

FINANCE & COMMERCE

Construction

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St. Paul Port Authority to redevelop Midway area Overnight Express site

by [Scott Carlson](#) Staff Writer

Call it the \$1 deal.

A bargain land deal awaits a developer with the best plans — as judged by the St. Paul Port Authority — for redeveloping a prime, five-acre site in the city's Midway district.

The Port Authority expects this fall to demolish the former Overnight Express buildings at Pelham Boulevard off Highway 280 and Interstate 94, paving the way for a new business use.

With the completion of the project — funded in part with a \$600,000 state grant for contamination remediation — the agency will entertain development plans for reuse of the property.

The real estate investor judged to have the best development proposal will be able to buy the site for only \$1, even though the Port Authority paid \$2.6 million for the property.

Port Authority officials said Thursday that their agency bought the Overnight Express property (also known as the Pelham Business Center) with so-called brown field development program bonds.

"Those bonds are tax-exempt," said port spokesman Tom Collins. As a result, the port can accept only \$1 as a token consideration if it sells that land, he noted.

But for the eventual buyer, there's a catch: They must submit a workforce-development plan as part of their proposal.

"We want the buyer to make a commitment on the number of jobs, quality of jobs and pay for those jobs," said Bill Morin, Port director of real estate and development. "And we want St. Paul residents to have an opportunity to have those jobs."

The Port Authority is counting on St. Paul benefiting, over the long haul, from buying the Overnight Express site and reselling it.

"The whole purpose in acquiring the site is to bring more jobs than are currently there and have more development that will take advantage of what the site offers," Morin said. "I am confident we can put something in there in fairly quick order."

Currently, the Overnight Express site is home to four truck-related businesses employing fewer than a dozen people, according to port officials. The businesses are expected to vacate that location by August.

Morin said the Port Authority anticipates that the redeveloped site could accommodate at least triple the space from the current 25,000 square feet of buildings with employment growing to 80 or more jobs.

"We think it [the Overnight Express site] will be well received because it is only two blocks from the (proposed) Raymond and University Avenue light rail station," Morin added. He was referring to the Metropolitan Council's plans to build a light rail transit line, the Central Corridor, along University Avenue from downtown Minneapolis to downtown St. Paul for nearly \$1 billion. Plans call for the LRT construction to begin this summer with line in service by 2014.

