



Regional Council of Mayors

December 12, 2011

Reinvesting in the Region

For the region—and the state—to remain competitive, there must be a new set of catalytic and transformative tools, said Caren Dewar, ULI-Minnesota executive director.

Mayor Schneider led a discussion of Reinvesting in the Region, an action plan developed by ULI-Minnesota, the Regional Council of Mayors and several private partners. Mayor Schneider and Jay Lindgren co-chair the advisory committee that is overseeing this work. [Discussion Draft Action Plan](#).

Catalytic investments are those that “create highly visible positive change in neighborhoods and leverage significant additional resources.”

Transformative investments are those that “create distinctive places and strengthen local assets, while increasing transportation options, stimulating job growth and expanding a full range of housing choices.”

The four key strategies of the Reinvesting in the Region are:

- Regional goals, resources and collaboration. Align and leverage regional goals and resources; support cross-jurisdictional coordination; invest where it matters most.
- Local government (re)development policies and practices. Implement policies and practices that support catalytic, transformative investments.
- Land assembly. Strengthen site acquisition tools and financing to support assemblage of key (re)development sites under multiple ownership.
- Financing and tools. Strengthen tools, funding programs and mechanisms to expand local government’s ability to create redevelopment ready sites.

The next step for Reinvesting in the Region, Dewar said, is for mayors to highlight examples of (re)development opportunities in their communities that have been hampered by land-assembly and financing issues.

Discussion focused largely on issues with current land-assembly and financing tools, particularly TIF and fiscal disparities.

Minneapolis Mayor R.T. Rybak said that during the 2012 session of the Minnesota Legislature, the issue of using tax-increment financing for transit-oriented development (including part of the transit costs) should be a focus.

The action plan raises the possibility of reallocating a portion of the fiscal disparities pool to finance (re)development and Dewar asked for feedback on that very controversial issue. Most mayors who took part in that discussion were open to refocusing some of the fiscal disparities dollars, but had questions about just how it might be accomplished. And several said they think that any change would be very unpopular—and so unlikely to happen.

Mayor Sandra Krebsbach of Mendota Heights, a “contributor” to fiscal disparities funds, said that a (re)development tool would be very helpful to cities the size of hers.

Mayor James Hovland of Edina said he doesn’t think there is good information on just how fiscal disparities funds are used. “How we use that money requires a new look.”

A new way to distribute fiscal disparities dollars raises a lot of questions said Wayzata Mayor Ken Willcox. “Right now, for fiscal disparities you’ve got a formula. That’s easy to understand. How you set it up in the future would be important.”

Would there be a committee? Who would be on it? How would decisions be made? What would be the criteria for being awarded money from the pool? Those would be the kind of questions raised, several said.

“Right now, fiscal disparities has winners and losers—and none goes to the region itself,” said Eagan Mayor Mike Maguire. “How can we have at least some go to the growth of the region, so all boats can rise.”

Bloomington Mayor Gene Winstead said he was concerned that a change would be fought by current “winners,” who receive from the fiscal disparities pool—and therefore would not succeed at the legislature. “Those who receive definitely outnumber those who pay into the pool,” he said.

“You need to talk to those who receive fiscal disparities, otherwise you’re beating your head against the wall,” said Maple Grove Mayor Mark Steffenson. “I think it’s going to be a tough argument to win.”

Minneapolis Mayor R.T. Rybak said other funding options could be part of a (re)development tool. “What if we throw sales tax into the mix?” he said. “It’s good to have some tax sharing and we need to do it in a new way. What if there were some LGA, fiscal disparities and sales tax in a pool?”

He warned that the legislature is exploring changes in TIF, but that “the whole package” needs to be addressed. “I’d rather have us (mayors) having this conversation than the legislature,” Rybak said.

Patricia Nauman of Metro Cities said the legislature has commissioned a study on fiscal disparities that will be released at the end of January. “It is unlikely to have recommendations, but it will engender conversations around the Capitol,” she said. “One danger of allocating fiscal disparities for specific purposes is that the state might want a cut of it.”

Rybak said it’s too important a topic, with too much at stake, to rush communication with the legislature. He suggested that the communication be a request to have the legislature postpone taking up changes in TIF and fiscal disparities for a year. “It’s too early; it will look like we’re asking for a bucket of new money.”

The topic needs more time with the mayors, Dewar said. **The January meeting of the Regional Council of Mayors will include a discussion of how the group will approach Reinvesting in the Region.**

INITIATIVE UPDATES

Regional Cluster Initiative

Mayor Winstead presented the Regional Cluster Initiative action plan which will form the basis of a part of the RCM’s workplan in 2012. [CEO to CEO Conversations Report](#). The report lays out four key objectives for mayors:

- Continue conversations with business CEOs.
- Develop workforce talent for the jobs of today and tomorrow.
- Promote more efficient and business-friendly local and state regulations and practices.
- Invest in regional infrastructure and institutions.

“The action plan is the key,” said Bloomington Mayor Gene Winstead, chair of the Regional Cluster Initiative committee. “The bottom line is that mayors can be a key part of economic development and growth for the region.”

Minneapolis Mayor R.T. Rybak said that working on reducing regulatory barriers is a particularly important effort for mayors. “We still haven’t cracked this code of how to make it easier to expand—not just open a new business—in this region,” he said. He encouraged common applications from community to community.

Mayor Winstead encouraged mayors to stay in touch with the CEOs of corporations in their cities.

Housing Initiative

Eagan Mayor Mark McGuire, chair of the Housing Initiative committee, said four workshops in Eden Prairie, Burnsville, Roseville and Rosemount on “Navigating the New Normal” for public officials have been held at this point, with positive response. There are work sessions scheduled in Eagan, Coon Rapids,

Shoreview and St. Paul and are currently scheduling workshops in Lino Lakes, Mounds View, and Golden Valley. The two-hour, interactive workshops bring in experts on disciplines such as design, finance, development, planning and marketing to talk with city council, planning commission and EDA/HRA members and staff.

For more information, [Navigating the New Normal](#).

Environment Initiative

Rick Carter, LHB, said there may be funding from the MPCA to help cities that are interested in auditing energy use through the Regional Indicators Initiative. Carter said the Initiative is looking for 20 cities that are willing to contribute \$2,500 each for the analysis, matched by other sources.

EXECUTIVE DIRECTOR'S REPORT

ULI 75th Anniversary

In honor of the 75th anniversary of the Urban Land Institute, the Regional Council of Mayors issued official congratulations, signed by co-chairs James Hovland and Sandra Martin and introduced by Elizabeth Ryan, treasurer of ULI-Minnesota. A photo portrait and video of all the mayors present were taken to send to ULI. [RCM picture](#)

Urban Plan

Dewar said ULI-Minnesota is looking for another high school to participate in the UrbanPlan program, a realistic, engaging and academically challenging classroom-based curriculum providing high school seniors hands-on experience with the issues, tradeoffs and economics of urban redevelopment. [UrbanPlan](#)

Membership

Caren Dewar said that ULI-Minnesota will cover the cost of membership for mayors in RCM for 2012 and also offers a special membership package for public agencies: one full and two associate memberships for just \$525 per year, a 72 percent discount off the private sector price. For more information, contact Katherine Anderson at katherine.anderson@uli.org.

COMING UP

The next RCM meeting will be held on Monday, January 9, 2012 from 11:30 am to 1:30 pm. RCM meetings are held on the second Monday of every month at Dorsey & Whitney.

ATTENDEES

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

Mayors

Doug Anderson, City of Dayton

Chris Coleman, City of St. Paul

Bill Droste, City of Rosemount

Mary Giuliani Stephens, City of Woodbury

Mary Hamann-Roland, City of Apple Valley

Shep Harris, City of Golden Valley

Kathi Hemken, City of New Hope

Mary Hershberger Thun, City of Victoria

Jim Hovland, City of Edina

Tim Hultmann, City of Long Lake

Sandra Krebsbach, City of Mendota Heights

Alan Lindquist, City of Osseo

Mike Maguire, City of Eagan

Sandy Martin, City of Shoreview

Gene Maxwell, City of Hopkins

Lili McMillan, City of Orono

Dan Roe, City of Roseville

R.T. Rybak, City of Minneapolis

Terry Schneider, City of Minnetonka

Mark Steffenson, City of Maple Grove

John Sweeney, City of Maple Plain

Nancy Tyra-Lukens, City of Eden Prairie

Ken Willcox, City of Wayzata

Gene Winstead, City of Bloomington

Guests

John Adams, University of Minnesota; Ann Beckman, Metropolitan Council; Rick Carter, LHB; Beth Elliott, ULI Young Leaders Group/City of Minneapolis; Michael Huber, Blue Cross Blue Shield; Janet Jeremiah, City of Eden Prairie; John Kari, Metropolitan Council; Jay Lindgren, Dorsey & Whitney; Mike Logan, The Public Affairs Shop; Mike Mornson, City of Hopkins; Patricia Nauman, Metro Cities; Erika Nelson, Office of Sen. Amy Klobuchar; Bruce Nordquist, City of Apple Valley; Guy Peterson, Metropolitan Council; Mike Reynolds, City of Hopkins; Elizabeth Ryan, Family Housing Fund; Michael Sable, City of Brooklyn Park; Matt Schmit, Humphrey School; Wendy Underwood, City of St. Paul

ULI Minnesota Staff

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