Saint Paul
PORT AUTHORITY

RIVER SHIPPING ACTION STRATEGY

Updated: September 2023

1. Purpose

Commercial navigation on the Mississippi River enhances our regional economy by providing a cost effective, environmentally sound way to transport commodities to global markets.

This River Shipping Action Strategy provides an overview of the terminals under Port Authority control, reviews current opportunities to market available land, and outlines continually-evolving strategies for marketing river shipping opportunities.

2. Background

Port Authority River Terminals are designed and used for management and shipping of bulk commodities. They are a critical resource enabling our greater community to compete effectively in worldwide markets. Access to and egress from the region via the Mississippi River, a preeminent facet of Saint Paul's history, is equally vital today for environmentally friendly working river activities.

The Saint Paul Port Authority owns four river terminals: Barge Terminal 1, Barge Terminal 2, Southport Industrial District, and Red Rock Industrial District. The Port Authority maintains ownership of its land, leasing to river-related businesses, which operate pursuant to riparian rights.

The Mississippi River connects Saint Paul to the inland Waterway System, the Gulf of Mexico, and global markets. These river connections facilitate and enrich Minnesota's economy in two fundamental ways.

First, having a port city more than 1,300 miles inland provides significant marketing opportunities for both heartland agricultural producers and non-agricultural intermodal business. Shipping facilities are a critical link in a highly sophisticated, true Intermodal Freight Transportation System, for cost effective and timely transport to markets. Currently, outbound commodities include grain (corn, soybeans, grains), fertilizers, scrap metal. Inbound commodities include fertilizers, salt, gravel, cement, asphalt, and water treatment chemicals.

Second, shipping is critical for the economic health of the region and state, and is protective of our environment. Continued operation of the Harbor by the Port Authority is essential for Saint Paul.

3. Situation Analysis (SWOT) Overview

3.1 Internal Strengths

Port Authority strengths lay in two areas: First is our professional, market-driven approach to serving the business community. Second is our singular capability of marketing river property.

3.2 Internal Challenges

Port Authority challenges lie in two areas. First is our shortage of available riverfront property to market to potential businesses. This shortage is due to the river terminals being full of vibrant businesses, adding value to our local economy.

3.3 External Opportunities

Port Authority is landlord for the vast majority of businesses currently located within our river terminals. We therefore have the opportunity of driving more business to the river by referring new business opportunities to current lessees where appropriate.

3.4 External Threats

Primary external threats or challenges are the competing goals for development along the river.

4. River Terminals and Site-Specific Strategies

4.1 Southport Industrial District

The Port Authority created the Southport Industrial District in 1960. It is approximately 99 acres in size. From 1962 to 1965, the Port Authority contracted a 1,800 lineal foot dock wall on the south side of the barge channel. In 1986, the Port Authority repaired the dock wall and replaced all timbers adjacent to the Alter Company. Overall, deferred maintenance of the Port facilities and industrial structures has resulted in significant capital improvements.

In the interest of preserving and expanding shipping activities in the Southport Industrial District, in 1998 and again in 2000 the Port Authority Board has approved Southport

industrial land use policy. These principles target the revitalization of underutilized parcels as well as aggressive marking of sites for shipping purposes.

The Port Authority's primary goal is to maintain the maximum amount of shipping-related activity possible in this area and provide dredging as necessary (to a 9 to 10 foot depth) in the channel areas to complement the main channel dredging undertaken in the river by the Army Corps of Engineers.

Commodities shipped through the Southport Industrial District include chemicals, fertilizer, cement, recyclable materials, and other waste materials.

4.1.1 Existing Land Uses

Direct River Access

- Alter Trading – leases acreage in our Southport Terminal for Alter Trading, the Terminal operations that support two fertilizer buildings with dedicated conveyors direct loading to either truck or rail, heavy lift pad, direct barge-rail-truck transload capabilities, storage for other commodities, currently storage of road salt.
- Hawkins Chemical, Inc. has two adjacent lease ares for a 4-acre barge unloading facility on Barge Channel Road. They receive materials for processing, compounding, etc. via barge, and by rail. They can accommodate one barge along their barge wall. Characteristically, the materials received here by barge leave the site either by truck or by rail. They have expanded their site as much as available land would allow to double their rail car capacity on site and provide new truck loading system with numerous automations and safety upgrades. This expansion was a result of previous action strategy identifying under utilized land at southport.
- Ingredient Transport leases 8 acres for barge offloading of fertilizer from barge direct to truck or to their warehouse where they can mix custom blends based on individual farmer requests. This new business was a result of investing in a new Southport dockwall in 2010.
- Barenz North America (formerly Origination) leases 600 linear feet of dockwall at southport high dock wall that was constructed in 2010.
- Port Authority property, at southeastern portion of the slip, along southern border of Saint Paul Downtown Airport/Holman Field is used as our dredge soil management area where soils from SPPA, our tenants and the Army Corps of Engineers is staged for dewatering,

- Barge channel fleeting access. It should also be noted that the Port Authority leases staging area and low dockwall access as well as 1,200 lineal feet of fleeting to two local marine construction companies (LS Marine and Brennan Marine) and make river access available at the end of the barge channel for staging their operations.

No Direct River Access

- Direct Energy operates a pipe and materials storage facility on 2.35 acres of land northeast of Barge Channel Road. A steel building on the site is used to house tools and materials.
- The City of Saint Paul impound lots occupy 4.78 acres of land in two parcels on the southwesterly side of Barge Channel Road. These facilities are surrounded by chain-link security fence. The lots hold a maximum of about 950 automobiles and other vehicles. Impounded vehicles remain on the site until they are recovered by owns or sold at public auction.
- Alter Metals assumed a lease from Gerdau for processing automobiles for recycling and scrap metal operations. This site had been identified in previous action plans as underutilized and in 2014 we put the site back to use.
- Four other owner occupied, non-river access properties along the northeast side of Barge Channel Road are:
    - Great Western Recycling, a scrap metal recycler
    - All-Wood Products, a wood chipping operation for landscaping and alternative fuel
    - Krupenny & Sons, a roll-off service
    - J & J Recycling, also known as Mudek Trucking, a transfer station for sorting trash materials

4.1.2 Advantages of Southport

- Convenient intermodal access (highway and rail).
- Heavy Lift Pad with transload capability.
- Public river access is available to the public via Barentz site and others

4.1.3 Challenges of Southport

- Single point of entrance to the Southport terminal crosses a Union Pacific railroad mainline track. This creates huge traffic backup and restricts access in and out of the terminal on a regular basis.
- The mouth of the Southport slip regularly collects silt and sand and needs to be dredged regularly. Frequency has been increasing with prolonged high water events followed by drought and low water conditions.
- Fugitive dust is an ongoing issue with so much of the southport area having dirt roads.
- This terminal area regularly floods.

4.1.4 Action Steps

- Continue maintenance dredging and operation of dredge material management site to accommodate dewatering storage for dredge material from SPPA, our tenants and Army Corps of Engineers (main channel dredgeing). This work is funding through tonnage fees collected from tenants.
- Southport Terminal Improvement Plan consists of multiple components and was a result of a 2018 Port Optimization Plan created to identify obstacles and opportunities to increase river commerce. Challenges include funding for the overall largescale project has not been successful with past TIGER, INFRA, BUILD grant submittals. Readiness and lack of defined preferred alternate are two limiting factors. Components of this project include:
    - Alternate terminal entrance and or a grade-separated entrance to eliminate or drastically reduce traffic blockages at the terminal. West Side Community Organization (WESCO) is in support of this work as they are concerned about blockages and need for emergency services in event of a release of contaminates to the neighborhood.
    - Opportunity for Container on Barge
    - Opportunity for installation of gantry crane and warehouse to allow for additional break bulk material handling and storage
    - Increasing rail access to Ingredient Transport leased area
- Opportunity to relocate the impound lot at termination of their lease in 2033 to utilize this site to further the mission of the SPPA.

4.2 Barge Terminal 1

Barge Terminal No. 1 was deeded to the Port Authority by the City of Saint Paul in April of 1934. The Work Program Administration (WPA) and the City of Saint Paul constructed a dock wall of 3,400 lineal feet in the 1930's.

Barge Terminal No. 1 consists mostly of shipping-related businesses, which constitute a major portion of the commercial navigation activities along the Mississippi River. Shipping activities will continue to be the primary focus of industrial activity in this district, and the Port Authority anticipates continuing to increase usage of the river for shipping by its tenants over time.

Commodities shipped through Barge Terminal 1 include aggregates, animal feeds, cereal grains, concrete, corn, soybeans, steel coils, and vegetable oils.

4.2.1 Existing Land Uses

- Cemstone leases approximately 2.3 acres of land with no river access. This site is a "batch plant" and produces concrete for the construction industry.
- Great Western/Northern Metals operates a metals recycling operation on their site; they load scrap metal for export at this location. Additionally there are two large warehouses on the site that are used to store salt in partnership with Morton Salt.
- Hawkins operates a small terminal at this location with barge and limited rail access.
- Aggregate Industries receives cement by rail and aggregate by barge. Their site contains 15 acres, which is leased from the Port Authority.
- Bulk Silos leases 7.8 acres from the Port Authority on which they receive cement by rail. The product is then distributed in the metropolitan area.
- BWC Termianls/Westway has been leasing this site of 9.8 acres from the Port Authority since 1856. They handle molasses, vegetable oils and antifreeze, which comes in by barge and is sent out by truck and rail.
- Flint Hills leases a site of 6.8 acres from the Port Authority. The company handles specialized liquid products, which come in by rail and distributed by truck.

4.2.2 Advantages of Barge Terminal 1

- Terminal is full of companies engaged in river-related commerce.
- Convenient intermodal access (highway and rail).

4.2.3 Challenges of Barge Terminal 1

- Limited Rail access and number of rail cars each site can accommodate
- Annual flooding is highest risk at this terminal
- No sites currently available to market.

4.2.4 Action Steps

- The primary goal for Barge Terminal 1 is for the Port Authority in partnership with our tenants to repair and upgrade Port facilities and dramatically improve the aesthetics of the area through the use of native plantings in strategic locations as well as tenant paining and upgrading tanks and other facilities. Port Authority tenants should undertake capital improvements that will enhance business operations, utilize the River for commodities transport to the maximum extent.
    - Emphasis on Shipping. Barge Terminal 1 should be maintained as a shipping-related activity area that contributes significantly to commercial navigation in the Saint Paul Harbor. Near-term goals include protecting the barge channel from storm water runoff, maintaining, and improving infrastructure needed by river-related industries.
    - Bulk Silos is partnering with SPPA using Minnesota Port Development Assistance grant to re-establish an off-loading dock with pneumatic conveyor system, rail upgrades, and additional silo storage for cement and concrete additive products.

4.3 Barge Terminal 2

The Port Authority established Barge Terminal No. 2 in 1960. In 1963, the Port Authority constructed a dock wall of approximately 1,317 lineal feet and undertook significant land filling. The facility first was used by the Twin City Barge and Towing Company, which cleaned barges and provided switching activities.

Since 1984, Upper River Services, Inc. has leased and operated the facility as Harbor Operator. Upper River Services, Inc. provides switching activities, dry-docking, barge maintenance and cleaning for customers moving their barges through the port.

4.3.1 Action Steps

River Action Strategy: BT2	Timeframe
Design and Funding for Rehabilitated BT2 Dockwall	Completed in 2023
Negotiations with URS for lease extension based on contributions to BT2 wall upgrades	2023-2024
Construct BT2 Dockwall Rehab	2024-2025
Manage BT2 dockwall grants: PDAP, PDIP, PSGP	2023-2025

4.4 Red Rock Industrial District

The Port Authority created the Red Rock Industrial District in 1960. Development in the area commenced in 1966. Red Rock contains approximately 252 acres and consists of varying industrial uses, ranging from the Gerdau recycling facility to the river-related grain loading and coal handling facility leased by Peavy/Con Agra.

The Red Rock Industrial District consists of primarily shipping uses, and a significant amount of dock wall space is provided in this district. The District also contains a significant amount of fleeting space for Upper River Services, the Port Authority's selected Harbor Operator.

In 1988, the Port Authority sank two barges with appropriate permits at the upper limit of the Red Rock Fleeting area to form a wing dam in hopes of directing the deposition of sand and silt to the main channel, as opposed to allowing the flow into the fleeting area. Due to recent major flooding and the resulting silting in, this area is virtually unusable. There are approximately 125-150,000 cubic yards of dredging materials to be removed (at significant cost) to make the fleeting area completely usable. Several fleeting companies have requested that the Port Authority re-open this fleeting area through a major dredging effort, when resources permit.

Since Red Rock is not located in the main channel, the Army Corps of Engineers will not dredge off-channel, and other resources will continually need to be identified to accomplish this activity.

There is significant railroad and trucking activity in this industrial district. The Canadian Pacific Railroad manages rail activities in this area.

The Port Authority's primary goal at Red Rock is to maintain the maximum amount of river-related activity possible in this area, provide dredging as necessary in the channel areas to complement the main channel dredging undertaken in the River by the Army Corps of Engineers, and to provide appropriate capital improvements and beautification efforts to maintain a good balance between sound economic activity and stewardship of the environment.

Commodities shipped through Red Rock Industrial District include steel scrap, asphalt, grain, fertilizer, corn, soybeans.

4.4.1 Existing Land Uses

- Viterra, formerly Gavilion and ConAgra leases 16 acres. The company handles corn, soybeans, fertilizer, potash, salt, and rebar or other bulk items. Outgoing

material is shipped by barge and rail. This site is under new management but we are hoping to continue to work with this tenant to identify improvements in rail handling operations and or rail access to the site that creates less blockages for other user along Red Rock Road.

- AMG Resources (Private – metals recycling)
- Martin Marrietta formerly Tiller Company and Barton Enterprises leases 15 acres. It receives asphalt by barge and then trucks it to various asphalt plants in the metropolitan area for street paving.
- Continental Cement leases 3 acres. The company brings in cement to the site by barge and distributes by truck throughout the metropolitan area.
- Hawkins, Inc. leases 10.3 acres. This facility transfer, compounds, manufactures and stores water treatment chemicals, bulk storage tanks, and barge unloading facilities.
- Gerdau (Private – metals recycling). This steel mill has ceased all but minimal operations at the site and the company is looking to dispose of this site. This is a huge opportunity site for Saint Paul and the Red Rock Shipping Terminal. SPPA hopes to be able to assist private developer to be a catalyst to bring this site back to productive use.
- Simcote, Inc. (Private – rebar fabricator)

4.4.2 Advantages of Red Rock

- Convenience intermodal access (highway)
- Unit Train Capibility (with blockage issues)

4.4.3 Challenges of Red Rock

- Single point of terminal entrance/exit is crossed by Canadian Pacific spur service. When Viterra brings in a unit train it cuts off access to all other businesses on the road.
- Limited Rail access and number of rail cars each site can accommodate

4.4.4 Action Steps

- Emphasis on Shipping. The Red Rock Industrial District should be maintained as a shipping-related activity area that contributes significantly to commercial navigation in the Saint Paul Harbor.

River Action Strategy: Red Rock	Timeframe
Rail blockages due to unit trains at Gavilon/Viterra	2020- ongoing
Dredging to keep back channel open for businesses	Ongoing, typ every other year
Obtain funding from state's Port Development Assistance Program for capital improvements, to include rehabilitation of Port-owned buildings, rail track spurs and switches, and multimodal facilities for loading/unloading commodities.	Viterra site 2024-2030
Engage lessees in maintenance and capital improvement activities	Ongoing
Potential Surface Water Management through Stormwater Ponding	Current analysis