Navigating Your Competitive Future
ABOUT ULI MN

MISSION
Urban Land Institute Minnesota engages public and private sector leaders to foster collaboration, share knowledge, and join in meaningful strategic action.

VISION
Thriving communities.
Minneapolis, Saint Paul and 53 other municipalities are represented in the RCM.

“The RCM provides a nonpartisan platform focused on building civic trust through relationships, inquiry, partnerships and action.”
More than **64 cities** have completed ULI Minnesota workshops.

Trust is developed across public and private sectors.

"The workshops are opportunities for City officials to ask questions of real estate professionals in an environment where neither party has anything at risk. This is a new kind of civic space. The developers are neither seeking anything nor defending anything and City officials are not under any pressure. It allows for a spirit of inquiry and exploration that is too often not possible when both parties are advocating specific positions."

ULI MN Governance Chair John Breitinger
Cushman & Wakefield/Northmarq
FOUR MAJOR CHANGE DRIVERS

DEMOGRAPHICS

MARKET FORCES

TECHNOLOGY

RESILIENT INFRASTRUCTURE
DEMOGRAPHICS

GENERATIONAL SHIFTS
AGING POPULATION
CULTURAL DIVERSITY
MILLENNIALS AND BOOMERS COMPRISSE 150 MILLION AMERICANS
Under 18 population will **decline** from 23% to 20% of population

Over 65 will **grow** from 17% to 22%

"These things usually creep along at the speed of a glacier. Not so with aging. **In demographic terms, this is a tsunami. It doesn't get much bigger than this.**"

Thomas Gillaspy  
Former MN State Demographer
Most new household growth will be ages 65+.

Net Household Growth: 1990–2010

- Under 35: 21%
- 35–64: 80%
- Over 65: 9%

Net Household Growth: 2010–2040

- Under 35: 6%
- 35–64: 85%
- Over 65: 9%
MINNESOTA IS BECOMING MORE CULTURALLY DIVERSE

CHANGE IN RACE/ETHNIC COMPOSITION OF TWIN CITIES

Integrated Public Use Microdata Series from the U.S. Census Bureau, American Community Survey
MINNESOTA’S COMMUNITIES OF COLOR EXPERIENCE SIGNIFICANT DISPARITIES

<table>
<thead>
<tr>
<th>Measure</th>
<th>People of Color</th>
<th>White</th>
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</thead>
<tbody>
<tr>
<td>Live in poverty</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>No health insurance</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>Cost-burdened households</td>
<td>44%</td>
<td>25%</td>
</tr>
<tr>
<td>Homeownership rate</td>
<td>39%</td>
<td>76%</td>
</tr>
<tr>
<td>Complete high school on time</td>
<td>68%</td>
<td>87%</td>
</tr>
</tbody>
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U.S. Census Bureau, American Community Survey. All data 2015 except Health Insurance (2014)
MARKET FORCES

MSP REGION COMPARATIVE ADVANTAGES

COST-BURDENED HOUSEHOLDS

HOUSING AND JOBS MISMATCH

WORKFORCE SHORTAGES

COMMERCIAL INDUSTRY TRENDS
TOP COMPARATIVE ATTRIBUTES OF THE MSP REGION

1. **HOUSING**: Availability and affordability of housing

2. **PROXIMITY**: How close to my opportunity is it?

3. **MOBILITY**: Do I have options to get around?

4. **CONNECTIVITY**: Can I meet people or be near friends and family?

5. **PARKS AND GREEN SPACE**: Can I enjoy the outdoors?

**ALSO RATED HIGHLY**: Access to restaurants/bars, arts/culture, safety

**SITUATIONALLY IMPORTANT**: Walkability, school district, bike paths

Source: GREATER MSP (Make It. MSP. "MSP Welcome Survey," 2016)
MILLENNIALS LIVE IN COMMUNITIES OF ALL TYPES AND WANT URBAN-LIKE AMENITIES

WHERE THEY LIVE

- Downtown/near downtown: 13%
- Dense, older suburbs: 13%
- Rural: 7%
- Small towns: 17%
- Other city neighborhoods: 35%
- Newer suburbs: 15%
- Dense, older suburbs: 13%
- Rural: 7%

HOW THEY SEE THEMSELVES

- City People: 37%
- Suburbanites: 36%
- Small-Town Folk: 26%
PERCENTAGE OF METRO AREA COST-BURDENED HOUSEHOLDS HAS GROWN TO NEARLY 50%
MISMATCH BETWEEN AFFORDABLE HOUSING AND JOBS

WORKFORCE HOUSING PER LOW-WAGE JOB

Sources: Comprehensive Housing Affordability Strategy data and Longitudinal Household Employment Data
PROJECTED SHORTFALL OF 100,000+ SKILLED WORKERS BY 2020

BABY BOOMER RETIREMENTS
STAGNANT LABOR FORCE GROWTH
CHALLENGES RECRUITING TO THE REGION
E-COMMERCE CONTINUES TO GROW RAPIDLY AS WE BUILD FEWER NEW BRICK AND MORTAR SPACES

Sources: New retail space data from JLL Q2 2016 Retail Outlook. E-Commerce sales data from US Economic Census
TECHNOLOGY

AUTOMATION AND JOBS

THE SHARING ECONOMY

NEW TECHNOLOGY, REGULATION AND CITIES
AUTOMATION IS AFFECTING JOBS AND CREATING CHALLENGES AND OPPORTUNITIES
THE SHARING ECONOMY IS CHANGING RETAIL AND SERVICES REGULATION IS PLAYING CONSTANT CATCH-UP
DRIVERLESS VEHICLES ARE ADVANCING QUICKLY AND ARE A HIGH PRIORITY FOR CAR COMPANIES
AUTONOMOUS VEHICLES WILL CREATE LAND USE OPPORTUNITIES AND CHALLENGES

31% of our downtown commercial cores are devoted to parking.

There are 4 times as many parking spaces as cars in America.

The average automobile spends 95% of its time sitting in place.
RESILIENT INFRASTRUCTURE

CYBER SECURITY
REUSE OF INDUSTRIAL BUILDINGS
DEFERRED MAINTENANCE
TRAILS, PATHS AND SIDEWALKS
COMMUNITIES NEED A CYBERSECURITY STRATEGY
WAREHOUSE/DISTRIBUTION FACILITIES ARE MUCH LARGER AND REQUIRE GREATER CLEAR HEIGHTS
AGING INFRASTRUCTURE AND DEFERRED MAINTENANCE

| STORMWATER OVERLOADS | SEWER SYSTEM FAILURES |
TRAILS, BIKE PATHS AND SIDEWALKS IMPROVE CONNECTIVITY, INCREASE PROPERTY VALUES, AND ATTRACT ECONOMIC DEVELOPMENT
WHAT DOES ALL OF THIS MEAN FOR THE FUTURE OF COMMUNITIES?