

## Regional Council of Mayors Meeting

February 10, 2014

### PRESENTATIONS

#### **Four Paths to Thriving in the 21<sup>st</sup> Century**

What if instead of being something you had to pay a lot of money to get rid of, waste from your city became a profitable venture—and one that didn't just preserve the environment but actually made it better?

That kind of “restorative development” is not only possible, it's happening in some parts of the world right now, said Björgvin Sævarsson and Josphua Foss of The Ecala Group <http://ecalagroup.com>, a management consulting group for businesses and cities.

So-called green development “is really about being less bad,” said Foss. Sustainable development doesn't harm the environment. But restorative development “actually makes a positive impact.”

Waste, said Foss, can be converted to a medium for growing everything from microgreens to fish and shrimp. He pointed Ecoponex Systems <http://www.ecoponex.com/#renewableEnergy> as an example of a firm that can construct waste systems that also produce energy, food and clean water. With these kinds of systems, Sævarsson said, communities can reduce the need for drawing water from aquifers by as much as 90 percent.

Anaerobic digesters are newer, but not brand new, technology and are already in use in a number of parts of the world, Foss said. In Wisconsin, for example, some dairy farms have installed manure digesters that convert dairy manure and wastewater to electricity, heat, bedding and fertilizer. Le Sueur County is developing an anaerobic digester that will convert agricultural waste into electricity, fertilizer and renewable solid fuel <http://www.mmpa.org/Renewable-Energy/Hometown-BioEnergy.aspx>.

Another model for restorative development is using hydrogen for fuel. “This is the biggest opportunity in energy today,” said Sævarsson. “Ten to 20 years from now, you're going to hear the word ‘hydrogen’ a lot more often.” He said that Germany is using hydrogen fuel cells and that California is spending \$200 billion to build filling stations for vehicles powered by hydrogen fuel cells.

Sævarsson described the process of creating energy via hydrogen as “water turns temporarily into energy, then back into water.” Fuel cells convert hydrogen and oxygen into water, releasing energy in the process and leaving distilled water as the “waste product.”

“If we take this on early, there are opportunities like this all over the place,” Sævarsson said. He said a number of companies are interested in the potential for restorative projects, but that to really have an impact on the environment, it needs to be done at a larger level.

Foss and Sævarsson said that the financing for cities and communities could be a mix of public and private funds, or even all from private investors, because the projects would actually make money through their end products. “The profit from this system would probably beat a venture capital market,” said Sævarsson.

For more information: [See PowerPoint.](#)

## **Condominium Financing**

Although the Twin Cities housing market has come back, and there is a rush of new construction, there aren't many new condominium projects being proposed—and it's not from lack of demand, said Jocelyn Knoll, chair of the construction and design practice at Dorsey & Whitney.

A major disincentive, Knoll said, is Minnesota's long liability "tail" for condo construction—10 years from the time the project is substantially complete. "We're driving away projects," she said.

Minnesota's 10-year liability for construction defects is somewhat longer than similar states, Knoll said, most of which have six- or seven-year periods of liability.

With multiple owners in a condo development, the length of liability tends to become even more significant, since any number of owners could litigate during that time period. With apartment construction, there is one owner for the property, so only one entity to deal with in the case of a suit. Knoll said that suits tend to start arising seven or eight years after construction is complete.

Knoll said Minnesota has developed a reputation for being difficult for construction. "There needs to be a better connection between legislators, the building industry and elected officials," she said. "We're not going to see a lot of condos being built in Minnesota with the current legal landscape."

For more information: [See PowerPoint.](#)

## **EXECUTIVE DIRECTOR'S REPORT**

### **Greater MSPahead 2014**

On April 25, ULI Minnesota will have a "touch back" on last year's Greater MSPahead Initiative, a discussion of regional priorities <http://minnesota.uli.org/initiatives/greater-msp-ahead/>. The event, which will be held at Target Corporation Headquarters, will look at how work is proceeding on those priorities.

### **Minnesota Challenge**

The MN Challenge to Lower the Cost of Affordable Housing is a competition co-sponsored by Minnesota Housing, the McKnight Foundation, ULI Minnesota/Regional Council of Mayors and Enterprise Community Partners to find new ideas for affordable housing <http://www.mnchallenge.com>.

Teams entering the challenge first will submit concept papers on how to reduce the cost of affordable housing, due by the end of February. Three teams will be selected and awarded up to \$10,000 each to develop their ideas. In June, the winning team will be awarded \$70,000 to implement its idea.

## UPDATES

### Healthy and Resilient Communities Initiative

The Environment Initiative of ULI Minnesota/Regional Council of Mayors has become the Healthy and Resilient Communities Initiative, said Richfield Mayor Debbie Goettel. "We asked what we can do together, as mayors, and thought that healthy, resilient communities is the next step. This will broaden the work we're already doing."

John Shardlow said there are four tenets of the 2014 work plan for the advisory committee to the initiative:

- Raise awareness of the connections between health and resilient built environment.
- Share best practices and learning.
- Build understanding of the value proposition.
- Gain commitments to work, build and operate in ways that promote health and resiliency.

The initiative will use the Urban Land Institute's *Ten Principles For Building Healthy Communities* <http://www.uli.org/wp-content/uploads/ULI-Documents/10-Principles-for-Building-Healthy-Places.pdf>, with the addition of "nature."

The advisory committee will continue to promote and expand the Regional Indicators Initiative, promote Green Step Cities, identify actions to support protection of the water supply, work with the Prospect North case study and plan and implement one annual ULI Minnesota program.

### MoveMN

About 140 organizations, including the Greater Minneapolis Chamber of Commerce, have now joined the MoveMN campaign, which will lobby for increased funding for all modes of transportation during the 2014 Minnesota Legislature. For more information, go to <http://www.movemn.org>.

## COMING UP

The next RCM meeting will be Monday, March 10.

Mayors are encouraged to email [caren.dewar@uli.org](mailto:caren.dewar@uli.org) with their suggestions for topics to add to the agenda.

## ATTENDEES

The following individuals were in attendance on February 10, 2014:

### Mayors

Jim Adams	City of Crystal
Ardell Brede	City of Rochester
Chris Coleman	City of St. Paul
Jerry Faust	City of St. Anthony
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
Peter Lindstrom	City of Falcon Heights
Mike Maguire	City of Eagan
Gene Maxwell	City of Hopkins
Terry Schneider	City of Minnetonka
Nora Slawik	City of Maplewood
Nancy Tyra-Lukens	City of Eden Prairie
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

### Guests

John Adams, University of Minnesota; Katherine Blauvelt, Office of Senator Franken; Sam Carlsen, Saint Paul Riverfront Corporation; Rick Carter, LHB; Mark Casey, St. Anthony Village; Bob Engstrom, Robert Engstrom Companies; Kevin Frazell, League of Minnesota Cities; Seth Gellman, Office of Senator Franken; Todd Klingel, Minneapolis Regional Chamber; Katie Knutson, City of St. Paul; Mike Logan, Comcast; David Motzenbecker, Cuningham Group; Marc Nevinski, City of Coon Rapids; Bruce Nordquist, City of Apple Valley; Cathy Polasky, City of Minneapolis; Elizabeth Ryan, Family Housing Fund; Adam Schiff, Office of Senator Klobuchar; John Shardlow, Stantec; Patrick Stieg, Blue Cross Blue Shield; Jamie Verbrugge, City of Brooklyn Park.

### ULI Staff/Consultants

Caren Dewar, Aubrey Austin, Cathy Bennett, Linda Picone