RCM
Regional Council of Mayors

REGIONAL COUNCIL OF MAYORS

September 14, 2015

PRESENTATIONS AND DISCUSSION

ECONOMIC POWER OF WELL-DESIGNED CITIES

It's all about looking at the data, said Joe Minicozzi of Urban3 http://www.urban-three.com in Asheville, NC. And the data tell us that cities that build up—rather than out—and that plan for long-term land use are going to thrive.

Too often, Minicozzi said, cities look at a proposal for a site and are impressed by the big numbers they see, but they're not comparing those numbers with what else might go on that site. "When you're making a decision, you're forgoing other opportunities," he said. "You need to look at what you're forgoing over time."

He urged cities to look at the cost and the value of development on a per-acre basis, not simply per building, to compare apples to apples.

In Asheville, Walmart created a 220,000 square foot building on 34 acres, with a tax value of $20 million. In the city's downtown, a 54,000 square-foot building on .19 acres has a tax value of $11 million. When he looks at how much each building pays in property taxes per acre, Walmart is paying $6,500 per acre and the downtown building is paying $634,000 per acre. Even looking at the retail sales tax taken in by the Walmart, the downtown building contributes at a higher rate:

- Total property taxes/acre: Walmart, $6,000; downtown building, $634,000
- City retail taxes/acre: Walmart, $47,500; downtown building, $83,600
- Jobs/acre: Walmart, 5.9; downtown building, 73.7

"What's good for downtown is great for the city—and unbelievable for the county," said Minicozzi.

For everything from major buildings to single-family homes, cities rarely look at the true long-term value and costs. He gave the example of a $150,000 median value home that provides $1,500 in property taxes each year and another $150 taxes for city streets. Yet the cost of maintaining city streets for that home are $3,300 per year and the cost of maintaining water and sewer services are $4,000 per year, creating a net cost per house of $4,000 per year.

Sprawl costs, Minicozzi said. Urban3 has created graphics showing the net of property taxes per acre and city expenses per acre for Lafayette Parish, LA. The net positive areas are the densest areas; the net loss areas are spread out, places where services must be provided but the income from fewer and/or less-vertical buildings doesn't fully pay for them.

Market forces and tax policy shape how buildings are built and what buildings are built, he said. And tax policies can be changed to encourage the kind of development that pays more per acre, but it isn't easy. "People don't want to pay their taxes," Minicozzi said. "They don't want to pay for their place in society."

He urged mayors to look at the Happy City website http://thehappycity.com, which looks at how the design of buildings, neighborhoods and cities impacts health and happiness.

For more information view the presentation and view the Edina work shop forum video.

MSP REGIONAL INDICATORS DASHBOARD 2015

Ranked against 11 similar regions of the country, the Twin Cities 16-county region does very well in some areas (women in the workforce, unemployment, non-carbon electrical use, short commutes) and very poorly in others—particularly those relating to people of color and their participation in the workforce.

The Regional Indicators Dashboard https://www.greatermsp.org/main/regional-indicators-dashboard shows how the Twin Cities region is doing in comparison with 11 other cities on a series of agreed upon indicators that can be measured with real data, said Peter Frosch, director of strategic partnerships for Greater MSP https://www.greatermsp.org.

Although there always has been a great deal of data available, Frosch said the region was not using the same data, so it was hard to get a useful picture of just what was going on in the region. The 11 regions used for comparison are "economically ascendant": Atlanta, Austin TX, Boston, Chicago, Dallas-Fort Worth, Denver, Phoenix, Pittsburgh, Portland, San Francisco and Seattle. "There is no Detroit or St. Louis," he said, although these regions are comparable in some ways to the Twin Cities.

Although the Dashboard ranks the regions based on accumulated data, it's true importance is the way it projects trends for the future. "The Dashboard itself is about tomorrow," Frosch said. "The trends are based on ourselves, not our peers."

Overall, the Twin Cities rank 4 out of the 12 regions, Frosch said. "We are doing better on things that matter to us than a lot of places that get a lot more press." That means, he said, the region should do a better job at tooting its own horn. (San Francisco was first, followed by Seattle and Boston.)

The Twin Cities was 1 overall in infrastructure measures, livability and environment. It was 3 in education, 5 in talent, 7 in business vitality and 8 in economy.

Despite the relatively high rankings and good performance, Frosch said, there are worrisome trends when it comes to people. For example: The Twin Cities ranked 8 in net migration of 25- to 34-year-olds and the trend is negative. The Twin Cities ranked 6 in percent of the population with a bachelor's degree or higher (37 percent). And the employment gap between white people and people of color (13 percentage points) put the Twin Cities last among the 12 regions.

Key learnings from the Dashboard are that the Twin Cities economy is performing well today and competing well within a strong set of regions. But there are weaknesses in key talent measures and the region lags its peers in racial inclusion.

The Dashboard and the indicators on it have been adopted quickly throughout the region, Frosch said, and are getting some national attention, including from the Brookings Institute. The Dashboard was developed through a collaboration of Greater MSP, Metropolitan Council, Minnesota Department of Employment and Economic Development, Minnesota State Demographic Center and Wilder Research/Minnesota Compass.

On October 13, Greater MSP will launch a new talent-attracting initiative, Make It. MSP https://www.greatermsp.org/resources/make-it.-msp.-initiative-updates/. More than 70 public, private and nonprofit organizations are partnering to attract and keep the kind of talent that will help the region grow and thrive.

For more information view the presentation.

EXECUTIVE DIRECTOR'S REPORT

As a follow-up to an earlier presentation and discussion about entrepreneurship, ULI Minnesota Executive Director Caren Dewar suggested that cities put a link to Venture Lake http://venturelake.com on their websites. This site is a central clearing house for entrepreneurs, with listings of resources, jobs, events and more.

COMING UP

The next meeting of the Regional Council of Mayors will be 11:30 am, Monday, October 12, at Dorsey & Whitney.

ATTENDEES

Mayors

Jim Adams	City of Crystal
Ardell Brede	City of Rochester
Jerry Faust	City of St. Anthony
Mary Giuliani Stephens	City of Woodbury
Debbie Goettel	City of Richfield
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
Mike Maguire	City of Eagan
Sandy Martin	City of Shoreview
Tim McNeil	City of Dayton
Duane Poppe	City of Osseo
Terry Schneider	City of Minnetonka
Brad Tabke	City of Shakopee
Lisa Whalen	City of Minnetrista
Ken Willcox	City of Wayzata
Gene Winstead	City of Bloomington

Guests

Collin Barr, Ryan Co.; Steve Berg, author and consultant; Rick Carter, LHB; Mark Casey, City of St. Anthony; Jim Erkel, MCEA; Tom Fisher, University of Minnesota; Kevin Frazell, League of Minnesota Cities; Peter Frosch, Greater MSP; Todd Klingel, Minneapolis Regional Chamber of Commerce;Jim Kumon, Incremental Development Alliance; Mike Logan, Comcast; Patricia Nauman, Metro Cities; Carolyn Olson, Greater Minneapolis Housing Corporation; Jennifer O'Rourke, Metropolitan Council; Danyelle Pierquet, Landform; Beth Reetz, Metropolitan Council; Elizabeth Ryan, Family Housing Fund; Jamie Verbrugge, City of Bloomington;

ULI Staff/Consultants

Aubrey Austin, Cathy Bennett, Caren Dewar, Linda Picone