



## **REGIONAL COUNCIL OF MAYORS**

**November 9, 2009**

### **DISCUSSION**

#### **Minneapolis – Saint Paul Region’s Response to Brookings Institution Request for Proposal**

Looking to develop a new method for delivering federal funds to metropolitan areas, the Brookings Institution approached ULI MN/RCM, the Itasca Project and their partners in mid-October to participate in a high profile demonstration project. The “Metropolitan Business Plan” project is designed to be a “reverse RFP” whereby metro areas complete a holistic, aligned, and integrated business plan and use it as a prospectus when seeking funds from the federal government—as opposed to submitting dozens of different applications for specific programs. Brookings approached the region (one of six nationwide, which will ultimately be winnowed down to three participants) because of our strong tradition of collaboration between local elected officials and the business and civic community.

Mayor Stan Harpstead, co-chair of the Jobs/Economic Development Task Force noted that Brookings with its consulting partner, RW Ventures of Chicago will assist selected regions with developing a detailed Metropolitan Investment Prospectus. In particular, the Minneapolis-Saint Paul proposal seeks assistance with:

- Developing a Unified Regional Economic Development Vision
- Enhancing Job Growth Enablers and Industry Clusters
- Developing a Regional Investment Model
- Developing a Minneapolis-Saint Paul Regional Economic Development Organization

These activities emerged from work underway in the Itasca Project’s Job Growth Task Force and the ULI MN/RCM/DEED/University of Minnesota Regional Competitiveness Project.

The program is on a fast-track. The region submitted its proposal on November 4<sup>th</sup> and Brookings intends to notify selected participants by Thanksgiving and begin work immediately.

The region’s proposal was signed and submitted by:

Mary Brainerd, CEO of HealthPartners, Chair of Itasca Project

Ken Powell, CEO of General Mills, Co-Chair of Itasca Project job growth task force

Marilyn Carlson Nelson, Chair of Carlson, Co-Chair of Itasca Project job growth task force

Dan McElroy, Commissioner, Minnesota Department of Employment and Economic Development

Bonnie Elsey, Director of Workforce Development Division, DEED

Mayor R.T. Rybak, Minneapolis

Mayor Chris Coleman, St. Paul

Mayor Gene Winstead, Bloomington

Mayor Stan Harpstead, Arden Hills, Co-Chair Regional Council of Mayors Jobs – Economic Development Task force

Carol Nielsen, Director Research and Planning, Target Corporation/ Co-Chair, RCM Jobs/Economic Development Task Force

Mike Logan, Director of Civic Affairs, Target Corporation

Colleen Cary, The Cornerstone Group, Chair of ULI Minnesota

### **Jobs/Economic Development**

Mayor Harpstead gave the group an update on the economic development initiatives underway. The Regional Competitiveness Project, a partnership among ULI MN/RCM, the Minnesota Department of Employment and Economic Development, and the University of Minnesota Humphrey Institute, held a kick-off meeting on October 21 to select 3 of the top 10 regional industry clusters. These clusters will be used in future project steps to create a model for regional economic and employment growth via private –public collaboration. The model will then be used to develop strategies for additional clusters in subsequent phases.

After hearing from economist and industry cluster expert Joe Cortright and analysts from the University of Minnesota, the participating mayors selected **medical devices, financial services, and distributed services** (i.e. “branded distributed products” from companies such as Target, Best Buy, Super Value, General Mills, 3M Consumer Products, etc) as the three clusters for analysis. A team of mayors have been assigned to each cluster and will meet with CEOs of targeted companies to understand challenges and opportunities.

Mayor Harpstead also discussed the work underway with the Itasca Project’s Job Growth initiative. In a review of site selection criteria, the group found that Minnesota’s higher labor costs and lack of regional economic development vision/organization keep the region off many site selectors’ radars. The review also found that Minnesota scores high on human capital and quality of life. The Task Force will begin to review other comparable regions and interview start-up companies to learn more about what it is like to do business in Minneapolis-Saint Paul.

Mayors discussed the importance of “collectively working to retain, grow, and attract businesses,” noting that in places like Charlotte and Denver, the region’s mayors, CEOs, and other players are “singing from the same song sheet.” With the knowledge that Minneapolis-Saint Paul gets bypassed by site locators because there is no regional economic development czar, the group discussed the importance of creating a public/private entity to give voice to the region.

Mayors also cautioned against focusing too narrowly on taxes and wage costs and suggested that the focus be on the kinds of jobs that we want to attract to the region.

For more information about the Jobs/Economic Development Initiative, see:

<http://minnesota.uli.org/JobsEconomicDevelopment.aspx>

## **SPECIAL PRESENTATION: MICHAEL GOLDBERG, ACTION MEDIA ON AFFORDABLE HOUSING**

Reporting findings from a statewide survey funded by the McKnight Foundation and conducted by Action Media <http://www.actionmedia.org/>, Goldberg told mayors that support for affordable housing is “broad, but soft. A third tier issue for most people.” Goldberg noted that while 75% of respondents said they would be more likely to vote for a mayor that supports affordable housing, 74% believe that their communities already have the right mix of housing. And when it comes to evaluating affordable housing decisions, people tend to use their own self-interest rather than concern for the poor.

Describing the opposition to affordable housing, Goldberg notes that many people think that their communities are wonderful places and they don’t understand why things need to change. Values of personal and economic security as well as concern for school quality, neighborhood aesthetics, and sense of community also factor into decision-making.

Armed with this information, Goldberg suggests that when speaking about affordable housing programs or projects, officials can frame the issue as a “story of opportunity”

- a chance to renew older homes and turn them back into valuable assets;
- an opportunity to attract new and younger workers; and
- a chance to create a neighborhood that will allow for lifelong and multi-generation housing.

Goldberg emphasized that this research is meant to be road-tested and put to use and asked mayors for their experiences. Mayor Maguire noted the importance of talking about providing a diversity of housing types and price points that will be attractive to people at many different life stages. He also notes that community residents, not just elected officials need to raise these issues. Mayor Schneider asks residents of Minnetonka to answer the question, “Will your kids be able to live here?” to get them thinking about the people being priced out. Similarly, Mayor Johnston points out to Lake Elmo residents that workforce housing is necessary if they want to have teachers, fire fighters, police officers and others living in their community.

In the end, participants pointed out that managing the change and helping to allay community fears is what’s important.

Goldberg’s presentation is available online at:

<http://minnesota.uli.org/Regional%20Council%20of%20Mayors/Presentations.aspx>

## **RCM BUSINESS**

### **Mayor Elizabeth Kautz to Become President of US Conference of Mayors on January 5, 2009**

When Mayor Kautz takes the seat as the new President of the US Conference of Mayors, she will be the first Minnesotan and suburban mayor to do so. Kautz said that economic growth and jobs recovery will be a big part of her agenda at USCM.

### **RCM is profiled in new ULI Publication, “Leadership and Innovation for Change.”**

In a report documenting five years of ULI Community Action Grants, the RCM is one of five projects featured as a model of leadership and innovation. The RCM received a ULI Community Action Grant in 2004 that was generously matched by the Target Corporation. Copies of the report are available at the ULI Minnesota office.

### **New Housing Policy Tool Box Launched**

Partnering with the award-winning Center for Housing Policy, ULI Minnesota's Regional Council of Mayors (RCM) has created a Twin Cities focused Housing Policy Tool Box to expand a national web-based tool with local applications. The Minnesota-specific tool box, available at [http://www.housingpolicy.org/toolbox/index\\_MN.html](http://www.housingpolicy.org/toolbox/index_MN.html), is a component of the popular [HousingPolicy.org](http://HousingPolicy.org) website. The tool box provides state and local officials access to both local and national policies, tools, and actions to expand housing choices for Minnesotans.

### **Five GreenStep Cities Announced**

Bloomington, Edina, Falcon Heights, St. Louis Park and Victoria were selected to work with ULI/MN and the Minnesota Pollution Control Agency to test the effectiveness and cost-efficiency of greenhouse gas reduction strategies. Congratulations! For more information about this work, visit: <http://minnesota.uli.org/Environment.aspx>

### **Coming Up**

The next RCM meeting will be Monday, December 14, 11:30am-1:30pm, Dorsey & Whitney, 50 S. 6th St., Minneapolis, 15th floor-Minnesota Room.

### **ATTENDEES**

#### **Mayors**

Terry Schneider, Minnetonka; Stan Harpstead, Arden Hills; Jim Hovland, Edina; Dean Johnston, Lake Elmo; Elizabeth Kautz, Burnsville; Steve Lampi, Brooklyn Park; Ken Willcox, Wayzata; Debbie Goettel, Richfield; Nick Ruehl, Excelsior; Mike Maguire, Eagan; Mary Hershberger Thun, Victoria; Janet Williams, Savage; Doug Anderson, Dayton; Gene Winstead, Bloomington; Chris Coleman, Saint Paul; John Sweeney, Maple Plain; Tom Furlon, Chanhassen; Peter Lindstrom, Falcon Heights.

#### **Staff and Contractors**

Caren Dewar, executive director, ULI Minnesota; Cathy Bennett, Housing Initiative; Jill Kiener ULI Minnesota Initiatives ; Mary Kay Bailey, ULI Minnesota Communications.

#### **Advisors and guests**

Elizabeth Ryan, Family Housing Fund; Eric Muschler, McKnight Foundation; Todd Klingel, Minnesota Chamber of Commerce; Erika Carter, Target; Jeremy Hanson, City of Minneapolis; Tina Smith, City of Minneapolis; Emily Goodman, City of Saint Paul; Ann Mulholland, City of Saint Paul; Cecile Bedor, City of Saint Paul; John Bailey, 1000 Friends of Minnesota; Kevin McHenry, Metro Cities; Todd Olson, Metro Cities; Guy Peterson, Metropolitan Council; Emmett Coleman, Comcast; Michael Scharenbroich, University of Minnesota/CURA;