

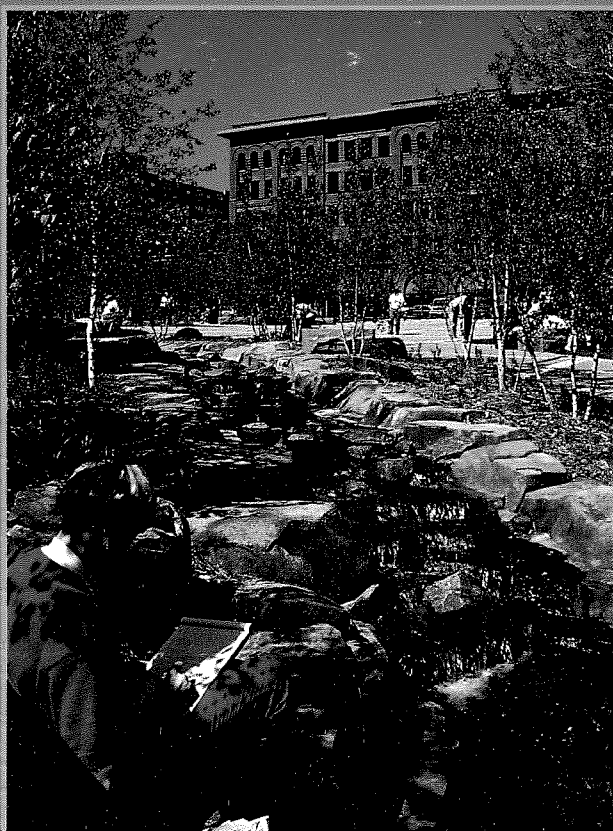
LOWERTOWN

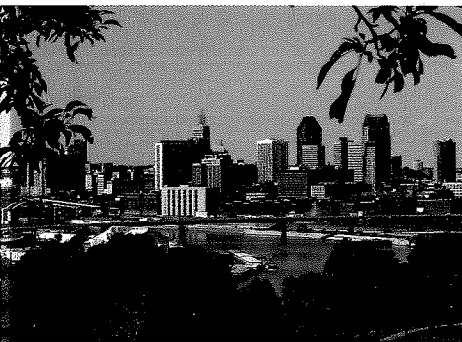
WELCOME TO LOWERTOWN: SAINT PAUL'S EXCITING NEW URBAN VILLAGE

SPECIAL REPORT

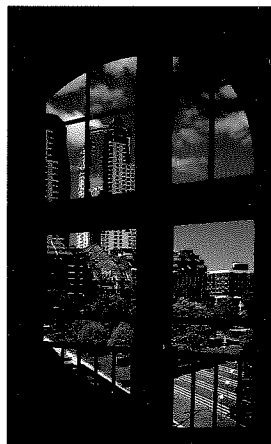


Today's Lowertown is a kaleidoscope of impressions. High-rise apartment and condominium towers. Saint Paul's most interesting historic buildings and the city's most beautiful urban park. The sweep of the Mississippi River. Broad plazas and interesting byways. Shops and offices. Restaurants and entertainment. Arts and cultural activity everywhere. And a richness of people on tree-lined streets that seem to have been made just for walking and talking. * Together, they make up one of Saint Paul's most livable and fastest growing neighborhoods. And the nation's most successful realization of the concept of the "urban village."





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LOWERTOWN'S ROOTS LIE DEEP IN THE EARLIEST DAYS OF THE CITY, when steamboats docked at the Lower Landing. As the city grew, its financial and retail center became known as "Downtown", while the railroad and wholesale area of its beginnings came to be known as "Lowertown." From the beginning these two distinctly different sides of the city's character were complementary and synergistic, each contributing to the other's strength.

Booming in the 1900's, Lowertown faded after the turn of the century and languished for years, a place that time and commerce passed by until the early '70's when efforts to renew the area began. In 1978, under the leadership of then-Mayor George Latimer, the city articulated plans for a bold, new public/private partnership that would tap Lowertown's tremendous potential. The McKnight Foundation responded enthusiastically by providing \$10 million in seed capital, and an innovative public/private partnership called Lowertown Redevelopment Corporation (LRC) was created to act as a catalyst for the area's redevelopment. The goal was to use the \$10 million to attract \$100 million in investment.

LRC was charged with three critical responsibilities: design, marketing and financing. LRC would provide limited gap financing to help get projects started; manage design issues to assure that new development harmonized with the historic character of the neighborhood; and aggressively market the area to potential residents, investors, developers and the public. In a unique partnership with the City and the private sector, LRC planned and executed a development strategy and design framework for the 17-block neighborhood, a program which has succeeded beyond anyone's expectations.

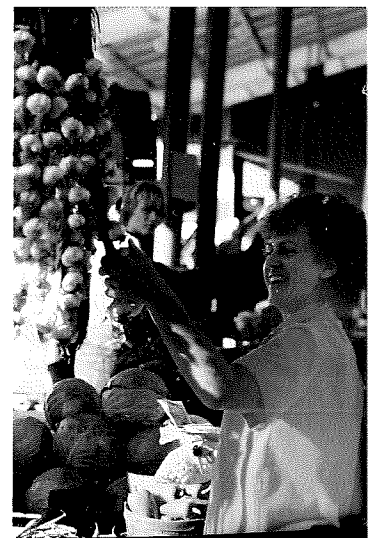
LRC's original vision, which continues to evolve to this day, called for a mix of housing, offices, retail stores, services, restaurants, theaters, parks and public spaces, combined with a strategy that has brought back people, business and development, and created a new neighborhood in the heart of the city.

After years of work and investment, Lowertown has become a national role model for cities across the country, showing how public and private interests sharing a common vision can work together in harmony to dramatically alter the future of a neighborhood. Hundreds of civic leaders from across the country and officials from 20 countries have visited Lowertown and stories about Lowertown's success have been published in a number of languages, including French, Japanese and Chinese.

AN URBAN VILLAGE DESIGNED FOR PEOPLE

Today's Lowertown provides a comfortable and attractive living and working environment. In increasing numbers, people are discovering its special charm — some come to just visit, more to work or shop and many to live here permanently.

Lowertown is a dynamic area, offering a wide range of housing choices and amenities to serve the needs of both residents and workers, including a YMCA, numerous restaurants, parks, theaters, shops and every kind of needed convenience.



The development of housing of every type and in every price range has been an important factor in Lowertown's growth, providing an expanding worker population with convenient places to live, and offering the neighborhood's businesses a growing base of nearby customers.

Since LRC's founding in 1978, nearly 1,500 apartments and condominiums have been built, making Lowertown one of St. Paul's fastest growing neighborhoods. Clustered around Mears Park and the Farmers Market, they have strong appeal for both renters and owners, reflected in extremely high occupancy rates. Most are within easy walking distance of almost every major building and employer in Downtown St. Paul.

Developers from across the nation have created a smorgasbord of housing choices for residents. Rental options range from modest studios at the American House to large and elegant high-rise condominiums in the Towers of Galtier Plaza, fashionable renovated historic warehouses such as The Cosmopolitan, and artists' studio-apartments in The Tilsner and other charming loft buildings.

Lowertown residents come from all walks of life. Many are young professionals and downtown office workers; a significant number are "empty nesters", who have opted for a convenient lifestyle, close to the city's cultural attractions. Others are students, working artists or business owners who find the neighborhood a richly interesting place to live.

Life in Lowertown is centered around Mears Park, the "village common." Newly renovated at a cost of more than \$1.5 million, the park recalls a French garden with tree rows and formal plantings in one portion, while evoking an English "natural landscape" with winding paths and informal plantings of trees and flowers in the other. The two are connected by a cascading stream, and joined at the center in a large paved area dedicated to summer concerts and wintertime events.

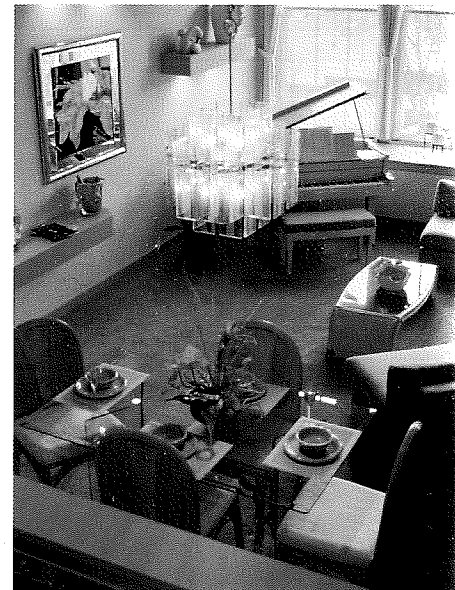
Lowertown offers its residents maximum urban convenience, with skyway connections to virtually everything of importance in Saint Paul's compact downtown, from retail stores and office buildings to the Ordway Theater, Public Library, Science Museum and the Minnesota Museum of Art.

Living here offers great savings in time and money. Just one hour each day of commuting time saved gains more than three hundred hours a year for leisure and personal activities. Walking to work in Lowertown is a pleasant and convenient way to enjoy the neighborhood's interesting mixture of historic buildings, parks, street landscaping, old-fashioned streetlights and bus shelters, small retail shops, and many personal services — all of them at your doorstep or just "around the corner."

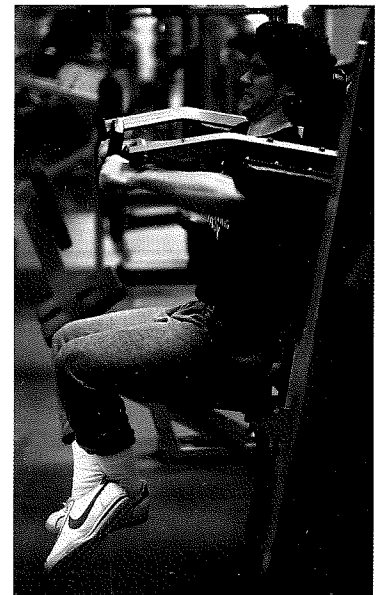
A GROWING ECONOMY, PROVIDING JOBS FOR SAINT PAUL

It is difficult to believe that just a few years ago this was a neighborhood of abandoned buildings and empty parking lots.

Today's Lowertown is the culmination of nearly a dozen years of work. More than \$400 million in new investment—four times the original goal—has been generated, compared to just \$22 million in the entire decade of the '70's. With it have come 2,900 con-



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struction jobs, with another 4,600 permanent jobs created or retained. During the same period, Lowertown's tax base grew by more than 400 percent.

New investment in the form of private capital has come from a variety of investors and developers, both local and national — from firms like Frauenshuh Companies of the Twin Cities, Carley Capital Group of Madison, Wisconsin; Historic Landmarks for Living, Inc. of Philadelphia; Boston Bay Capital, Inc., of Massachusetts; Ameritas of Atlanta; Zaidan Holdings of Montreal; and many more.

LRC's role as a gap financier made the critical difference, especially in the early years of Lowertown's revitalization. For example, in the case of Heritage House, an investment of \$120,000 each from LRC and the City made a \$3 million project a reality. It was a \$520,000 guarantee from LRC which triggered the Union Depot renovation, and a \$2.2 million LRC loan launched the development of Galtier Plaza, which today towers over the neighborhood and is a center for entertainment and shopping. More recently, a \$200,000 loan filled the gap in financing for The Tilsner building's housing for artists and their families.

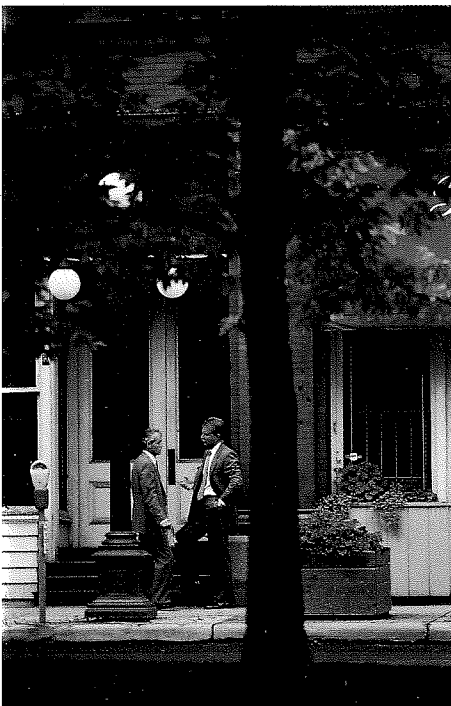
Strong developers and investors continue to be attracted by Lowertown's potential. The Frauenshuh Company, for example, renovators of the First Trust Building, acquired the Park Square Court Building. Zaidan Holdings acquired and revitalized Galtier Plaza and Lowertown Business Center. Boston Bay Capital acquired The Cosmopolitan building, rapidly leasing up its 254 apartments. Leeann Chin, Inc. located one of its restaurants and catering services in the Union Depot. Artspace Projects, Inc., with LRC and city financial assistance, developed the 66-unit Tilsner building.

Risk is inherent in any effort as large and as visionary as Lowertown. A handful of developments have failed to live up to expectations. But in almost every case, stronger owners have emerged who have been able to realize the potential that was originally envisioned.

Lowertown's economy continues to expand and grow. Architectural, design, advertising, and communications firms and related "soft" industries have made it a regional focus for such services and companies. KTCA-TV's new studios enhance the area's reputation as a national center for the video and film industry. Independent Television Services, created by PBS to foster independent productions nationwide, has chosen to locate its national headquarters here. Continental Cable's Lowertown headquarters has added to the area's reputation.

Lowertown is also an attractive location for new and growing companies in emerging areas of high technology, biotechnology and medical products and services. Such firms are drawn by the neighborhood's charm and availability of low-cost loft space for research, office and manufacturing use, as well as its proximity to hospitals, the University of Minnesota, and major corporations such as 3M Company.

Lowertown enjoys excellent access to every part of the Twin Cities, provided by the I-94 and 35E freeways, and other major streets and highways, such as Warner Road and Jackson Street, as well as most of the bus lines serving the Twin cities. Vast amounts of parking space are available in lots scattered around the neighborhood, which also serve as "land banks" for future development.



Most warehouses in the Lowertown Historic District are designated landmarks and qualify for rehabilitation tax credits, making them desirable for future development.

The neighborhood is served by the Saint Paul District Heating System, which assures a competitive and secure source of energy. Lowertown has also benefited from its closeness to the downtown core, linking it to every financial, legal, and governmental service.

Today's Lowertown is the result of a unique and highly successful partnership between Lowertown Redevelopment Corporation and many public sector offices and organizations, including the Office of the Mayor, City Council, Department of Planning & Economic Development, Department of Public Works, Parks & Recreation Department, Saint Paul Port Authority, Downtown Council, Saint Paul Chamber of Commerce, and many other private organizations and foundations.

Through the years, dedicated leaders from Lowertown and the City have continued to envision the future, for the overall benefit of Saint Paul, in striving for the benefits of imaginative, well-conceived and well-executed development. In the years ahead, the neighborhood will continue to be receptive to new businesses, new developers and new opportunities. And LRC will continue its efforts in overall planning, urban design, marketing, and gap financing for the area, while providing a range of personalized services to companies making relocation and investment decisions.

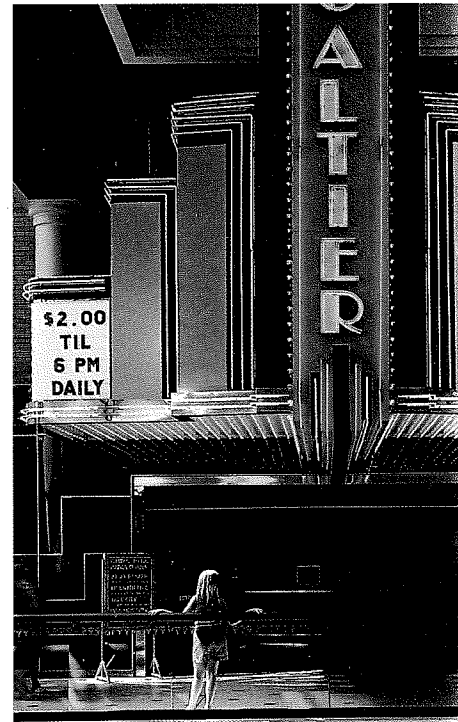
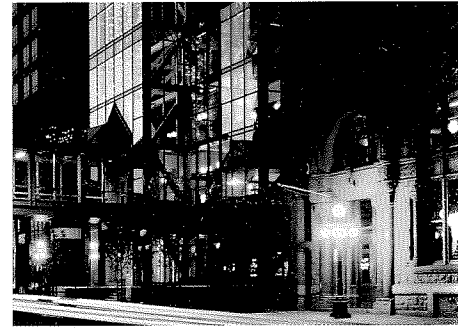
Through the public/private partnership, LRC hopes to reduce risks and maximize returns for investors, to provide a competitive edge in area-wide marketing over other districts, and to create a sense of place for the new neighborhood.

A DYNAMIC NEW NEIGHBORHOOD

Life in Lowertown is lively and exciting. The growing numbers of people who live and work here have brought with them new activities and a greater appreciation of its distinctive character. The area's reputation as a haven for painters, sculptors, photographers, writers, and artists of all kinds preceded its revitalization, and Lowertown Redevelopment Corporation and community leaders have taken pains to retain and support them.

For example, new artist studio housing has been developed through various creative combinations of financing. The neighborhood is filled with arts organizations, both traditional and "on the cutting edge," who serve as magnets for artists and their patrons.

Visitors and residents alike are attracted to the growing numbers of galleries, such as the Art Resource and Master Framer galleries, while coffee-houses such as Kuppernicus add literary life to the scene. Annual arts, crafts and music festivals draw large crowds. The Great Hall at First Trust Center, the Atrium at the Union Depot, and the Palm Court at Galtier offer wonderful spaces for large gatherings and public performances. Temporary outdoor public art installations have been presented by FORECAST and other arts groups. Developers and investors are encouraged to find ways to include the arts in their planning.



**STRONG
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CONTINUE TO BE
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A HAVEN FOR
PAINTERS,
SCULPTORS,
PHOTOGRAPHERS,
WRITERS, AND
ARTISTS OF ALL
KINDS.

Important to Lowertown's vitality is its growing reputation as a center for all kinds of entertainment. Lowertown is Saint Paul's theater district, with first run movies at the new Cinema 4 in Galtier. Residents and workers can choose from a wide variety of restaurants, popular entertainment centers, and even an indoor miniature golf course.

Education also plays a role in Lowertown's diverse cultural life, through the Globe College of Business at Galtier Plaza, and the nearby Saturn School of Tomorrow.

Part of the fun of the neighborhood is its distinctive turn-of-the-century "look." Extensive lighting, furnished by ornate Victorian streetlights, brightens the streets and provides a festive evening glow. The newly-renovated Mears Park, a popular lunch-time gathering place, serves as Lowertown's "village green", with trees, flowers, benches, sculptures and fountains. Summertime brings outdoor concerts, performances, events and festivals, while in winter the park is beautifully lighted for the holiday season. The new bridges across I-94, each with enhanced historic lighting, railings and/or sidewalks, provide beautiful new gateways to Lowertown.

The special richness of life in Lowertown is demonstrated in many ways. The historic Farmers Market, located in the heart of the neighborhood, attracts more than 50,000 visitors every summer. Lowertown's churches draw large crowds from throughout the metro area. You'll also find antique stores, luxury apartments, and coffee-houses side-by-side, and the ever present possibility of discovering a unique store or shop tucked in some corner you haven't noticed before.

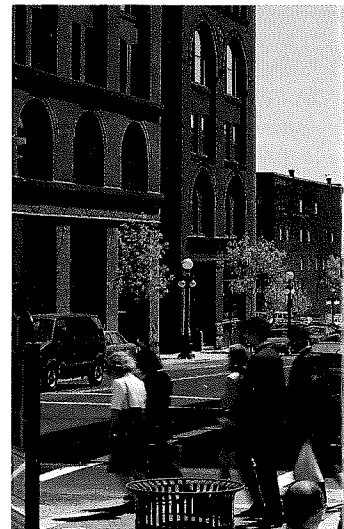
LOWERTOWN IN THE NINETIES: A RETURN TO THE RIVER

Lowertown's future is even more exciting than its past. Similarly, the coming of a new city administration to Saint Paul has signaled a new optimism and energy as well. As Mayor Norm Coleman has said, "Saint Paul's best days are yet to come." The vision for the neighborhood is clear: a place where families feel secure, walk to work, and have access to reliable day-care; where older people can remain active in a busy, interesting environment; where new businesses thrive; where the arts are alive; and where people meet in cafes, parks and galleries, stroll along the streets or the riverfront, or go for an evening boatride.

Mini-parks, pedestrian greenways, enclosed wintergardens, daycare centers, convenience stores and other neighborhood amenities will be developed. Special attention will be given to the needs of the elderly and women and children, with new housing designs tailored to changing urban demographics and work patterns.

Energy conservation continues to be a major part of the future vision for Lowertown. Housing clustering and superinsulation will be emphasized. District heating will extend to every part of the neighborhood. Solar energy will be tapped, actively or passively, while new zoning provisions will assure solar access for every resident.

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LRC WILL
CONTINUE TO ACT
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CATALYST, IDEA-
GENERATOR AND
IMPLEMENTER.

Each of the four districts that make up Lowertown—the North Quadrant, Mears Park, Riverfront, and the East Quadrant — has clearly different potentials. Taken together, they hold promise of an additional \$400 million in development.

On the Riverfront, three possible approaches to new development are envisioned.

One plan emphasizes housing, with terrace-style townhouses and apartments built at the river's edge, with underground parking, and a marina for residents' use.

An alternative approach would capitalize on Lowertown's extensive arts and cultural activities, using the riverfront as a location for the new Science Museum or the National Park Service's river interpretive center.

Yet another vision involves an expansion of the post office facility and construction of a large plaza or park over it.

Whichever plan is ultimately adopted, it is clear that future Lowertown residents will be able to enjoy a new and intimate relationship with the part of the river for which their neighborhood is named.

A new riverfront park, currently under construction, is within relatively easy walking and biking distance of the center of Lowertown, while new stairways, walkways, and an extension of the skyway system will make Lambert Landing and the long-dreamed-of "river garden" readily accessible to residents and visitors alike.

In the 12-block Mears Park area, rehabilitation of historic structures as well as new infill construction will continue. A dozen buildings with historic landmark designation remain to be adapted for new uses.

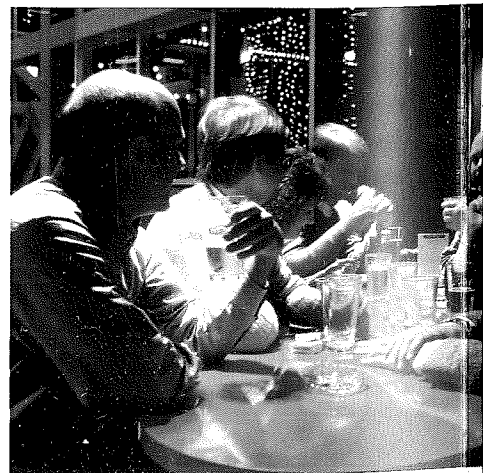
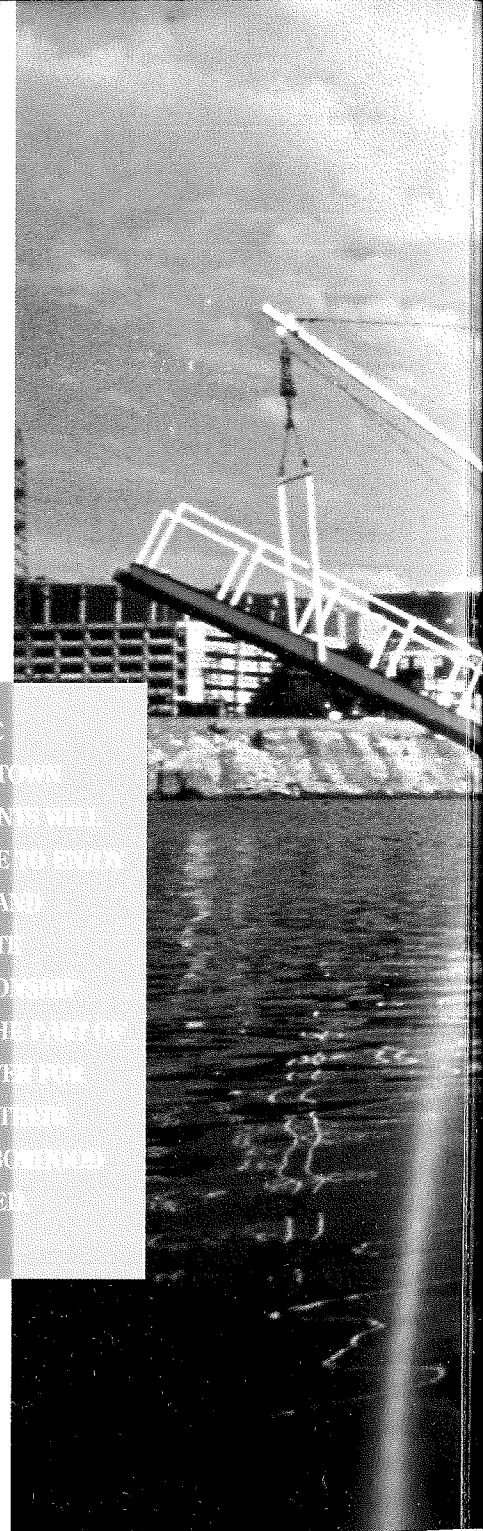
The Arts continue to be an important part of Lowertown's appeal, and the neighborhood will play a significant role in establishing downtown Saint Paul as a cultural district. More exhibits, performances, and events will be encouraged. Quality art, including outdoor sculpture and fountains, will be placed in public places. Collaboration among artists, landscape designers and architects in the public arts will be fostered.

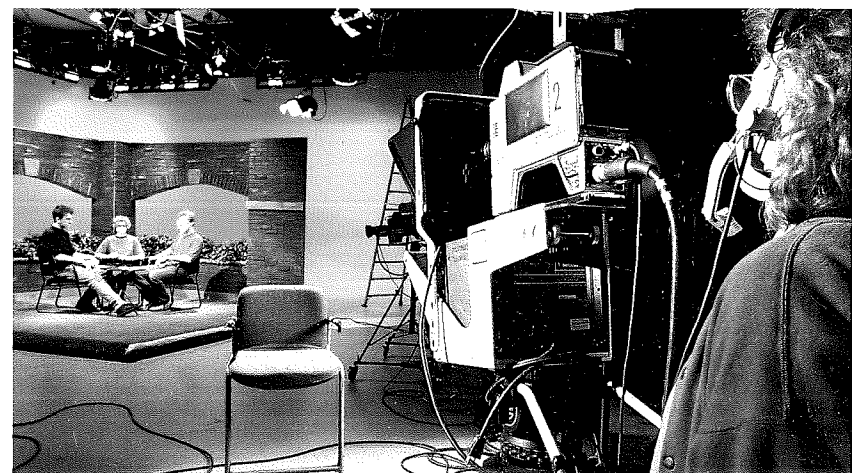
Awareness of the value of the arts will grow, with excellence being the goal of every arts project. More artists' housing to provide affordable living and working spaces is envisioned for the area around Mears Park, and near the riverfront. The arts will contribute to, as well as benefit from, Lowertown's ongoing renewal.

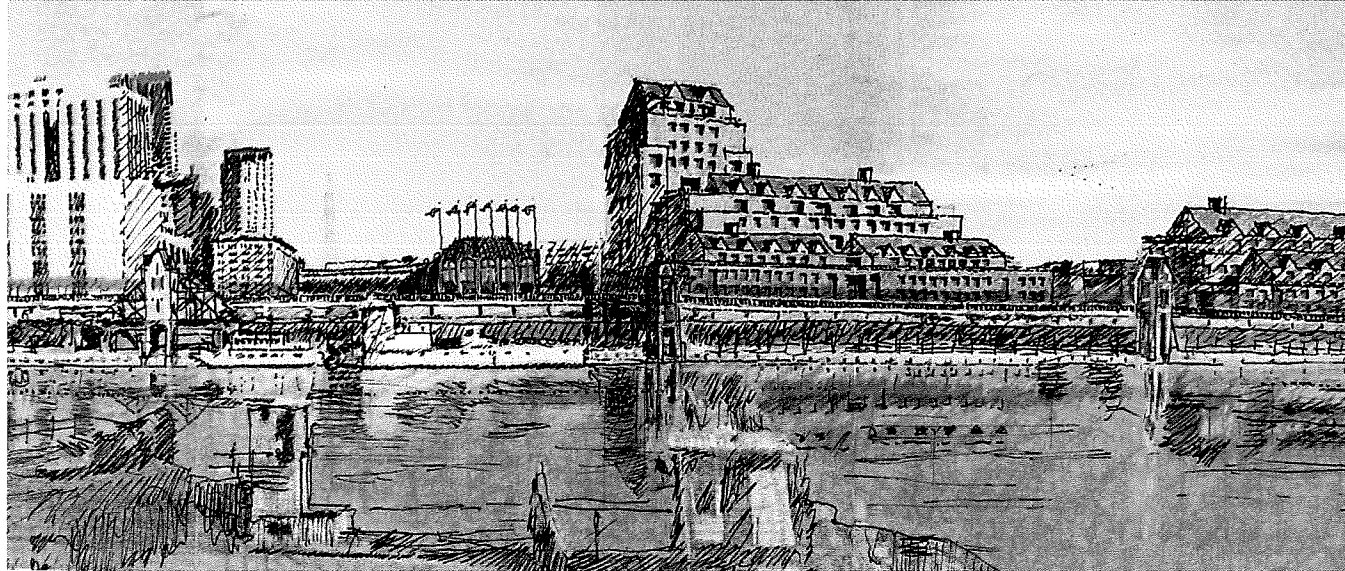
Economic growth will continue in Lowertown, with the abundance of architecturally unique, yet low-cost, space attracting new and growing businesses. The ready availability of land in the North Quadrant will allow for the construction of new buildings to be built to meet the need of new or existing businesses. Targeted marketing efforts aimed at regional growth industries such as high technology, biotechnology, information services, and health-care, and the development of a new technology park, will bring growth and jobs.

The presence of KTCA, with its excellent facilities for video and film, and ITVS, a PBS company dedicated to encouraging new and innovative film and videos, will make Lowertown burgeon as a center for video, film and related "cultural" industries.

FUTURE
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LOWERTOWN REDEVELOPMENT CORPORATION

175 EAST 5TH STREET
SUITE 750 / GALTIER PLAZA
SAINT PAUL, MN 55101
612-227-9131

In the East Quadrant, the area east of Wall Street and the Gillette plant, warehousing and facilities for light industry may be developed. Bulk mail handling facilities could fit into this area as well.

LRC will continue to act in its role as a catalyst, idea-generator and implementer, helping envision Lowertown's future, and encouraging both public and private partners to work toward that shared vision.

Twelve years ago, many doubted that the dream for Lowertown could ever be realized. Today, it is clear that much has been accomplished.

Like an artist producing beauty from raw clay, the Lowertown Redevelopment Corporation program has sculpted a living, breathing environment that will affect people's potential and influence the quality of their lives for decades to come. Ten, twenty, or thirty years from now, we will all look back with amazement at what is being created here today.

Without the dreams and the hard work of the past fifteen years, Lowertown would still be little more than a collection of empty warehouses and parking lots. Vision, sensitivity, risk-taking—these, plus a commitment to cooperation, have made all the difference.

Working together, we're remaking Lowertown, and building a new Saint Paul, for our own future tomorrow.

Board of Directors

*James W. Reagan
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Roger H. Nielsen
Emily E. Seesel*

*Weiming Lu
Executive Director*

September 15, 1994

Dear Friend:

Lowertown, St. Paul's exciting new urban village, continues to grow and change, as more and more people discover what a pleasant place it is in which to live, work and play.

To bring you up to date on recent developments, I'm enclosing a copy of our latest edition of the Lowertown Special Report. In addition to taking a fresh look at where Lowertown is today, it also offers an intriguing insight into what the future still holds in store for this area, which is now one of the city's fastest growing neighborhoods.

I hope you enjoy it.

Sincerely,



Weiming Lu
Executive Director

WL/mb

Encl.

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