Minnesota Department of Employment and Economic Development, local economic development agencies, secondary school systems, technical colleges, and consortia of interested employers. Goals that might be pursued by a "Joint Commission on the Industrial Workforce" in Saint Paul include:

1. Greater exposure to manufacturing and R&D production occupations at the high school level, accompanied by stronger emphasis on the science and math skills needed for those occupations.
2. More and better opportunities for post-secondary technical training in high-demand industrial and R&D sector occupations.
3. Targeted on-the-job training for incumbent industrial workers, perhaps in conjunction with the piloting of a new National Association of Manufacturers-endorsed Manufacturing Skills Certification System (see below).
4. Connection of Saint Paul firms with local and state financial incentives to provide training to incumbent employees.
5. Better coordination of workforce policy with innovation policy in the region and the state, through collaboration with groups like Enterprise Minnesota as they ratchet up assistance to small and medium-sized enterprises. Assistance with process innovation and supply chain development will increasingly go hand in hand with workforce development efforts.

The National Association of Manufacturers, through its Manufacturing Institute, has taken up the challenge of facilitating training, primarily through technical colleges, for skilled CNC machine programmer/operators and other skilled technicians that manufacturers have reported difficulty recruiting.[70] This group is already working with the Minnesota Department of Employment and Economic Development, and a Saint Paul specific partnership could potentially be developed.

"It's important to have jobs, but it doesn't resonate if local neighbors don't get those jobs." - Leader at a local economic development organization

70 *Boiling Point? The Skills Gap in U.S. Manufacturing*. Deloitte Development LLC and the Manufacturing Institute. 2011.

6 CONCLUSION

6. CONCLUSION

Industrial activity is on the rise again across the U.S. With unemployment rates for workers who lack a high school diploma and those without any college roughly three and two times the rate for college graduates,[71] respectively, there is no better place for cities to focus their economic development efforts than on the industrial economy. Saint Paul stands poised to take advantage of these trends in the coming years, with assets and resources that are scarce elsewhere in the U.S.

The Benefits Associated With Industry

The benefits of an increased focus on industry would be both far-reaching and highly sustainable. Its potential entails not only the addition of new jobs, but the types of jobs that help cities and regions grow efficiently and equitably. Industrial jobs often confer significantly greater benefits to their city and region than their non-industrial counterparts while requiring, in many cases, no more than a high school education and training that can be obtained either on-the-job or at a technical/community college. By creating opportunities for a wide range of residents, and ideally supplementing that with a focus on upskilling the existing work force, city leaders can use industrial growth as a key lever when it comes to achieving strong and equitable economic growth in Saint Paul and the region.

The beneficiaries, however, are not limited to specific groups of residents of a city. Our analysis shows that adding jobs in the Port Authority's Business Centers, all of which are located within Saint Paul's city limits, results in significant additional job creation throughout the 13-county Twin Cities region. These effects are particularly pronounced when it comes to industrial jobs, which result in higher multiplier effects than their non-industrial counterparts. Additionally, from a fiscal perspective, industrial development is a more efficient path to generating revenue for Saint Paul while minimizing expenditures relative to residential and other commercial activity. In an era marked by belt-tightening at all levels of government, this is an especially important consideration for local governments.

Next Steps

For Saint Paul to maximize industrial growth and its benefits, we have outlined a series of recommendations that would most effectively promote industrial activity in the city. From a land use perspective, it is crucial that industrially-zoned land be protected from uses that result in conversion pressure. Given the fundamental importance of industrial activity, it is critical to encourage modern, single-story industrial development in Saint Paul. Such development needs to be protected from the types of residential and retail encroachment that can jeopardize industrial activity and jobs. In the absence of new industrial development, creating buffers between existing uses is also vital. This can include physical barriers, such as landscaping or water management systems but can also be accomplished with designated zoning categories that ensure that productive, job-creating activity is protected. Even something along the lines of artisanal work in converted multi-story facilities, if viewed and treated as a complement to the more impactful activity of firms in the Port Authority's Business Centers, can play an important role in preserving industrial activity in Saint Paul.

Such an approach would be most effective if complemented by an effort by the city, Port Authority, and other key stakeholders to "play offense" in support of industrial development. Among the tools that could be used to achieve this goal would be to convene industrial firms located in the Port Authority's Business Centers, expand conversations between the Port Authority and other local economic development interests, and promote city-level encouragement of an industrial pipeline that can grow into the next generation of industrial jobs. In trying to facilitate such a pipeline, it would be wise to focus on clusters like those identified earlier in this report as current or future strengths in Saint Paul, in order to most efficiently utilize the city's existing resources. Any strategy would also require a continued focus on workforce development to ensure that the opportunities

71 http://www.bls.gov/news.release/empsit.t04.htm

afforded by industrial activity in the coming years are fully leveraged by residents of Saint Paul and the region. Exposing students to opportunities, while increasing training – both on-the-job and post-secondary – is vital to capitalizing upon the benefits afforded by modern industrial development.

Underlying the benefits of industrial sector growth is the need for cooperation in order to address some of the challenges to industrial development that have been described throughout this report. A lasting spirit of partnership among all stakeholders that recognizes the shared interests and opportunities that exist may represent the most important ingredient for realizing the many benefits and opportunities associated with industrial activity in Saint Paul.

Above: Warners' Stellian Appliance, Great Northern Business Center


Above, left and right: Summit Fire Protection and Restoration Professionals, Great Northern Business Center