

REGIONAL COUNCIL OF MAYORS

April 13, 2015

PRESENTATIONS

INDUSTRIAL DEVELOPMENT ... WHAT'S NEXT?

Industrial development is “the stuff you just expect to be there,” said Brandon Champeau, vice president of development for United Properties, but a number of Twin Cities communities are not prepared for 21st Century industries.

Champeau was part of a panel discussion about industrial development. Elizabeth Kautz, mayor of Burnsville, led the panel, which included Julie Kimble of Hickey and Associates and Louis Jambois, president of the Saint Paul Port Authority.

Although cities often don't find industrial development to be attractive, it is a net positive for a city, Jambois said, bringing great jobs—particularly for people with educational barriers—and paying property taxes that help keep taxes for residents lower. In Minnesota, Champeau said, industrial property tax rates are double those for residential property, meaning that industry helps subsidize city services to residents.

Today's industrial development is not, as the panel discussion was labeled, “your grandmother's smoke stack.” In fact, Champeau said, it's been a long time since he's seen a smoke stack on a new development. Industry today is a mix of traditional manufacturing, sales and distribution facilities, online distribution services and logistics (medical).

The kind of spaces industries need will vary—and developments start with function, then create the form—but they include:

- Large floor and wall space.
- High ceilings.
- Wide columns.
- Loading docks specific to production needs.
- Large turning/backing up areas near loading docks.
- Adequate parking for employees, suppliers and visitors.
- Access to streets with clearance for trucks.
- A shell for the industrial process.

Many older industrial structures simply aren't right for today's needs. For example, Champeau said, “So many of your cities have such onerous restrictions against loading docks.” Some older industrial buildings have 15-foot ceilings, when industries today are looking for a minimum of 24 feet—and 32- and 36-foot are becoming more attractive.

Kimble said that there has been a resurgence of “re-shoring,” which means companies that have been manufacturing product abroad coming back to the United States. That means a likely need for more industrial space.

She said that some areas are looking for was to create mixed-use areas with industrial, residential and commercial, similar to the Strathcona neighborhood in Vancouver BC, where there are residences above some industrial buildings.

Jambois said St. Paul has a small industrial area that is shrinking, “and it’s kind of a problem for us all” because it means losing an important part of the tax base.

To encourage modern industrial development, the panelists said, cities should be pro-active. “It all starts at the local level with you taking the first step,” Jambois said.

That includes buying up industrial properties that don’t work for today’s needs, razing them, cleaning up the sites and then selling them; creating the zoning and infrastructure needed—in particular, fiber information technology; and helping with financing. “Don’t be afraid of TIFF for industrial development,” Jambois said.

For more information: See [Champeau’s presentation](#) and [Jambois’ presentation](#).

GATEWAY CORRIDOR BRT

The Gateway Corridor Bus Rapid Transit <http://www.thegatewaycorridor.com>, or the Gold Line, will run 12 miles from the Union Depot in St. Paul to Woodbury, with 12 stops along the way. It will be a new kind of transitway for the Twin Cities, said Lisa Weik, Washington County commissioner and chair of the Gateway Corridor Commission.

“It will look and operate much like light-rail transit,” she said, “but on rubber tires.” The BRT line will have a dedicated roadway for most of the trip, with transit station elements. “It’s a permanent, fixed investment.”

Construction on the line is expected to begin in 2018 and to finish in 2021. The projected daily ridership on the Gateway Corridor BRT is 8,500 by 2030. Currently, the environmental impact statement is being finished and the engineering is expected to begin next year.

There are a number of possibilities for economic development along the line, which includes the 3M campus, the Sun-Ray shopping center and Metro State University in St. Paul. “We anticipate 40 percent growth along the corridor with no highway expansion,” Weik said. Mary Giuliani Stephens, mayor of Woodbury, said the BRT has the support of the business community along the way.

For more information, [see presentation](#).

EXECUTIVE DIRECTOR'S REPORT

RCM Governance

Because some questions over RCM taking stands on issues have arisen, Caren Dewar put together a memo laying out the structure, financing, governance and actions of RCM. In particular, the memo states: "The RCM, as an informal organization, will not take actions that obligate or act on behalf of participating mayors or their city. From time to time, mayors and/or their cities will lend their support on matters of regional significance, which have been vetted by the RCM, through resolutions, testimony or letters."

For the full memo: [click here](#).

Sandy Martin, mayor of Shoreview, has said it is difficult for her to continue in her role of co-chair of RCM. Going forward, Mary Giuliani-Stephens, mayor of Woodbury, will be the co-chair. Jim Hovland, mayor of Edina, said that this is his last year as co-chair and he will use it to help transition for Giuliani-Stephens.

Great Cities Exhibit

The Science Museum of Minnesota is creating a traveling exhibit on Great Cities and has asked ULI Minnesota to partner with it. The Great Cities Initiative will be kicked off with a discussion of "Designing a Driverless World: The Future is NOW!" about driverless cars and the possibilities for urban design they present. The discussion will be April 30, 3:45–6:30pm at the Science Museum of Minnesota. <http://minnesota.uli.org/event/mspahead/>

Regional Indicators Letter

Mayors were given a support letter that they and/or their city councils can sign, supporting the institutionalization of the Regional Indicators Initiative, which would collect data about energy, water, travel, waste and greenhouse gas emissions for all metropolitan area cities and support cities integrating energy planning into the comprehensive planning process.

For the letter: [click here](#).

Brookings Survey

Cathy Bennett, ULI Minnesota, said that Alan Berube, of the Brookings Institution and author of *Confronting Suburban Poverty in America*, will be leading a discussion of demographic changes, growth of poverty in the suburbs and access to jobs and services for the May RCM meeting. In preparation for that, mayors are asked to fill out a survey https://www.surveymonkey.com/s/RCM_BrookingsSurvey that will help shape the discussion.

Advisory Services

Gordon Hughes, consultant to ULI Minnesota, recommended that mayors consider using a Technical Advisory Panel (TAP) if they have a site or corridor that may be developed. In the past year, ULI Minnesota has done TAPs for a site in West St. Paul and in Duluth. A TAP pulls together architects, developers, real estate professionals, financial experts and more to give an unbiased report on an area that may be a problem or that offers opportunities or both.

For more information: <http://minnesota.uli.org/advisory-services/technical-assistance-panel-tap/>

COMING UP

The next meeting of the Regional Council of Mayors will be Monday, May 11, 11:30am–1:30pm, at Dorsey & Whitney. The meeting will be a discussion of poverty in suburbs.

ATTENDEES

Mayors

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| Jerry Faust | City of St. Anthony |
| Mary Giuliani Stephens | City of Woodbury |
| Debbie Goettel | City of Richfield |
| Ken Hedberg | City of Prior Lake |
| Kathi Hemken | City of New Hope |
| Jim Hovland | City of Edina |
| Marvin Johnson | City of Independence |
| Stan Karwoski | City of Oakdale |
| Elizabeth Kautz | City of Burnsville |
| Peter Lindstrom | City of Falcon Heights |
| Gene Maxwell | City of Hopkins |
| Lili McMillan | City of Orono |
| Tim McNeil | City of Dayton |
| Duane Poppe | City of Osseo |
| Terry Schneider | City of Minnetonka |
| Nora Slawik | City of Maplewood |
| Brad Tabke | City of Shakopee |
| Ken Willcox | City of Wayzata |
| Janet Williams | City of Savage |
| Gene Winstead | City of Bloomington |

Guests

Cecile Bedor, Greater MSP; Rick Carter, LHB; Mark Casey, City of St. Anthony; Adam Duininck, Metropolitan Council; Andy Gitzloff, Washington County; Janna King, Economic Development Services, Inc.; Nick Koch, HGA; Larry Lee, City of Bloomington; Mike Mornson, City of Hopkins; Burke Murphy, Corporation for a Skilled Workforce; Jennifer O'Rourke, Metropolitan Council; Adam Schiff, Sen. Klobuchar's office; Mary Taylor, Lindquist & Vennum; Mark Vander Schaaf, Metropolitan Council; Peter Wagenius, City of Minneapolis; Lisa Weik, Washington County; Eric Zweber, City of Rosemount.

ULI Staff/Consultants

Aubrey Austin, Cathy Bennett, Caren Dewar, Gordon Hughes, Linda Picone