



REGIONAL COUNCIL OF MAYORS
September 14, 2009

DISCUSSION

Bill Melton offers an optimistic, but measured economic forecast

Bill Melton came before the council to assess the current economic climate. He began by contrasting the present state of economic affairs to those seen back in July, when he last spoke to the RCM. Whereas his “tagline” then was “you ain’t seen nothin’ yet,” he announced that, today, the “Great Recession” has either already ended or will do so soon. He highlighted a number of positive indicators, including the fact that we are now escaping liquidity traps, progress has been made in unfreezing the credit market, and evidence of economic recovery abroad. He predicted that interest rates would stay at 0%, for at least two years, and that inflation would remain at 1%. However, he assured the RCM that the latter was not “a big issue.”

That being said, he was quick to point out that we are not out of the woods yet. The labor market, he reminded the RCM, does not recover until *after* the market improves, and that, even if an economic upswing occurs, there would be a delay before its effects were seen. Additionally, he acknowledged that residential foreclosures remain high, and even went so far as to say that the worst is yet to come for the commercial real estate market. He stated that jobs in the sectors of manufacturing and construction are coming back, but cautioned that they will probably never return to their historic highs. He noted that, while some jobs will never come back, others will come back in an altered form. He singled out Pittsburgh as an example of a city that has been able to reinvent itself economically.

When questioned by Brooklyn Park Mayor Steve Lampi about which policies could be introduced at the state level to promote job growth, Melton stressed that rapid economic growth was needed. He identified the need for top line growth and increased revenue. To that end, he advocated for even more stimulus money and a tax credit to promote investment.

Ken Greenberg shares vision of modern, vibrant cities

Ken Greenberg, of Greenberg Consultants, Inc., presented a truncated version of the talk he gave later that day, entitled “City Building—Expanding Common Ground.” He began by describing the decline of the post-World War II urban model, built upon heavy industry and automotive transit. As cities have

seen what he refers to as “the retreat of the industrial glacier,” new obsolescent land is becoming available for redevelopment, giving cities the opportunity to reinvent themselves.

Greenberg argued that cities must use this opportunity to return to building “whole communities,” urban centers that conceive of growth in terms of livability. He mentioned the growing consensus among urban economists that quality of life has become a primary economic asset, refuting the antiquated notion that economic growth results from “a race to the bottom.” Simply put, cities must focus on being places where people want to, not only work, but also live. This includes providing amenities like daycare and a diverse mix of housing options, both rental and owner-occupied. Greenberg even showed a number of examples from new developments across North America and Europe, in which buildings are being constructed to house office space, residential, and dining options in one centralized space.

Ultimately, Greenberg believes that it comes down to the ability of elected officials—especially mayors— along with other civic leaders to rally support and pull together the necessary tools for reinventing and reviving American cities. In order to fully develop, cities need to begin with a “strategic vision” for transforming themselves into a truly livable space. These visions must be tailored to the unique “DNA” of each individual city. He predicted that American cities have approximately a decade to get behind these new visions, which coincidentally is the amount of time it takes to implement such drastic change.

RCM BUSINESS

Executive Director’s Reports on Housing Initiative, SW Corridor

Executive Director Caren Dewar provided copies of the newly completed ULI MN/RCM Housing Initiative Opportunity City Pilot Program report. She thanked the Family Housing Fund for all the support, monetary and leadership, that they have provided. Additionally, she mentioned the Southwest Corridor workshop facilitated by Ken Greenberg to be held the next day.

Mayor Harpstead reports on the status of the Regional Competitiveness Project

Mayor Stan Harpstead of Arden Hills updated the council on the status of the Regional Competitiveness Project. The project aims to examine 3 industry clusters in the metropolitan area. It will develop action plans to strengthen those clusters. Carol Nielsen of Target Corp has agreed to serve as co-chair. The industry cluster workshop will be held on October 21 from 1:30 – 1:30, agenda to follow. **As a result, the October 12 RCM meeting has been cancelled.**

GreenStep Cities now accepting applications for participation in best practices study

Kristina Smitten, project manager for the ULI MN/RCM GreenStep Cities project, provided a summary of the program. GreenStep Cities helps cities develop voluntary pathways to reducing green house gas emissions. 5 cities will be selected to participate in the demonstration project and will include cities of different sizes and progress levels with regards to sustainability, all of whom have a willingness to share and are committed to working towards developing a smaller environmental footprint. Upon being

selected, GreenStep will help these cities examine their current goals, design pathways for achieving those goals, and develop methods for broadening sustainability education in the community. Cities interested in participating in the study should submit a letter to caren.dewar@uli.org by **COB on Monday, September 28**.