Setting the PACE:
Brownfields, Business Centers and Beyond
Our Mission

The Saint Paul Port Authority creates quality job opportunities, expands the tax base and advances sustainable development.
Our Work

Harbor Management
Commercial Redevelopment
Statewide Programs
Focus Area #1: The Working River
The Minnesota Legislature established the Saint Paul Port Authority as a non-profit governmental agency to manage the Saint Paul Harbor.
Our River Connection

- The Saint Paul Port Authority owns and manages four ports located along the Mississippi River in Saint Paul
- Our goal is to protect the integrity of the working river, which has been a long-time contributor to the Saint Paul economy

St. Paul Harbor

- 2nd largest terminal in the State of Minnesota
- Close to 1,100 jobs in our ports
- Generating $2 million+ in tax revenue
Barge Terminal One
Barge Terminal One, Childs Road, is located on the north side of the river between Pig’s Eye Lake and Mounds Park.

Established: 1934
Size: 57 acres
Number of Jobs: 252
Annual Property Taxes: $466K


Shipping Products (inbound and outbound): Fertilizer, salt, aggregate, cement, scrap iron and steel, feed additives, asphalt, and water treatment chemicals.
Barge Terminal Two
Barge Terminal Two on the river’s south bank under the Lafayette Bridge.

Established: 1960
Size: 3 acres
Number of Jobs: 30
Annual Property Taxes: $48K

Terminal Two houses the Harbor Operator, Upper River Services. Services provided to customers moving products through the ports include: dry docking, barge maintenance and cleaning.
Red Rock Terminal

Red Rock Terminal is located near the south end of Pig’s Eye Lake

Established: 1964
Size: 272 acres
Number of Jobs: 615
Annual Property Taxes: $1.2 million


Shipping Products (inbound and outbound): Corn, soy beans, fertilizer, cement, scrap metal, asphalt, rebar, and water treatment chemicals.
Southport Terminal

Southport Terminal is located just south of the Saint Paul Municipal Airport on Barge Channel Road.

**Established:** 1964  
**Size:** 119 acres  
**Number of Jobs:** 147  
**Annual Property Taxes:** $540K


**Shipping Products (inbound and outbound):** Recyclable metals, fertilizer, grain, dredge materials, salt, and chemicals for drinking water and waste water treatment.
Did You Know?

- Without access to the river, Minnesota farmers would lose access to the global market. *60 percent of all grain exports are directed through the U.S. Gulf Corridor.*

- Municipalities would pay more to treat drinking water. *Caustic soda, a key ingredient to clean drinking water, is imported via the river.*

- **The cost of construction projects would increase.** *Most of the cement used to make concrete is imported via the river.*

- The cost of road salt would increase. *Most road salt is imported via the river.*
River Shipping is fuel efficient and helps relieve congestion on freeways

Source: National Waterways Foundation
The Legislature authorized the Port to engage in economic development activities inland.
Focus Area #2
Commercial Redevelopment
Brownfield Redevelopment

The Saint Paul Port Authority purchases polluted, blighted properties in the City of Saint Paul that the commercial real estate community won’t touch.
Redevelopment Criteria

1. **Density**: One job per 1,000 square feet of proposed building space

2. **Living Wage**: Minimum pay of $14.75/hour with benefits or $17/hour without benefits

3. **Community**: 70 percent of new employees, hired in the first 10 years, should be Saint Paul residents.

4. **Sustainability**: Commitment to the Port Authority’s Green Design Investment review process to evaluate energy-efficient building designs and sustainable site features (e.g. best storm water management practices, water efficiency, native plantings) and share utility data to track building energy and carbon performance.
Williams Hill Business Center

Pre-development

Post-development

12 JOBS
ANNUAL PROPERTY TAX $80k

416 JOBS
ANNUAL PROPERTY TAX $726k
NEW BUSINESSES 7
AVERAGE PRODUCTION WAGE $17.99 per hour
Great Northern Business Center

Pre-development

Post-development

605 JOBS
ANNUAL PROPERTY TAX $622k
NEW BUSINESSES 5
AVERAGE PRODUCTION WAGE $23.55 per hour

70 JOBS
ANNUAL PROPERTY TAX $55k
Westminster Junction

Pre-development

Post-development
17 Industrial Centers
500+ Companies
25,000+ Jobs
$12MM Annual Tax Revenue

Saint Paul PORT AUTHORITY
Beacon Bluff
2008 – Present

- Phalen Corridor
  Stimulus
- Re-Development
  Timeline
- Small Area Plan / Community
  Engagement
- Remediation / Contracting
- Sustainability and
  Economic Development Outcomes
Phalen Corridor Stimulus
Beacon Bluff’s Next Generation Business Center encompasses 61 acres on St. Paul’s East Side. The business center will bring an estimated 1,400 light industrial, office, commercial, and retail jobs to the neighborhood.
Market Conditions - 2008

- 3M retained a national broker (Jones Lang LaSalle – Chicago) and a local broker (Welsh)
  - To expose the property to local and national private markets.

- 3M offered the property with very favorable terms to buyers (ex. sale-leaseback of office buildings for 5 Years).
  - No takers.

- The Port was one of three offers for the site.
  - A second was for a low intensity dry-storage use,
  - the third was a big box retail use that would have tied up the site for years with no guarantee of closing.
  - Both would produce low wage jobs and low job densities.
3M Building Campus

- Port Issued $16 Million in General Obligation Bonds
- $5.5 Million Acquisition Price
- Approximately $40 Million on Demolition, Clean up and infrastructure.
- Local, State and Federal Grant $$ were crucial to the success of Beacon Bluff
Site Assumptions & Analysis

- The Port made baseline assumptions on the future use of the property for due diligence purposes only, based on our knowledge of the marketplace and existing planning.

- **2008 Hypothesis**, if the whole site was redeveloped, over 1,000 jobs could be located there at $60M of new building construction that would generate around $2,000,000 in property taxes.
Beacon Bluff Redevelopment Timeline

2008  Due Diligence / Acquisition
2009  Community Engagement / Planning
2009  Sale to HealthEast Medical Transportation
2010  SDR (Select Demo and Remediation)
2010  REP (Roadway Environmental Permitting)
2010  Sale to Baldinger Bakery (Former Griffin Parcel)
2011  GEC (Geotechnical Environmental Corrections)
2012  DRE (Demolition, Remediation and Environmental)
2012  Sale to West Side Family Clinic (Parcel 3 South)
2012  Sale of Building 21 to IAF, Beacon I LLC (Parcel 3 North) - Archdiocese
2012  BDG (Building, Demo and Grading)
2012  BDG HML (Historic Mitigation and Landscaping)
2013  Sale to Beacon Bluff Parcel 5 West, LLC – Viking Electric & Jones Sign
2013  BAD (Bush Ave. Demolition)
2013  SDA (Stormwater Demonstration Area)
2013  Sale of to IAF, Beacon II (Parcel 4 West) - Loomis Armored Car
2014  ISP (Interpretive sign package)
2016  Sale to MacQueen Equipment (Former Globe Parcel)
2017  Sale to OPUS (Parcel 5 East) – Terracon
2018  Sale to Camada Ltd (Parcel 2) – Vomela Printing
2018  Purchase Agreement out for Parcel 6
2019  ONE 3.22-Acre parcel available – fit for a 50K SF facility (opportunity zone).
Small Area Plan
Community Engagement
The MPCA's consensus for processed concrete and brick allowed the Beacon Bluff project to recycle over 134,000 tons of concrete, thus eliminating 10,400 truck loads of exported concrete and imported fill to and from the site. These protocols results in reduced traffic and noise, reduced carbon footprint, substantial cost savings and a large reduction in landfill disposal.
Sustainability Stormwater Quality Improvements

Beacon Bluff Project

Drainage Area 143.6 Acres
Capture First
Flush Rainfall

- Diversion Plate for Low Flow Volumes
- 1st SAFL Baffle Installation
- 1,000 Lineal Feet of 10’ Perforated CMP
Groundwater Recharge Area

- 300 feet long
- 50 feet wide
• Infiltration Basin
• Engineered Topsoil
• Shredded Tire Chips
• Sand Backfill
• Washed Aggregate
• Data Sampling Pipes
Pollution Reduction System

- Total Suspended Solids (TSS) • 8,703 lbs.
- Total Dissolved Solids (TDS) • 3,334 lbs.
- Suspended Sediment Conc. (SSC) • 40,440 lbs.
- Total Phosphorus (TP) • 37.4 lbs.
- Ortho- Phosphorus • 4.6 lbs.
- Chloride • 155.7 lbs.

City of St. Paul Sewer
U of M – SAFL
MPCA
Capital Region Watershed District
Port Authority

May 2-6, 2010
1.4M Gallons Water

May 24, 2010
1.0M Gallons Water
Historical Urban Park

- In partnership with the East Side Arts Council, community and local artists
- Educational streetscape / classroom with environmental curriculum for area schools
  - Stormwater Demonstration area – Water is a resource not a waste product
- Historic interpretive panels made from salvaged limestone to tell the story of 3M
Economic Contribution in 2017:

- Beacon Bluff Business Center businesses employed 615 workers in Ramsey County in 2017.

- Beacon Bluff Business Center operations generated an estimated $119.9 million of economic activity in 2017. This includes $60.8 million of labor income. The center supported 955 jobs across all industries.

- According to the input-output model Extension used, the average job at Beacon Bluff Business Center pays $68,000. The jobs supported by the center (including indirect and induced) pay an average of $63,800. By comparison, the average earnings per job in the zip code area is $53,400.
Potential Economic Contribution in 2022:

- Businesses with signed purchase agreements plan to hire 315 people during the next five years, bringing total employment at the center to 930. In total, Beacon Bluff Business Center operations will generate an estimated **$212.6 million of economic activity in 2022**. This includes $92.0 million of labor income. The center will support **1,490 jobs**. This is a conservative estimate, as it only includes known business growth.

Potential Economic Contribution in 2027:

- Businesses with signed agreements also plan to hire a total of 395 workers during the next 10 years, bringing total employment in the center to 1,010. In total, Beacon Bluff Business Center operations will generate an estimated **$235.1 million of economic activity in 2027**. This includes $100.3 million of labor income. The center will support **1,630 jobs**.
Beacon Bluff - 2019

8 Companies
2 More COMING SOON!
880 Jobs and GROWING!
$1.4 million In Tax Revenues 2018
$94M Private Investment and GROWING!

Saint Paul PORT AUTHORITY
Beacon Bluff Awards

MN Society of Professional Engineer
2011 Seven Wonders of Engineering Award

MN Environmental Initiative
2011 Sustainable Communities Award

National Demolition Association
2011 Environmental Excellence Award

Consulting Engineering Council
2012 Grand Award Winner
2012 Peoples Choice Award
1. Creating achievable economic development goals for your site
2. Remediating brownfield properties
3. Evaluating the best use for properties
4. Identifying market opportunities
5. Attracting and retaining the “right” businesses
6. Diversifying industries and economic base
7. Increasing living wage jobs and tax base
8. Reaching qualified buyers and sellers through enhanced brokerage services
Bemidji Railroad Corridor

- City of Bemidji Purchased RR Corridor located in the downtown shopping area
- Brownfield with significant amount of Urban Fill
- Small Area Plan Complete Cleanup was 12M
- Selective Remediation and on-site relocation capped stockpiles reduce cleanup to 1.5M
Allianz Field

MIDWAY SQUARE AND VICTORY PLAZA
Focus Area #3: Statewide Services & Energy Efficiency Financing
Energy Financing Programs

- Trillion BTU
- Property Assessed Clean Energy (PACE)
- Energy Savings Partnership (ESP)
Trillion BTU Results

- 274 Projects
- $102,960,000 of Project Costs
- $13,000,000 Annual Savings
- 467,185,000,000 BTUs Saved Annually
- 830 Jobs Retained/Created
- 1,460 Construction Jobs Created
Qualifying Industries

Property Assessed Clean Energy

• Industrial/manufacturing
• Multi-family housing (5+ units)
• Agriculture
• Nonprofit
• Places of Worship
Client Benefits

Property Assessed Clean Energy

• No upfront costs
• No payments until following May
• No accrued interest for the first three months
• Payments rolled into biannual property tax assessment
• Utility savings exceed payment obligations (CASH POSITIVE)
Potential Hurdles

Property Assessed Clean Energy

- Financing limited to 20% of the current assessed value of the property
- Application requires signature from existing mortgage holder(s)
Niches for PACE

Property Assessed Clean Energy

- Renewable Energy Projects
- Multi-tenant Buildings
- New Construction
- Senior Care Facilities
PACE Results
Property Assessed Clean Energy

- 201 Projects
- $67,272,000 of Project Costs
- $4,828,000 Annual Savings
- 186,258,000,000 BTUs Saved Annually
- 90 Jobs Retained/Created
- 740 Construction Jobs Created
Peterson Farm
Property Assessed Clean Energy

40-kW Solar Installation
Dassel, MN
$174,000
Meyer’s Cozy Corner Campground
Property Assessed Clean Energy

40-kW Solar Installation
Richmond, MN
$135,000
First & First
Property Assessed Clean Energy

Vandalia Tower
550 Vandalia Street, Saint Paul
HVAC & Windows
$1,100,000
Frauenshuh
Property Assessed Clean Energy

Metro Office Park
Metro Drive, Bloomington, MN
HVAC
$3,185,000
Wellington Management

Property Assessed Clean Energy

City Center East
Radio Drive, Woodbury, MN
62 Rooftop HVAC Units
$630,000
Treasure Island Center

Property Assessed Clean Energy

Treasure Island Center
Saint Paul, MN
HVAC
$6,700,000
Madison Equities
Property Assessed Clean Energy

First National Bank Building
# Madison Equities

## Property Assessed Clean Energy

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<tr>
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<th>First National Bank Building</th>
<th>U.S. Bank Centre</th>
<th>375 Jackson</th>
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<tr>
<td>Square Feet</td>
<td>1,133,010</td>
<td>586,371</td>
<td>271,927</td>
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<td>Total Project Costs</td>
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<td>Xcel Rebates</td>
<td>$(965,321.00)</td>
<td>$(498,507.00)</td>
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<td>Net Costs</td>
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<td>$3,321,493.00</td>
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### Financing

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<th>Trillion BTU</th>
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“MinnPACE allows us to sell more projects, install more systems, and in some cases it allows us to increase project size.”

- Eric Pasi
IPS Solar