



Regional Council of Mayors

September 12, 2011

Gov. Dayton Seeks Ideas for Job Growth Strategy

Gov. Mark Dayton's chief of staff, Tina Smith, came to the meeting to share Dayton's goals on an economic development strategy and, more important, to hear what the mayors think is important.

Smith said creating jobs is one of the governor's top three priorities (making government work better and making the tax system more fair are the other two). Currently, Dayton is holding economic development meetings around the state, which will culminate in a summit October 25.

The top five ingredients of the governor's thinking on economic development are:

1. **Access to capital.** How do you increase access to capital? Dayton has convened a group that is expected to come up with recommendations in the next few weeks. A key part of this is determining the role of government in increasing access to capital for businesses.
2. **Exports.** What would using exports as a job-creation strategy look like?
3. **Economic development tools.** What is the tool kit the state should have for economic development? "How do you make sure the tools are subsidizing new jobs, not jobs that would have existed anyway?"
4. **Workforce development.** How do we make sure we have people prepared to do the jobs small and medium businesses are creating? "In a very short period of time, there's going to be a dramatic mismatch between the jobs created in the state and the people available to fill them."
5. **Infrastructure.** How can investment in maintaining, preserving—and improving—the state's infrastructure create jobs?

"This is still very much a work in progress," Smith said, which will be shaped with input from elected officials, experts and people from around the state. Ideas from the mayors included:

- **Jerry Faust, St. Anthony:** How can the state bridge the gap between schools, cities and other entities, which don't always operate together?
- **Ken Wilcox, Wayzata:** "Access to capital is a major tool. I would cheat on the side of making it more liberal. As to regulations, sometimes the EPA

- gets carried away and costs business money.” (Smith said work is needed on ways to streamline the permitting process.)
- **Sandra Krebsbach, Mendota Heights:** It’s important to create an ecosystem for economic development, rather than a set of tools. “A tool implies that you’re just going to use one at a time.”
 - **Nick Ruehl, Excelsior:** “I’d be interested in knowing why companies leave Minnesota. Getting a good database for that would be important. Where does Minnesota truly sit in comparison with other locations?”
 - **Jim Hovland, Edina:** “I hope infrastructure includes looking at broadband.” (Smith said, “Absolutely.”) Hovland also asked, “What tools do we have to retain companies (in addition to attracting new businesses)? I consider it a sordid little game, one state stealing from another.”
 - **Gene Winstead, Bloomington:** Over the next month, the mayors are going to get the report on the Clusters Initiative, which will have answers to some of the questions Smith mentioned. “The best way to approach economic development is from a regional standpoint—and that sometimes doesn’t fit with the state perspective.” (Smith said taking a regional approach is the right way to go, and that “somehow all of the regional centers connect up with the Metro.”)
 - **Peter Lindstrom, Falcon Heights:** The state needs to be out front on free trade agreements.
 - **William Droste, Rosemount:** The University of Minnesota should be tied into workforce development.
 - **Mike Maguire, Eagan:** “One of the things I’d like to add to the list is patience. This is a long-term issue. Texas has a lot of jobs, but they’re not good ones, and it has a lot of uninsured people. I don’t call that economic development.” (Smith said that personal contact was a factor in a Medtronic expansion in Texas, rather than Minnesota: “The governor of Texas called the project manager every Friday.”)
 - **Chris Coleman, St. Paul:** The work of Greater MSP and Compass should be complementary to the governor’s plans. “It is a long-term issue, but there are some short-term victories possible.”
 - **Doug Anderson, Dayton:** Fund infrastructure programs consistently, not just in good times.

Reinvesting in the Region

Mayor Terry Schneider, CTLUS co-chair, presented a proposed regional action plan entitled: A Reinvestment Strategy, Making it Easier to Do Better. He said there are three key categories that the CTLUS Advisory committee is focusing on:

- Collaborative and integrative strategies.
- Streamlining and aligning.

- Financing and tools.

“My goal is to get the right people at the table and empower them to find solutions,” Schneider said.

Schneider and attorney Jay Lindgren have been co-chairing this effort for several years, with the assistance of a diverse private/public sector committee.

Several mayors talked about how outdated zoning has made it harder for redevelopment projects. “City governments have two conflicting roles,” said Lindgren. “They have their regulatory function, but then they also need to create some level of public-private partnership with developers.”

John Shardlow of Bonestroo said that changing ordinances to match what cities want is important, but warned: “Small, organized groups can block development, no matter what you want.”

Mayor Janet Williams said that Savage city staff took the initiative with the permitting process, to help ease the way for a “nice little software company” with several jobs, and succeeded in having the German company open in Savage.

INITIATIVES UPDATES

Environment Committee

Mayor Debbie Goettel said the next step of the committee’s work is to determine how to move forward so that more cities can measure their carbon footprint, based on the Regional Indicators pilot cities project.

Housing Initiative

Mayor Mike Maguire said that Coon Rapids has joined the Opportunity City program. He said 14 cities, one county and the University of Minnesota have expressed interested in “Navigating the New Normal.”

Jobs Initiative

The report from the Regional Cluster Initiative will be distributed before the October RCM meeting. Mayor Gene Winstead encouraged mayors to read the report and be prepared to discuss at the October meeting.

EXECUTIVE DIRECTOR’S REPORT

Caren Dewar pointed out the new one-page RCM flyer to mark the sixth anniversary of the Regional Council of Mayors.

METRO WATCH

Surface Transportation Funds Extension

Mayor Sandy Martin encouraged mayors to sign a letter found at this link <http://www.usmayors.org/pressreleases/uploads/20110908-letter-transportationbill.pdf> from the U.S. Conference of Mayors to Congress, urging an extension of funding for highway and transit, which was set to expire on September 30. Caren Dewar said that there was still time and that mayors could have an impact.

- Please note: On September 13, the day after the RCM meeting, the U.S. House of Representatives unanimously passed an extension of the funding at current levels through March 31, 2012. The extension is expected to pass the Senate and be signed by President Obama shortly.

MAYORS' UPDATES

- **Chanhassen:** Money Magazine ranked Chanhassen as one of the top 10 places in the country to live. "Year after year, these national magazines regularly have Minnesota towns on their lists," said Mayor Tom Furlong. "We need to emphasize these good stories to tell about the region."
- **Dayton:** Mayor Doug Anderson said there are several new housing starts in the city and that the foreclosure rate has dropped.
- **Eagan:** CSM has purchased the former Lockheed-Martin site and plans to intensify the use of the site and to add retail. Lockheed-Martin will occupy the site until 2013.
- **Edina:** Blue Cross Blue Shield and the city of Edina, Richfield and Bloomington will roll out the DO. Town initiative on September 27, Mayor Jim Hovland said. The initiative is a pilot project for helping people lead healthier lives.
- **Hopkins:** A new city manager has been hired. Several new developments are underway.
- **Lake Elmo:** Mayor Dean Johnston asked for help with a quality of life issue. The county is planning to close the Lake Elmo library, he said, and the city is trying to establish a taxing authority in order to maintain the library as a city library.
- **Long Lake:** The city is trying to recruit businesses to three prime spots on Old Highway 12.
- **Minnetonka:** Mayor Terry Schneider said having the bridge down during construction for the new 169 interchange had not had less negative impact than expected. The city has two office building expansions happening in the Opus area. "People aren't just relocating jobs, but creating new jobs."
- **Orono:** The city will have a flat levy for 2012, said Mayor Lili McMillan. "We have asked city staff to tighten their belts."

- **Richfield:** The city just got a governor’s award for Beyond the Yellow Ribbon. Mayor Debbie Goettel said three very large projects are proceeding, including the former K-Mart site and the former Lyndale Gardens site.
- **Rochester:** The Mayo Clinic is building a proton-beam facility, one of very few in the nation. The University of Minnesota-Rochester campus has opened a nine-story student housing facility that is already full, said Mayor Ardell Brede.
- **Rosemount:** Two builders have proposed new projects.
- **Shoreview:** The City Council passed a resolution in opposition to the proposed funding for a Vikings stadium in Arden Hills.
- **St. Anthony:** Mayor Jerry Faust said the city has invited two different watershed districts to have their meetings in city facilities. “It’s just a way to break down barriers and tell your story.”

COMING UP

The next RCM meeting will be held on Monday, October 10, 2011 from 11:30 am to 1:30 pm. RCM meetings are held on the second Monday of every month at Dorsey & Whitney.

Mayors will share 2012 city levy proposals as part of the discussion.

ATTENDEES

The following individuals were in attendance on September 12, 2011:

Mayors

Doug Anderson	City of Dayton
Ardell Brede	City of Rochester
Chris Coleman	City of St. Paul
Bill Droste	City of Rosemount
Jerry Faust	City of St. Anthony
Tom Furlong	City of Chanhassen
Debbie Goettel	City of Richfield
Jim Hovland	City of Edina
Tim Hultmann	City of Long Lake
Marvin Johnson	City of Independence
Dean Johnston	City of Lake Elmo

Sandra Krebsbach	City of Mendota Heights
Peter Lindstrom	City of Falcon Heights
Mike Maguire	City of Eagan
Sandy Martin	City of Shoreview
Eugene Maxwell	City of Hopkins
Lili McMillan	City of Orono
Nick Ruehl	City of Excelsior
Terry Schneider	City of Minnetonka
John Sweeney	City of Maple Plain
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

Guests

Cecile Bedor, City of St. Paul; Katherine Blauvelt, Office of Sen. Al Franken; Rick Carter, LHB Corp.; Erin Dady, City of St. Paul; Steve Dornfeld, MinnPost; Andrea Ferstan, United Way Twin Cities; Jenna Fletcher, Trust for Public Land; Jay Hartman, City of St. Anthony; Emily Irwin, Dorsey & Whitney; Curt Johnson, Citistates Group; Jay Lindgren, Dorsey & Whitney; Lee Munnich, Humphrey School/University of Minnesota; Burke Murphy, Regional Cluster Initiative; Erika Nelson, Office of Sen. Amy Klobuchar; Bruce Nordquist, City of Apple Valley; Irene Quarshie, Target; Guy Peterson, Metropolitan Council; Elizabeth Ryan, Family Housing Fund; John Shardlow, Bonestroo; Luke Weisberg, Lukeworks, U.C.

ULI Minnesota Staff

Caren Dewar, Cathy Capone Bennett, Katie Anderson, Linda Picone