

Best Practices 2009 Trip to the Twin Cities Program Highlights

Wednesday - 10/7/09

Evening Reception (W Minneapolis Hotel)

- Official kickoff for the 2009 Best Practices trip.

Thursday - 10/8/09

Morning Session (Hubert H. Humphrey Conference Center)

- **Randy Miller**, chair of the Portland Best Practices visit to the Twin Cities.

□ **Steve Yanisch**, Managing Director, RBC Capital Markets and Manager of its Minneapolis Public Finance Department. Steve, 25-year veteran of public finance, includes among his clients the Minnesota Vikings, Guthrie Theater, State of Minnesota, Cities of Minneapolis and St. Paul. Mr. Yanisch has a long record of community service and spoke to the 'Twin Cities Ethos...What makes this community tick' - giving his insight into the core values that make the region special. His presentation included both personal observations and high-impact marketing videos. He described the Keystone Program (companies commit to donate 2-5% of pre-tax earnings to the community) as a uniquely Minnesotan program.

http://www.minneapolischamber.org/program_keystone.php

□ **Jeremy Kalin**, Minnesota St. Representative. First elected in 2006, Rep. Kalin is serving his second term in the Minnesota Legislature. The White House recently chose State Rep. Kalin to lead a White House working group of state legislators around the country on energy and climate change. In addition to Representative Kalin's nation-leading Energy Efficiency Bill, Minnesota has enacted the country's strongest Renewable Energy Standard and aggressive pollution reduction targets. Minnesota is one of the few states recognized as a model for the new clean energy economy. Kalin will be leading the working group over the next several months, working with White House senior staff, members of the Cabinet, and other state legislators to inform the debate surrounding the American Clean Energy and Security Act (HR 2454). As the United States Congress considers clean energy jobs and climate legislation, the White House is looking to Minnesota for leadership. <http://www.house.leg.state.mn.us/members/mailto.asp?id=15256>

<http://www.house.leg.state.mn.us/members/members.asp?district=17b>

□ **Peter Bell**, chair of the Metropolitan Council, was first appointed by Governor Pawlenty in 2003 and reappointed in 2007 - and is the longest-tenured Metro Council chair. Mr. Bell was a member of the University of Minnesota Board of Regents from 2002-2007, and served on the board of directors for many local and national social and civic

organizations, including the American Refugee Committee, Citizens League, the Center of the American Experiment, the Center for New Black Leadership, the Greater Minnesota Housing Fund and the Family Housing Fund. The regional agency runs the regional bus system, collects and treats wastewater, plans regional parks and administers funds that provide affordable housing opportunities. In his role as chairman, Mr. Bell leads fiscal, planning, and policy making efforts; the agency has 3800 employees and an operating budget of \$750 million a year. His presentation covered the history of the Council, major responsibilities and funding, the region's unique tax-base sharing law, issues and challenges confronting the region. www.metrocouncil.org, <http://metrocouncil.org/media/CouncilBasics/player.html>

▮ **Ed Goetz**, director of CURA (the Center for Urban and Regional Affairs), is also a faculty member and director of the Urban and Regional Planning Program at the Humphrey Institute of Public Affairs, and directs the CURA Housing Forum. CURA is an all-university applied research and technology center at the University of Minnesota that connects faculty and students with community organizations and public institutions working on significant public policy issues in Minnesota. CURA works across disciplinary lines and professional boundaries, creating new programs and supporting projects that meet needs that no one else is meeting. Director Goetz described how CURA staff leverage resources by collaborating closely with other university units, and with the constituents that they serve: nonprofit organizations, ethnic and racial minority groups, businesses, rural towns, inner-city neighborhoods, suburban communities, local governments, and state agencies. www.cura.umn.edu

▮ **Mike Christensen** is director of Minneapolis' Department of Community Planning and Economic Development – a role he has held for 2 years. At Mr. Christensen's appointment, Minneapolis Mayor Rybak said..."Mike really gets that great cities aren't built by isolated actions in City Hall, but through strategic partnerships with the community...weaving together housing, jobs, transportation, safety and urban design." The old ways of doing business have literally "run out of gas" --- the region needs not only to recover, not just rebuild, but must reinvent. Mr. Christensen presented an overview of the Minneapolis First Qtr. Trends Reports and the department's plan for reinventing economic opportunity in Minneapolis. http://www.ci.minneapolis.mn.us/cped/docs/close_the_gap_powerpoint.pdf
http://www.ci.minneapolis.mn.us/cped/docs/1Q_Trends_Report_2009.pdf

▮ **Phil Davis**, president of the Minneapolis Community and Technical College a post he has held for 12 years. The school, located in downtown Minneapolis, enrolls 12,000 students each year. Minneapolis Community and Technical College (MCTC) is a public two-year college located in the heart of downtown Minneapolis. The college mission is to make individual dreams achievable by providing access to learning opportunities that prepare students to live and work in a democratic society within a global community. MCTC's programs are designed to serve and assist low-income, first-generation college and disabled students to help them progress through the academic pipeline from middle

school to post baccalaureate programs. In 2006, MCTC began a key initiative, the Power of YOU, to improve post-secondary education access for local students. The Power of YOU is collaboration between MCTC, Saint Paul College, Metropolitan State University, non-profit organizations, private foundations, private companies, school districts and community-based organizations. This joint effort opens the doors to a college education for all Minneapolis and St. Paul high school students by providing free college tuition and student support services. <http://accountability.minneapolis.edu/mctcprofileandfastfacts>
<http://powerofyou.minneapolis.edu/>

Lunch Session (Minneapolis Club)

Roundtable discussion/Q&A re the attributes of living and doing business in the Twin Cities; how the community is meeting the challenges and opportunities on the horizon... not surprising, most of the dialogue centered on collaboration, public education, green best practices.

▮ **Mike Harley**, Exec Director, Minnesota Environmental Initiative. The Minnesota Environmental Initiative (MEI) seeks solutions to Minnesota's environmental problems through collaborative action taken by innovative partnerships. Bringing together nonprofits, businesses, and government agencies to find consensus on critical issues and respond with actions that have measurable, positive environmental outcomes. One example: Project Green Fleet is a collaborative effort among business, government agencies and non-profit organizations to improve air quality and protect health by reducing emissions from Minnesota's school buses and other diesel vehicles...the program is managed by Clean Air Minnesota, a program of the Minnesota Environmental Initiative. <http://www.mn-ei.org/> www.projectgreenfleet.org

▮ **Pete Klein**, VP Finance, St. Paul Port Authority. In addition to leading the Port Authority in its service to East Metro, Pete has been involved in financing business development and redevelopment. Recently, Mr. Klein has been involved within finding renewal energy options for the state's largest paper recycler and an energy efficiency initiative to save 1 trillion BTUs of energy for local businesses. Since 1932, the St. Paul Port Authority has contributed to the East Metro's growth and prosperity by providing businesses with cleaner land on which to expand, space on the Mississippi River to receive and ship commodities efficiently, loans for real estate and equipment purchases, and job training and career development for workers. <http://www.sppa.com/growing-businesses/>

▮ **Ken Smith**, Sr. VP and Chief Operating Officer for District Energy St. Paul. In addition to Mr. Smith's degree and training in electrical engineering, he has also led business development around the country and internationally with his past firms. Since joining District Energy, Mr. Smith has been involved with many community initiatives, the local chambers of commerce and convention bureau, and redevelopment task forces. District Energy operates North America's largest hot water district heating system using renewable energy from biomass fuel, combined heat and power plant in the heart of St. Paul's central business district. District Energy is a widely recognized leader in the movement toward economically and sustainable energy solutions. <http://www.districtenergy.com/>

▮ **Tammy Mencil**, President/Publisher, Minneapolis/St. Paul Business Journal. The Minneapolis/St. Paul Business Journal is part of the American City Business Journals (ACBJ) family. ACBJ's 41 business newspapers stretch from Washington DC to Honolulu, and from Austin to Albany NY and reach 4 million readers each week with exclusive, in-depth coverage of their business communities. Nearly 2100 employees nationwide bring an entrepreneurial spirit that the publications and web sites encourage in their readers and users. www.twincities.bizjournals.com

Afternoon Session - Minneapolis Club

▮ **Melvin Tennant**, CEO and President of **Meet Minneapolis**, the city's official convention and visitors association a post he has held since 2008. He has held leadership positions for destination-marketing organizations for over 25 years. The Meet Minneapolis mission is to sell, market and internationally promote Minneapolis as a premier, year-round destination for convention, trade show, corporate meeting and leisure travel. Mr. Tennant addressed the group on the impact of visitors, culture, and sports on the economy and quality of life of Minnesotans AND gave brief introduction to the ambitious Minneapolis St. Paul More to Life campaign - a \$3-5 million (no public dollars) branding initiative, led by a team of local civic and business leaders, working to introduce the country to the true Minneapolis St. Paul - a vibrant, diverse community with strong businesses and abundant cultural opportunities...this campaign unfortunately has been stalled due to the economic climate. Unique to Meet Minneapolis is that the agency manages the city's Sister City Program; also houses 15 staff at the convention center 'selling to the convention market'. <http://www.meetminneapolis.org/>
www.mspmoretolife.com

▮ **Allison Barmann**, (on loan from McKinsey & Co.) project coordinator for the **Itasca Project** and **Kathy Schmidlkofer**, (loaned executive) VP-General Mills and member of the Itasca Leadership Group team gave overview/case study report on the Itasca Project...a model employer-led alliance drawn together by an interest in new and better ways to address regional issues that impact the region's future economic competitiveness and quality of life. It's 40+ participants are primarily private sector CEOs. The project has no standing agenda, employs no staff and owns no real estate. This 'virtual organization' identifies and focuses on a slate of initiatives; McKinsey & Co. provides strategic, operational and research support. Current priorities: Create world-class K-12 Education System, Improve Financial Fitness, Increase Understanding of the Region's Socio-Economic Disparities, Support Strategic Re-direction of Minneapolis Public Schools, Advance Regional Transportation Plan, Set Regional Performance Indicators. www.Theitascaproject.com

▮ **Don Gerhardt**, president and CEO of **LifeScience Alley** a Minnesota-based trade association serving nearly 600 member organizations, providing access to industry leaders, opportunities to build business through education and networking, insights into current trends, regulations, research and emerging technologies, and the power of a legislative voice. LifeScience Alley is the 2nd largest trade association in the US for this

industry cluster. Prior to joining LifeScience Alley, Don was involved in the healthcare industry serving in top level positions. He shared his insights and how his organization plans to build on their already strong foundation...and provided his thoughts on how Portland/Oregon can grow, retain and recruit this important industry sector.

www.lifesciencealley.org

Evening Reception (Stoel Rives)

▮ **David Kahn**, a native of Portland who was a sports columnist with The Oregonian early in his career, now the new President of Basketball Operations with the Minnesota Timberwolves - welcomed the Portland delegation and shared perspectives between the two communities and glimpses into his new life.

Friday - 10/9/09

Breakfast Session - W Minneapolis/The Foshay

The Clean Land, Water and Legacy Amendment - an amazing story of how Minnesotans voted overwhelmingly in favor of increasing their sales tax in order to conserve land, water, and the arts.

▮ **Paul Austin**, Executive Director, Conservation Minnesota. From four real seasons to 10,000 lakes, weather and natural resources define life in Minnesota. Passing experiences and traditions on to children, being good stewards of the land and lakes -- these are values that that Minnesotans share. At Conservation Minnesota, the mission is to turn shared conservation values into state priorities and provide information needed to make decisions for families, community and future.

www.conservationminnesota.org

▮ **Peggy Ladner**, State Director, The Nature Conservancy. The Nature Conservancy is the leading conservation organization working around the world protecting ecologically important lands and waters for nature and people. Since its founding in 1951: The Nature Conservancy has protected more than 119 million acres of land and 5,000 miles of rivers worldwide, and operates more than 100 marine conservation projects globally. The Nature Conservancy currently owns and manages 57 preserves in Minnesota, encompassing more than 72,000 acres.

http://www.nature.org/magazine/autumn2009/features/voteyes_multi1.html

▮ **Steve Morse**, Executive Director, Minnesota Environmental Partnership. The MEP is a coalition of more than 80 Minnesota environmental and conservation organizations working together to protect and preserve Minnesota's precious natural environment. The partnership provides a way for environmental organizations to collaborate in their efforts to make sure the state's natural resources are well cared for. www.mepartnership.org

Morning Session - Bus Tour and Program (Minnesota Science Museum)

Tour left W Hotel and headed to St. Paul via impending LRT construction, through U of M campus/stadium (3rd largest in the nation, introduced the (first of its kind) Energy Innovation Corridor - 11 mile corridor (St. Paul to Target Field) sustainable energy and

transportation showcase, discussed the extensive land use planning in the region, how the corridor fits into the regional context for land use growth, and the emerging regional transit system.

▮ **Bus Tour Guides: Allen Lovejoy**, Sr. Planner, City of St. Paul – allen.lovejoy@ci.st.paul.mn.us; **Nina Alexson**, Director of Customer and Community Relations, Ever-Green Energy – nina.axelson@ever-greenenergy.com
www.energyinnovationcorridor.com

▮ **Patrick Hamilton** - Director, Environmental Sciences and Earth-System Science welcomed the Portland delegation to the Science Museum of Minnesota, founded in 1907, a large regional science museum located on the banks of the Mississippi River in downtown St. Paul. The Science Museum's programs combine research and collection facilities, a public science education center, extensive teacher education and school outreach programs, and an Imax Convertible Dome Omnitheater to provide science education to audiences of more than a million people per year. The Science Museum of Minnesota is known worldwide for its interactive exhibits, dynamic traveling exhibitions, and internationally distributed large format films. <http://www.smm.org>

▮ **Anders Rydaker**, CEO, District Energy St. Paul. District Energy St. Paul is the largest hot water district heating system in North America and a leader in renewable energy. The system currently provides heating service to more than 80% of downtown St. Paul, including the State Capitol Complex. More than 185 downtown buildings and 300 individual residences, representing over 31 million square feet of building space, are connected to the system. The customer base includes multi-family, commercial, industrial and large institutional structures. www.districtenergy.com

▮ **Arne Stefferud**, Planning Analyst-Parks, Metropolitan Council. Mr. Stefferud gave an overview of the Twin Cities' nationally renowned system of regional parks which contribute significantly to the area's high quality of life. The regional system includes 49 regional parks and park reserves, 29 trails and six special recreation areas. Parks are operated by several partnering cities and counties. They work with the Metropolitan Council to acquire and develop parks and trails to protect natural resources and to provide outdoor recreation for public enjoyment. The Council works with these regional partners to develop regional park policies that protect the region's water quality, promote best management practices, and help integrate the park systems with housing, transportation and other regional priorities. Preserving green space for wildlife habitat and recreation enhances the region's livability and thus its economic strength. <http://www.metrocouncil.org/parks/parks.htm>

Tour of Target Field (optional)

Hard-hat tour of the future home of the Minnesota Twins baseball team – scheduled for April 12, 2010 opening game vs. Boston Red Sox. The stadium will seat 40,000 in the Warehouse District north of Downtown Minneapolis. Early proposals called for the park to be built with retractable roof, however current version has no roof nor provisions to install one. Current estimates put the cost of the stadium at \$390 million, while

infrastructure and financing costs would bring the total to \$522 million. Hennepin County owns the stadium.

Lunch Program - (US Bank Plaza Bldg, 31st floor)

▯ **Joseph Otting**, Vice Chair, US Bancorp. Mr. Otting, has served in this position since April 2005, when he assumed responsibility for Commercial Banking. Previously, he served as Executive Vice President, East Commercial Banking Group of U.S. Bancorp from June 2003 to April 2005. He served as Market President of U.S. Bank in Oregon from December 2001 until June 2003. His personal insight into living and doing business in Minneapolis and Portland was an excellent closure to the day's formal program.

Meeting Notes, Comments and Observations

Convention/Visitor Industry/Branding:

- * 18 million visitors annually
- * Primary international markets: Canada, Scandinavia, UK/Germany, Japan
- * Meet Minneapolis manages the city's sister city programs
- * \$9 million Meet Minneapolis budget (75% from city/taxes)
- * Meet Minneapolis' future contract will have performance measures - high scores will result in more \$s
- * Convention market very competitive - Twin Cities' biomed and agriculture good magnets for conventions
- * Cold months are ideal for regional conventions
- * 73,000 employed in hospitality industry in Twin Cities
- * 6000 hotel rooms; 3600 connected by skyway; 800 room Hilton 2 ½ blocks from Convention Ctr (connected by skyway)
- * 8.2 miles of climate controlled (72 degrees) skyway system - promote as asset
- * 1 ½ staff committed to sports tourism marketing - currently considering establishing 501C3 (associated with Meet Minneapolis) to market this area
- * Here's the link to the Travel Portland destination video:
http://www.youtube.com/user/travelportland#p/a/u/0/B1B2_r6Azvg
- * Portland/Oregon needs to get over being modest and market ourselves!

Corporate Leadership/Civic Engagement/Collaboration:

- * Tremendous success in collaboration - non profits, business, academia, government
- * The Twin Cities region is composed of seven counties, 149 cities and 49 towns - to get things done you must figure out the art of working together
- * Strong involvement from corporate community - money, time and influence
- * The 18/19 fortune 500 companies residing in the region drive regional public policy agenda
- * Portland is at disadvantage re small fortune 500 presence
- * The region must work together - MetroNation (Katz/Brookings Inst.)
- * Minnesota Nice! Culture of collaboration makes tackling problems workable
- * Difficult not to be jealous of their level of philanthropy, partnerships and civic engagement
- * We tend to focus on the process vs. driving an agenda
- * Minnesota has very different culture than Oregon...comparing the two is like apples and oranges
- * #1 volunteering rate in the nation

Economy/Economic Development:

- * Retention vs. recruitment is where Twin Cities region focuses efforts
- * City's economic development strategy is not about real estate but rather people

- * City may not be in recruitment mode – doesn't mean trade organizations (e.g. LifeScience Alley) aren't active supporting companies and activities that will grow industry in Twin Cities
- * Takes 7-8 years to lose an industry; 10-15 years to grow an industry
- * What's most important to clusters? Networking and people
- * 90% of global implantable electro/med devices made in Minnesota
- * Key best practices for Biosciences: engaged universities w/active leadership, building entrepreneurial culture with intensive networking, capital covering all stages of business cycle; workforce/talent pool
- * Talent...Technology...Capital!
- * Don't overlook small companies – over 70% of Minnesota's bioscience industry employed in companies with 100 or less employees
- * Currently venture capital is tough to get in Twin Cities too
- * Foundation for a strong economy is an educated workforce
- * Green Jobs strategy
- * Portland should model after Twin Cities – focus on our assets (vs. perceived shortcomings being roadblock)
- * World class research institutions; strong human capital
- * Twin Cities/Minnesota appears to have vision of where they are going – do we?
- * The arts community is dependent on vibrant business community; maybe like Nixon opening up China, we need arts people (and the left leaning crowd) to push for making Portland a better climate for business
- * Not everything is perfect in Minnesota: must continue to pay attention/be engaged, reinvent programs and strategies, business sector must step up...legislators must work with corporate communities

Education:

- * Minnesota – where every child is above average!
- * P-12 education is real driver
- * Almost 91% of the adult population has at least a high-school diploma – highest in the nation
- * More than 30% of the population has college degree
- * Education is primary draw for retaining companies/workforce and attracting newcomers
- * The Power of You!!
- * Education is the region's "secret weapon"

Energy/Environment:

- * Energy is security issue
- * Delegations from 26 different countries visited District Energy St. Paul so far this year
- * Will take public-private partnerships to achieve goals and succeed in the future
- * Coal to biomass is not as difficult a process as moving from where we are to biomass
- * Energy Innovation Corridor – another first of its kind showcase (sustainable energy and transportation)

- * Strong history of protecting environment – Minnesotans work at not getting complacent
- * What’s most important to Minnesotans? Water!!

Government/Taxes:

- * One of only two (Portland the other) regions in the country with regional governing body
- * The Metropolitan Council is appointed by Governor/Legislature – powers can supercede local governments
- * Vertically aligned investment strategy
- * If Minnesota is a model – then you don’t have to be a low-tax state to succeed
- * Citizens/leaders are willing to pay for wanted results (very Mid-west)

Itasca Project:

- * Unique and exceptional program – extraordinary corporate presence makes things happen
- * Takes on public policy issues that will advance region’s economy, quality of life; reduce and eliminate socio-economic disparities
- * Unites public, nonprofit and business interests behind common goals and solutions for faster, better results
- * Community must address socio-economic disparities...cannot have low-performing communities
- * Could Portland undertake this model without a McKinsey & Co. – could Twin Cities make it work without McKinsey & Co. providing the strategic, operational and research
- * Itasca Project – Portland style: (1) regional direction-setting/problem solving group, (2) working with our more broadly distributed business base (not the Fortune 500 CEOs), (3) fact-based/common agenda ...and if possible hire the McKinsey consulting group to (at least) get us started

Quality of Life:

- * Education, environment, arts, culture and recreation critical ingredients to quality of life in region
- * Minnesota – cleaner than average air, education, government, transportation
- * Today’s students want to do something ... be a part of change that makes community better

What’s Next?

Discussion centered on

(1) Pittsburgh – healthy diversified economy, redeveloped abandoned industrial sites; clean city, attractive to young professionals, and consistently ranks high in livability surveys.

(2) Barcelona (or Berlin) – studied for its sustainability practices, building healthy urban ecosystem that can address current and future economic, social and environmental concerns.

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