



REGIONAL COUNCIL OF MAYORS

March 8, 2010

INFORMATION AND DISCUSSION

Special Presentation: Kathy Schmidlkofer, Vice President General Mills/Itasca Project

The Itasca Project and the Job Growth Task Force

Established six years ago, the Itasca Project is an alliance of 60 individuals made up of CEOs from major corporations and leaders in government and the non-profit sector. Currently, the group is focused on three core issues: public education, transportation and economic development/job growth. Ms. Schmidlkofer provided an update on the work of the Itasca Job Growth Task Force started six months ago.

The 26-member task force is charged with developing strategies and policies to promote the retention, creation, and attraction of quality jobs in the Twin Cities region. The goal is to support long term economic viability which includes sustainable jobs, improved regional competitiveness and quality of life, and making sure that the region's socio-economic gap is not widened. Ms. Schmidlkofer reported on the task force's analysis and assessment phase which is currently wrapping up.

The Call to Action

As Ms Schmidlkofer pointed out, the Twin Cities has a long history of economic prosperity, with more than 30 years of outpacing peer cities. Factors such as the diversity of industry, number of Fortune 500 company headquarters, highly educated workforce and top tier research institutions, and the outstanding quality of life have contributed to these high rankings. However, since 2003 the Twin Cities has been underpacing the national average in employment growth. Similarly in 2003 the Twin Cities was ranked the 20th best place for business and careers in one respected report, but by 2008 the region fell to 71st.

The Task Force set about identifying and measuring the region's performance on the different levers that impact job growth. According to site selectors who help corporations find locations to locate their businesses, the most important aspects are the cost of doing business, in which the Twin Cities scores below average and human capital, where the region is above average. Overall the balance sheet is mixed for the Twin Cities—with high rankings in quality of life, middle of the road rankings in infrastructure and innovation and start ups, and low rankings in several "process levers" such as having a regional economic development organization and vision. The presentation with detailed information about the region's rankings on multiple job levers is available on the [ULI MN RCM page](#).

National site selection firms have pointed out that “the Twin Cities is not on our radar screen,” “it is very hard to get information from the area,” and “Minneapolis-Saint Paul is one of the biggest metropolitan areas without a regional focus on economic development.” The Task Force met with regional economic development organizations from Kansas City, Austin, Pittsburgh, Research Triangle Park, Charlotte and Nashville all of whom echoed the importance of “bundling your assets—it is good to be regional.”

Moving Forward with Impactful Strategies

The task force is taking this information to further work on catalyzing regional economic development capabilities and supporting strategies that stimulate entrepreneurship and small business growth. The task force will be engaging stakeholders in a discussion about options for a regional economic development entity. As Ms. Schmidtkofer noted there are several possibilities: repurposing or merging existing organizations (40 groups have “economic development” as part of their mission statement!) or creating a new entity. On the innovation and entrepreneurship front, three priority initiatives have emerged: supporting an angel investor tax incentive, developing a MN Business Bridge (where larger companies do business with smaller MN companies), and strengthening University-business community collaboration to speed commercialization of technology.

ECONOMIC COMPETITIVENESS/JOB GROWTH INITIATIVE

Jon Commers, the project manager for the Brookings Metropolitan Business Plan effort, reported that Brookings has produced an assessment of 100 MSAs nationwide that shows where MSP fits within the mix. This report is available on the ULI MN website. These and other metrics will be used to create a dashboard that will ultimately measure how we are reaching our goals.

The steering committee and Mayor Harpstead reported that students participating in the Regional Competitiveness Project Capstone Course are making industry contacts in each cluster (financial services, medical devices, and distributed branded products.) The student teams will be drafting a diagnosis of each cluster this month and will follow it up with an action plan.

Mayor Rybak asked why all three of these efforts aren’t just one initiative. Mayor Harpstead was quick to point out that “what we are doing today is not sustainable. This work will need to go into some regional entity. And we still need to determine where and how that entity gets housed and funded.”

Ms. Schmidtkofer pointed out that Itasca will be developing organizational models for a regional entity and can share a document that discusses other efforts nationwide and/or have someone present a summary of regional best practices. Attendees noted that a “sweet spot” for RCM would be to call on businesses to find out what regulatory/permitting reform would be beneficial—and to identify any common regulatory actions that could be taken collectively. Caren Dewar noted that this will be a strategy within the overall action plan. Todd Klingel of the Minneapolis Regional Chamber of Commerce encouraged participants to view the metromsp.org website, which is a storehouse of good regional information.

FEDERAL TRANSPORTATION LEGISLATION

Christine Goepfert the Minnesota Field Coordinator for Transportation for America gave a brief update on the status of the reauthorization of the transportation bill (SAFETEA-LU). There have been 4 extensions of the bill so far and it is likely that the jobs bill will carry SAFETEA-LU through the end of the year. However, discussions in the US Senate indicated that a transportation bill will be brought to the Senate floor this year—based on the Surface Transportation Authorization Act introduced by Chairman Oberstar in June 2009. According to Ms. Goepfert, “the window of opportunity to influence the Senate’s bill is opening. Now is the time to reach out to Minnesota Senators about the transportation bill.”

RCM BUSINESS

Ms. Dewar congratulated the cities of Anoka and Eagan for their selection into the second round of the ULI Minnesota Housing Initiative’s Opportunity Cities program.

The ***Back to the Future*** power point presentation is now available on the ULI MN website for download. It clearly explains the connections between transportation and land use and how important these connections are in the marketplace and in competing for federal funds.

Coming Up

The next RCM meeting will be Monday, April 12, 11:30am-1:30pm, Dorsey & Whitney, 50 S. 6th St., Minneapolis, 15th floor-Seattle Room with Dean Tom Fisher presenting ***Fracture Critical***.

ATTENDEES

Mayors

Terry Schneider, Minnetonka; Stan Harpstead, Arden Hills; Jim Hovland, Edina; Doug Anderson, Dayton; Gene Winstead, Bloomington; Chris Coleman, Saint Paul; John Sweeney, Maple Plain; Ken Willcox, Wayzata, Dean Johnston, Lake Elmo; R.T. Rybak, Minneapolis; Peter Lindstrom, Falcon Heights; Janet Williams, Savage; Randy Gilbert, Long Lake; Eugene Maxwell, Hopkins; Marvin Johnson, Independence; Holly Dahl, Lakeville; Mike Maguire, Eagan.

Staff and Contractors

Caren Dewar, executive director, ULI Minnesota; Snezhana Bessonov, ULI Minnesota, Initiatives; Mary Kay Bailey, ULI Minnesota, Communications and Policy.

Advisors and guests

Carol Nielsen, Target; Mike Logan, Target; Todd Klingel, Minnesota Chamber of Commerce; Jeremy Hanson Willis, City of Minneapolis; Ann Mulholland, City of Saint Paul; John Shardlow, Bonestroo; Jon Commers, Donjek; Katy Lindblad, Minnesota Housing; Burke Murphy, DEED; Mia Adams, University of MN; Alisha Cowell, University of MN; Sally Wakefield, 1000 Friends of Minnesota; Jenna Fletcher, Embrace Open Space/Trust for Public Land; Gretchen Nicholls, Twin Cities LISC; Michael Murphy,

MnSCU; Elizabeth Ryan, Family Housing Fund; Rick Collins, Ryan Companies; Michael Huber, Blue Cross Blue Shield MN; Christine Goepfert, Transportation for America; Allison Barmann, McKinsey and Company/Itasca Project; Kathy Schmidkofer, General Mills/Itasca Project; Luke Weisberg, Greater Metro Workforce Council; Dave Van Hattum, Transit for Livable Communities; Jay Lingren, Dorsey and Whitney.