

REGIONAL COUNCIL OF MAYORS

May 9, 2016

PRESENTATIONS AND DISCUSSION

GREATER MSP PERCEPTION STUDY

The perception of the Twin Cities as a good place to do business improved between 2012 and 2015, said Michael Langley, CEO of GREATER MSP <https://www.greatermsp.org>.

The Twin Cities' ranking on a score of 1 to 5 increased from 3.0 to 3.4. That doesn't seem like a lot, but Langley said that in 75 analyses by the consulting firm that did the survey, "they have never seen more than a .4 increase; it's a very positive outcome."

GREATER MSP hired DCI to do a survey in 2012, to get a baseline of perceptions about the business climate in the Twin Cities. In November 2015, an identical online survey was done to measure changes in perception. A total of 144 corporate executives and their advisors—those who help make the decisions about whether to move or expand to the Twin Cities—took part.

Key topics, and an overview of perceptions and perception change, included:

- **Familiarity with Minneapolis-St. Paul.** In 2012, 72 percent said they had been to the Twin Cities. In 2015, 74 percent had.
- **Business climate.** The ranking went from 3.0 to 3.4 (on a 5-point scale). The likelihood of looking at the Twin Cities for future investment projects was even stronger, going from 2.3 to 3.0. The Twin Cities are in the middle of the list of cities studied, behind Dallas (4.1) and Phoenix (3.7) but about equal with Toronto and Boston. Chicago, San Francisco and San Diego all were ranked 3.1 and Los Angeles 2.9.
- **Key associations.** The Twin Cities are associated more with advanced manufacturing and biotechnology and pharmaceuticals than in 2012. Although the association with medical devices dropped a bit, Langley said that biotechnology and medical devices are starting to merge, which may account for that.
- **Word associations.** The word mentioned most often in 2012 was "cold." While that was still large in 2015, it dropped significantly—and "quality workforce" became a much stronger association.
- **Site location factors.** There were slight changes, both up and down, in perceptions of eight factors that impact whether the Twin Cities is a good place to locate a business. In areas where the region is perceived as weaker (business-friendly government, overall tax burden, incentives/tax exemptions), there was some improvement in perception. Langley pointed out that "none of these things changed in the last three years; it was the perception that changed."

The region has moved the needle, Langley said. “Working together in a collaborative partnership is what makes this work.”

But challenges still exist in helping convince companies to move and expand businesses here. Some, like weather and climate, can’t be changed—but the perception of those as negatives can be, Langley said. The Twin Cities has colder winters, but no hurricanes, floods, droughts or floods.

Distance from the coasts, accessibility and high taxes and a high cost of doing business are still seen as weaknesses, Langley said. But, “We’re on the right track.”

Regions that have well built out transit systems are perceived higher in quality of life and access to jobs, he said. “Transportation and transit are always in the top three questions we hear” when talking to businesses about the region.

Langley said that quality of life factors are very high in the Twin Cities. “For our population, we have an overabundance of arts and culture, the same for recreation,” he said. But the first step when talking to businesses about investment in the region is to convince them that the business climate is favorable. “If you make the cut for business factors, then quality of life is what you push.”

For more information:

- See Langley’s [presentation here](#)
- 2016 Regional Indicators Dashboard <http://www.greatersp.org/regional-indicators/regional-indicators-dashboard/>

SOLAR ENERGY STRATEGIES

Clean Energy Resource Teams (CERTs) help individuals and communities get solar projects done, said Lissa Pawlisch of the University of Minnesota Extension.

Several drivers, including tax credits and the decreasing cost of solar, have created a favorable climate for solar energy. Although most people think about solar energy as electric power, Pawlisch said thermal energy can also be tapped.

The federal tax credits for solar energy will begin to be reduced in 2020, but right now there is a 30 percent tax credit for solar projects.

At the same time, solar prices are dropping as more solar comes online; 86 percent of solar capacity was installed between 2010 and 2013.

Minnesota’s Solar Energy Policy, enacted in 2013, calls for 1.5 percent of the state’s energy, or 400 megawatts, to be supplied by solar by 2020. By the end of 2015, Pawlisch said, 35 megawatts were online, and the state might hit 400 megawatts this year, well ahead of schedule.

Before a city launches into solar, however, it should do all of the energy efficiency it can, Pawlisch said. The B3 (buildings, benchmarks and beyond) web tool allows cities to track their energy usage and spending to see where savings can be made <https://mn.b3benchmarking.com>.

If you’re looking at a specific site for a possible solar installation, you can do a first look at whether it will be appropriate through another website at the Minnesota Department of

Commerce <http://solar.maps.umn.edu/app/>. The Minnesota Solar Suitability App shows solar potential with resolution of 1 square meter for the entire state; Minnesota is the only state to have its entire solar resource mapped.

The Made in Minnesota awards give \$15 million a year through a lottery system. This year, 87 of 717 commercial projects were funded.

Although big projects get the most attention, Pawlisch said that smaller projects are important, including community solar gardens, in which users share energy produced by solar arrays that are connected to the utility grid. In Minnesota, the maximum energy produced by a single community garden is 1 megawatt. There must be a minimum of five subscribers per garden, and no subscriber can use more than 40 percent of the garden's output.

"There aren't that many community gardens up and running yet," said Pawlisch, "but we're thinking 2016 is going to be a big year."

CERTs has tips for communities that are considering subscribing to a community solar garden at <http://www.cleanenergyresourceteams.org/solargardens>.

Solar thermal energy is "a resource nobody ever thinks about," said Pawlisch, but there is funding available to install solar thermal systems. Solar thermal is often done through collection of water or other fluid that has been heated by the sun, then stored. It can be used to provide heat in homes and businesses, to heat pools and hot tubs, etc.

The SolSmart program, funded by the U.S. Department of Energy, recognizes cities that have taken steps to reduce local barriers to solar energy.

CERTs lays out five principles for solar-ready communities:

- Comprehensive plans that describe solar resources and encourage development.
- Land use regulations that explicitly address solar development in its varied forms.
- Permitting processes that are predictable, transparent and documented.
- Public sector investment in the community's solar resources.
- Local programs to limit market barriers and enable private sector solar development.

For more information: See PowerPoint [presentation here](#) and [additional resources here](#).

MAYORAL ACTIVE TRANSPORTATION CAUCUS

Minneapolis and St. Paul aren't the only places people want to walk and bike for recreation and as a way to commute, said Dorian Grilley, executive director of BikeMN, the Bicycle Alliance of Minnesota <http://www.bikemn.org>.

About five years ago, BikeMN started the Mayoral Active Transportation Caucus, an alliance of mayors from cities other than Minneapolis and St. Paul who push for better pedestrian and bicycle accommodation. Grilley said there are about 41 mayors in the alliance now, including the mayor of Frazee, a city with just 1,200 residents.

"Why does a guy who's been driving a truck all his life care about biking and walking?" Grilley said. "It's all about quality of life."

Grilley said Minnesota has 72 nationally recognized bicycle-friendly businesses, including 3M, which won the National Bicycle Challenge last year—beating Trek Bicycle of Wisconsin.

For more information about the Caucus see PowerPoint [presentation here](#).

EXECUTIVE DIRECTOR'S REPORT/UPDATES

WATER SUBCOMMITTEE

A Water Subcommittee, headed by Orono Mayor Lili McMillan, created a list of nine topics that RCM might bring forward for discussion (plus room for a write-in topic). McMillan said the subcommittee had decided the focus should be on water supply and groundwater issues, rather than wastewater.

Mayors are asked to select up to five topics that might be of interest. Briefly, the topics are:

- Water rates.
- Ordinances related to water supply.
- Regional water systems.
- Efficiency incentive programs.
- Contaminants.
- Monitoring groundwater levels.
- Municipal water distribution.
- Raw data.

For more detail on the possible topics, see subcommittee [interest form here](#).

Mayors should email their selected topics to Aubrey.Austin@uli.org.

The subcommittee will report on the selected topics in July and will meet again in August or September.

HOUSING SUMMIT

The 8th Annual Housing Summit will be 8-11am, Wednesday, June 8, presented by ULI Minnesota/Regional Council of Mayors and sponsored by the Family Housing Fund.

The focus of the Housing Summit will be furthering fair housing and the important role of mixed-income development. Former Vice President Walter Mondale and Professor Mark Joseph of Case Western Reserve University will be the keynote speakers. Following the keynote addresses will be a conversation about current affairs with Walter Mondale, led by Ted Mondale.

For more information <http://minnesota.uli.org/event/8th-annual-housing-summit/>

LEGISLATIVE UPDATE

Edina Mayor Jim Hovland said he had heard that there's a 60 percent chance nothing will come out of the 2016 Minnesota Legislature. Patricia Nauman of Metro Cities said that with two weeks left in the session (as of May 9), it was unclear what might happen or not happen. "The bonding, tax and transportation bills are all really tied together," she said. "Two weeks is a lot of time in a legislative session, but then again ... "

COMING UP

The next meeting of the Regional Council of Mayors will be Monday, July 11, 11:30am at Dorsey & Whitney. **There will be no June meeting** because of the ULI Minnesota 8th Annual Housing Summit.

ATTENDEES

Mayors

Jim Adams	City of Crystal
Bob Crawford	City of Elko New Market
Molly Cummings	City of Hopkins
Jerry Faust	City of St. Anthony
Mary Giuliani Stephens	City of Woodbury
Ken Hedberg	City of Prior Lake
Kathi Hemken	City of New Hope
Jim Hovland	City of Edina
Marvin Johnson	City of Independence
Stan Karwoski	City of Oakdale
Elizabeth Kautz	City of Burnsville
Sandra Krebsbach	City of Mendota Heights
Denny Laufenburger	City of Chanhassen
Peter Lindstrom	City of Falcon Heights
Lili McMillan	City of Orono
Tim McNeil	City of Dayton
Terry Schneider	City of Minnetonka
Mark Steffenson	City of Maple Grove
Lisa Whalen	City of Minnetrista
Ken Willcox	City of Wayzata

Janet Williams	City of Savage
Gene Winstead	City of Bloomington
Scott Zerby	City of Shorewood

Guests

Jason Aarsvold, Ehlers; Cecile Bedor, Greater MSP; Bob Butterbrodt, Wells Fargo; Mark Casey, City of St. Anthony; Emmett Coleman, Comcast; Mike Ericson, City of Centerville; Julie Esch, Mortenson Construction; Emily Goellner, City of Golden Valley; Dorian Grilley, BikeMN.org; Tom Harmening, City of St. Louis Park; Jennifer McLoughlin, City of Woodbury; Patricia Nauman, Metro Cities; Diane Norman, RSP; Jennifer O'Rourke, Metropolitan Council; Lissa Pawlisch, University of Minnesota; Elizabeth Ryan, Family Housing Fund; Ellen Sahli, Family Housing Fund; Mark VanderSchaaf, Metropolitan Council.

ULI Staff, Consultants

Aubrey Austin, Cathy Bennett, Caren Dewar, Linda Picone