



Regional Council of Mayors

February 13, 2012

Increased Exports Would Bolster the Regional Economy

The goal sounds aggressive: to double exports from the Twin Cities region in five years, to expand the number of different companies in the Twin Cities that are exporting to other nations, to sell the Twin Cities to the world as a likely provider of important goods and services—and to make this happen with existing funding.

Katie Clark, executive director of the Minnesota Trade Office, said the Twin Cities (the 11-county MSA) currently is 14 out of the top 100 regions in dollar volume of exports, because of the major corporations headquartered here. But it's only 66 in terms of export growth. "We have strong expertise," she said, "but exports are not coordinated."

The Twin Cities was selected by the Brookings-Rockefeller Project on State and Metropolitan Innovation as one of four regions to develop a deliberate export initiative, Clark said. (The other regions are Portland, Los Angeles and Syracuse.) The Minneapolis-St. Paul Export Initiative will be launched March 22 at a special event, noon-1:15 pm at Windows on Minnesota at the Marquette Hotel.

The Minnesota Trade Office and Greater MSP will lead implementation of the export initiative and the whole effort will use existing budgets and staffing from its partners. "We are not looking for additional funding," Clark said.

The Twin Cities are well positioned to increase exports for a number of reasons, Clark said—including the existence of a state agency aimed at foreign trade. California, for example, does not have a trade office, despite the state's large population and geographic position close to many potential export customers.

Kristen Guild of Minneapolis' Community Planning & Economic Development office said cities can "think globally and act locally" to help the companies in them increase exports. They should do so, she said, because exports mean local jobs. She offered several statistics:

- For every \$181,000 in export orders, one U.S. job is created.
- 87 percent of the growth in production will be outside the United States.
- Only 1 percent of U.S. companies is currently exporting outside the United States—and the majority of them are exporting to only one country.

“The city role isn’t to lead trade missions, but to raise the profile of exports, spread the word and connect the dots,” she said. Mayors can help arrange presentations at business organizations such as the Chamber of Commerce and by training their outreach staff to research and look for export opportunities.

Clark offered examples of Twin Cities companies that had recently become exporters, or that had increased their exports, including:

- Pedia Pals, a company that makes pediatric medical equipment, is now exporting to Turkey and Japan, with potential for exporting to other countries as well.
- Dero makes bicycle racks, lockers and shelters. The company joined a Sister City delegation to Sweden in 2011 to explore the possibility of exports. Although it decided that Sweden wasn’t an opportunity for its products, it’s now exporting to the Middle East.
- Windrider is a sailboat manufacturer. The city helped the company evaluate the potential for an order from Australia, which the company decided against. But today, Windrider is exporting to Mexico.
- EarthClean manufactures environmentally responsible fire-suppression equipment. Company officials joined a state trade mission to Korea and the Minnesota Trade Office arranged a meeting with appropriate Korean distributors while they were on the mission, resulting in a \$4.3 million contract for the company.

“Where we can really move the dial is with the smaller and mid-size companies,” said Minneapolis Mayor R.T. Rybak. He said the first task for mayors is to get a sense of what businesses in their cities have the potential for exports. He also encouraged mayors to look for ways to make connections with other countries, including Sister City programs and looking at students and international workers who go back to their home countries with knowledge of and appreciation for the Twin Cities.

St. Paul Mayor Chris Coleman said that some companies may find it easier to do business in foreign countries, where there often is central decision-making, than to find new markets in the United States.

The Twin Cities were fortunate to be part of the initial four regions for the export initiative, Clark said; 30 other metropolitan areas have come to the Brookings Institution asking to be included.

For more information on the export initiative:

- *Minneapolis-St. Paul [Metro Export Plan](#)*
- *City of Minneapolis [Export Opportunities and Resources](#)*

Sustainability Is Part of MnDOT's Strategy for the Future

With an anticipated \$50 billion shortfall in funds for transportation over the next 10 years, the Minnesota Department of Transportation (MnDOT) must find ways to get the most bang for the buck—and is looking for advice on how to do that.

MnDOT Commissioner Tom Sorel said a transportation finance advisory group was announced in January with a variety of members, from economists to members of the business community to transportation experts. The group is on a fast timetable, he said, with plans for a report to the governor by December.

The vision for Minnesota's transportation future includes having a system that is not only efficient and safe, but also sustainable, Sorel said. The state's transportation plans must include consideration of quality of life, environmental health and economic competitiveness, he said. These ideas are captured in MinnesotaGO <http://www.dot.state.mn.us/minnesotago/>.

Transportation for the future will include roads and transit, but may also include non-motorized transportation options, such as walking and biking. Sorel also said, "We can't overlook how we move goods on our waterway systems; the waterways are in bad shape now, probably worse than roads and bridges."

Nick Thompson, assistant MnDOT commissioner, said restricted lanes for high-occupancy vehicles and for those who pay to use the lanes, are a key part of the highway strategy for the region.

The MnPASS program, Minnesota's version of highway tolls, started in 2005 on I-394. The carpool lane was not attracting as many carpools as had been planned, so drivers were offered the opportunity to pay for access to the designated lane, even with only one occupant in a car (cars with more than one occupant could use the lane for free). "What we found is that it works and the public likes it," Thompson said. When I-35W was rebuilt, a MnPASS lane was included. Today, Thompson said, there are about 23,000 MnPASS users, most of them regular commuters. Most renew their MnPASS monitors, and 90 percent say they are "very satisfied" with the service.

Thompson said that I-35E will be the next MnPASS corridor. That highway corridor was designed in the 1960s and includes a number of bridges and pavement that need to be replaced. The plan is to build one new lane in each direction on the highway (there are three in each direction now). This will make it the first "pure" expansion of MnPASS, he said (until now, it has been done by converting shoulders to lanes). MnDOT is seeking legislation to allow the new 35E plan to move forward.

MnPASS is not designed to maximize revenue, Thompson said, but rather to "maximize reliability." That means that drivers will know what to expect when they get on the highway, whether they are driving in the MnPASS lane or not. He said that on I-394, there is free flow of traffic 98 percent of the time during peak periods since the MnPASS lane went in.

He said MnPASS can be looked at as a market-based approach: “Users use it when they need to.”

Shoreview Mayor Sandy Martin said the plan for I-35E looks good, but “the faster you get people to I-694, the greater the problem on I-694.”

Mayor R.T. Rybak of Minneapolis said he felt that MnDOT hadn’t integrated transit into highway planning as much as it should: “As much as I’m pleased with where you’re going,” we haven’t fulfilled the promise.”

John Breitinger, Cushman Wakefield and Mission Chair for ULI Minnesota, asked how much the public subsidizes each ride in a single-occupancy vehicle, given that there are numbers for how much each transit ride is subsidized. “We need a better language to talk about this,” he said.

PowerPoint presentation on [MnDOT’s vision](#) and I-35E.

METRO WATCH

Mayor R.T. Rybak of Minneapolis said that he has been named by Gov. Mark Dayton as co-chair (with Mayor Dave Kleis of St. Cloud) a task force that will look at how Local Government Aid is being used. He said it’s a good forum for the Regional Council of Mayors to not only watch, but to be involved in.

INITIATIVE UPDATES

Jobs and Work Force Initiative

Caren Dewar said that a letter is being developed to thank the businesses who participated in the CEO to CEO conversations and to invite them to the May 14th RCM meeting. She thanked Mayor Gene Winstead for his leadership of this work and stated that Mayor Kautz has agreed to become the next co-chair. A private sector co-chair will be identified. “On a national level, it’s important to make sure we influence this process in Washington,” Kautz said.

Housing Initiative

Eagan Mayor Mike Maguire, co-chair of the Housing Initiative committee, said ULI-Minnesota’s Fourth Annual Housing Summit on June 7 will focus on the design and development of housing for an aging community. This is a not to be missed event.

Environment Initiative

RCM is looking for 20 more cities that are interested in participating in the Regional Indicators Initiative.

Connecting Transportation and Land-Use Initiative

Minnetonka Mayor Terry Schneider asked mayors to share [*Reinvesting in the Region \(Re\)Development Ready Guide*](#) with economic development directors and planning directors before the March RCM meeting to get reactions and comments. "The idea is to come up with something that's pretty bold," he said.

COMING UP

The next RCM meeting will be held on Monday, March 12, 2012 from 11:30 am to 1:30 pm. RCM meetings are held on the second Monday of every month at Dorsey & Whitney.

Mayors are encouraged to email Caren Dewar with their suggestions for topics to add to the agenda.

ATTENDEES

The following individuals were in attendance on February 13, 2012:

Mayors

Doug Anderson, City of Dayton
Ardell Brede, City of Rochester
Chris Coleman, City of St. Paul
Bill Droste, City of Rosemount
Mike Gamache, City of Andover
Mary Giuliani Stephens, City of Woodbury
Debbie Goettel, City of Richfield
Mary Hamann-Roland, City of Apple Valley
Kathi Hemken, City of New Hope
Jim Hovland, City of Edina
Tim Hultmann, City of Long Lake
Marvin Johnson, City of Independence
Elizabeth Kautz, City of Burnsville

Sandra Krebsbach, City of Mendota Heights
Alan Lindquist, City of Osseo
Peter Lindstrom, City of Falcon Heights
Mike Maguire, City of Eagan
Judson Marshall, City of Mahtomedi
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
John Sweeney, City of Maple Plain
Brad Tabke, City of Shakopee
Ken Willcox, City of Wayzata
Janet Williams, City of Savage

Guests

Jason Aarsvold, City of Brooklyn Park; Cecile Bedor, City of St. Paul; Katherine Blauvelt, Office of Senator Franken; John Breitingner, ULI/United Properties; Katie Clark, Minnesota Trade Office; Beth Elliott, ULI Young Leaders Group/City of Minneapolis; Ana Luisa Fajer, Mexican Consulate; Matt Fulton, City of Coon Rapids; Hector Garcia, Chicano Latino Affairs Council; Kristin Guild, City of Minneapolis; Michael Huber, Blue Cross/Blue Shield; Tom Lander, Mortenson Development; Brad Larsen, MnDOT; Jay Lindgren, Dorsey & Whitney; Scott McBride, MnDOT; Mike Mornson, City of Hopkins; Lee Munnich, Humphrey School; Burke Murphy, Regional Cluster Initiative; Erika Nelson, Office of Senator Klobuchar; Bruce Nordquist, City of Apple Valley; Carolyn Olson, Greater Metropolitan Housing Corporation; Guy Peterson, Metropolitan Council; Elizabeth Ryan, Family Housing Fund; Kathy Schmidkofer, Greater MSP; Tom Sorel, MnDOT; Nick Thompson, MnDOT; Jeremy Hanson Willis, City of Minneapolis

ULI Minnesota Staff

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