



Urban Land **Minnesota**
Institute



City of Northfield
August 1, 2018

ABOUT ULI MN

MISSION

Urban Land Institute Minnesota engages public and private sector leaders to foster collaboration, share knowledge, and join in meaningful strategic action.

VISION

Thriving communities.



REGIONAL COUNCIL OF MAYORS

Minneapolis, Saint Paul and 53 other municipalities are represented in the RCM.

FROM 8 MAYORS IN 2004...



TO 55 MAYORS IN 2018



*“The RCM provides a nonpartisan platform focused on **building civic trust** through relationships, inquiry, partnerships and action.”*

ADVISORY SERVICES: IT'S ABOUT TRUST

More than **67 cities** have completed ULI Minnesota workshops.



Trust is developed across public and private sectors.

"The workshops are opportunities for City officials to ask questions of real estate professionals in an environment where neither party has anything at risk. This is a new kind of civic space. The developers are neither seeking anything nor defending anything and City officials are not under any pressure. It allows for a spirit of inquiry and exploration that is too often not possible when both parties are advocating specific positions."

**ULI MN Governance Chair John Breitinger
Cushman & Wakefield/Northmarq**

DEMOGRAPHICS

MARKET FORCES

FOUR MAJOR CHANGE DRIVERS

TECHNOLOGY

**RESILIENT
INFRASTRUCTURE**

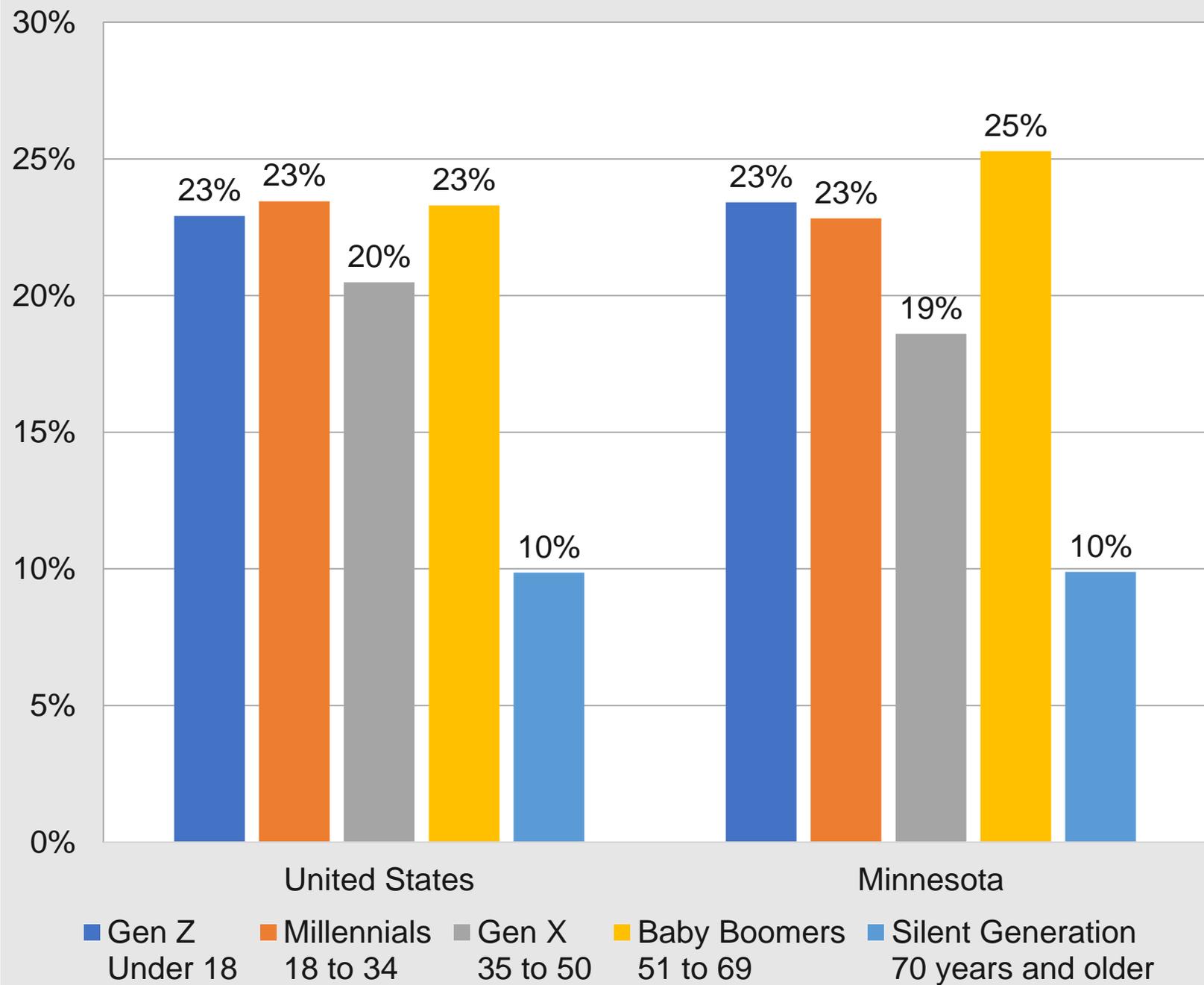
DEMOGRAPHICS

GENERATIONAL SHIFTS

AGING POPULATION

CULTURAL DIVERSITY

MILLENNIALS AND BOOMERS COMPRISE 150 MILLION AMERICANS



MN'S OVER 65 POPULATION TO EXCEED SCHOOL-AGE BY 2020

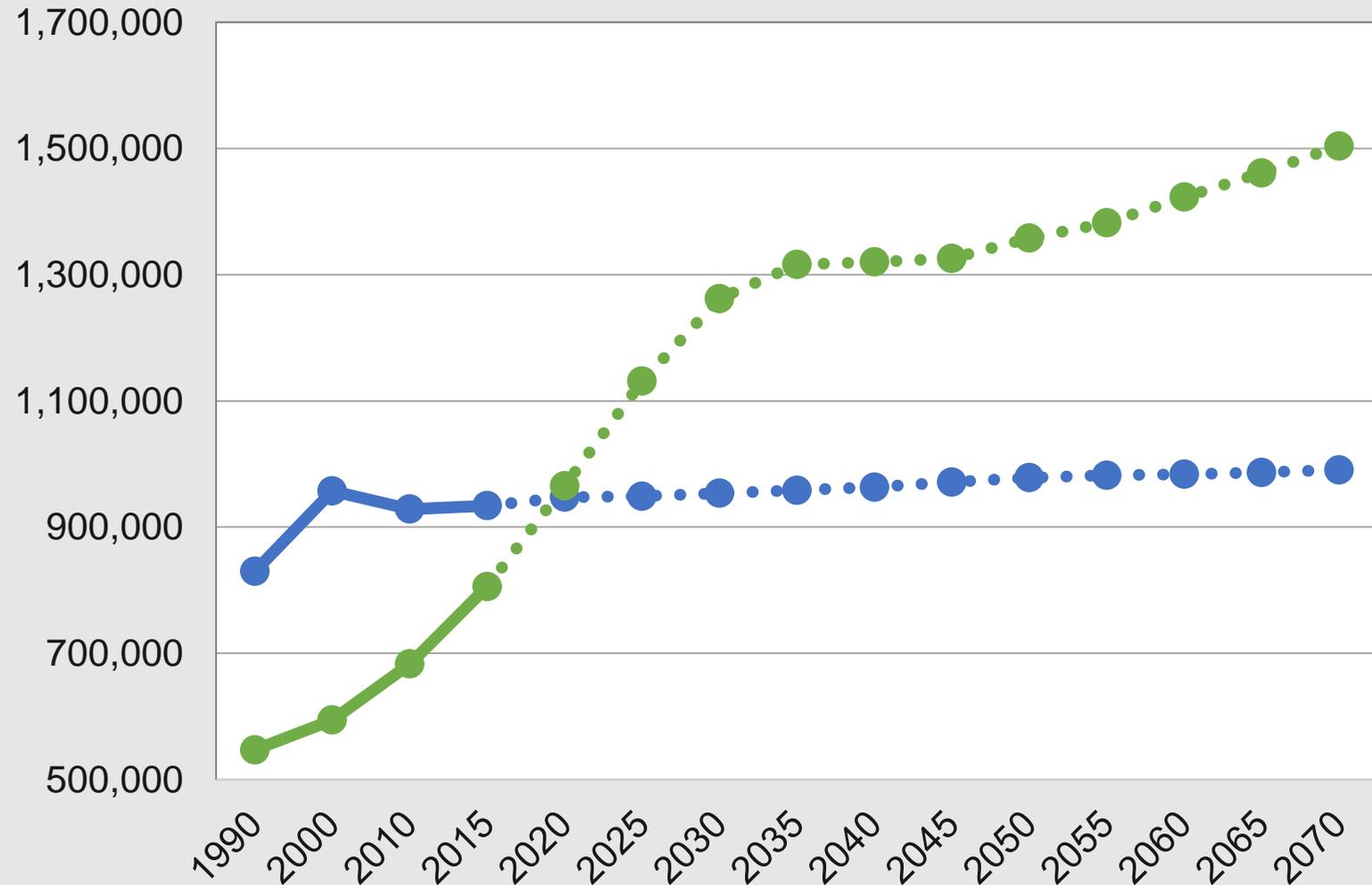
Under 18 population will **decline** from 23% to 20% of population

Over 65 will **grow** from 17% to 22%

"These things usually creep along at the speed of a glacier. Not so with aging. In demographic terms, this is a tsunami. It doesn't get much bigger than this."

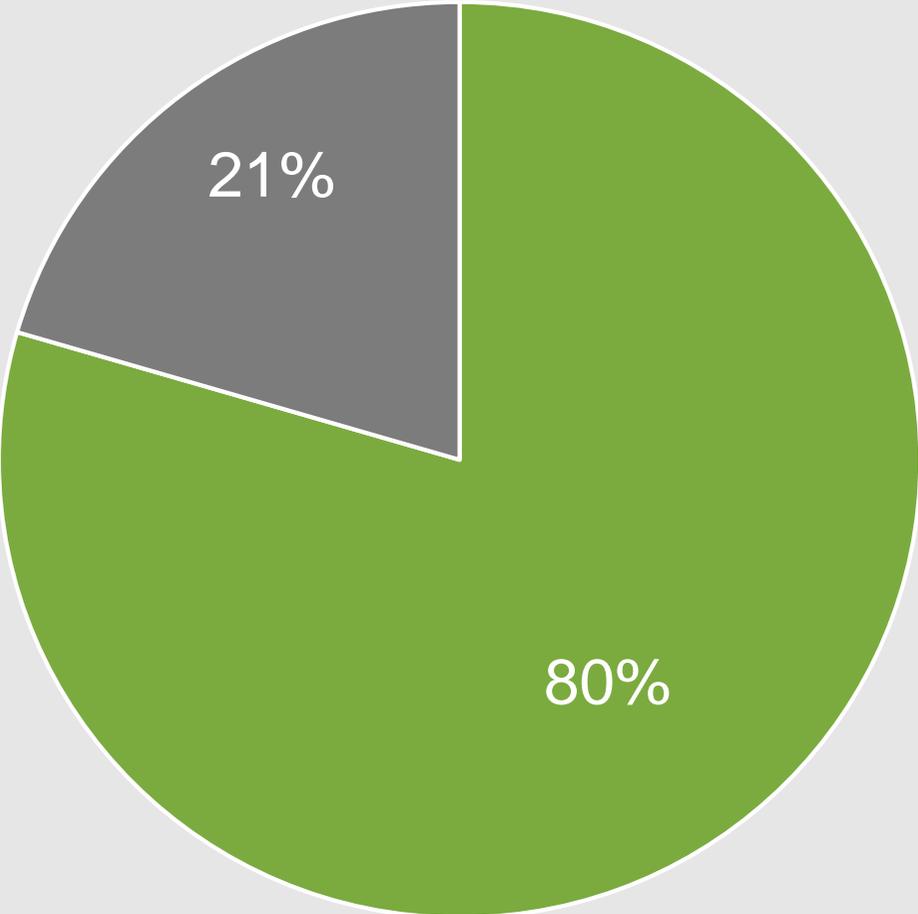
Thomas Gillaspay
Former MN State Demographer

PROJECTED MN POPULATION: AGES 5–17 AND 65+



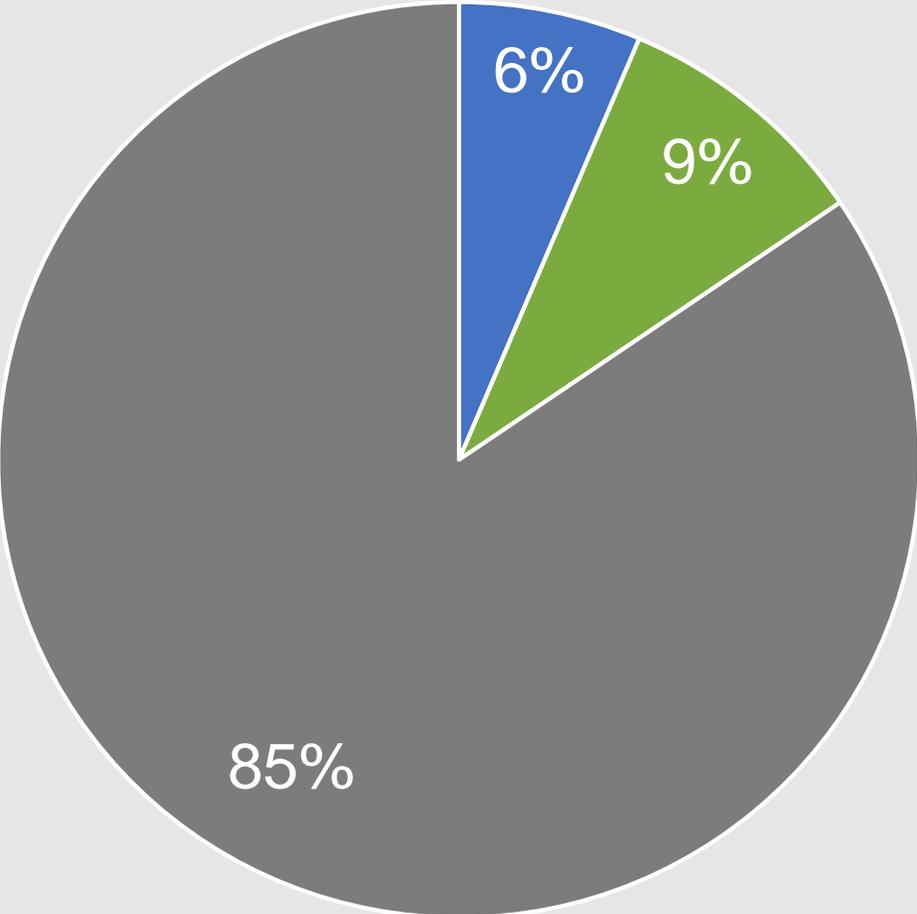
MOST NEW HOUSEHOLD GROWTH WILL BE AGES 65+

NET HOUSEHOLD GROWTH: 1990–2010



■ Under 35 ■ 35–64 ■ Over 65

NET HOUSEHOLD GROWTH: 2010–2040

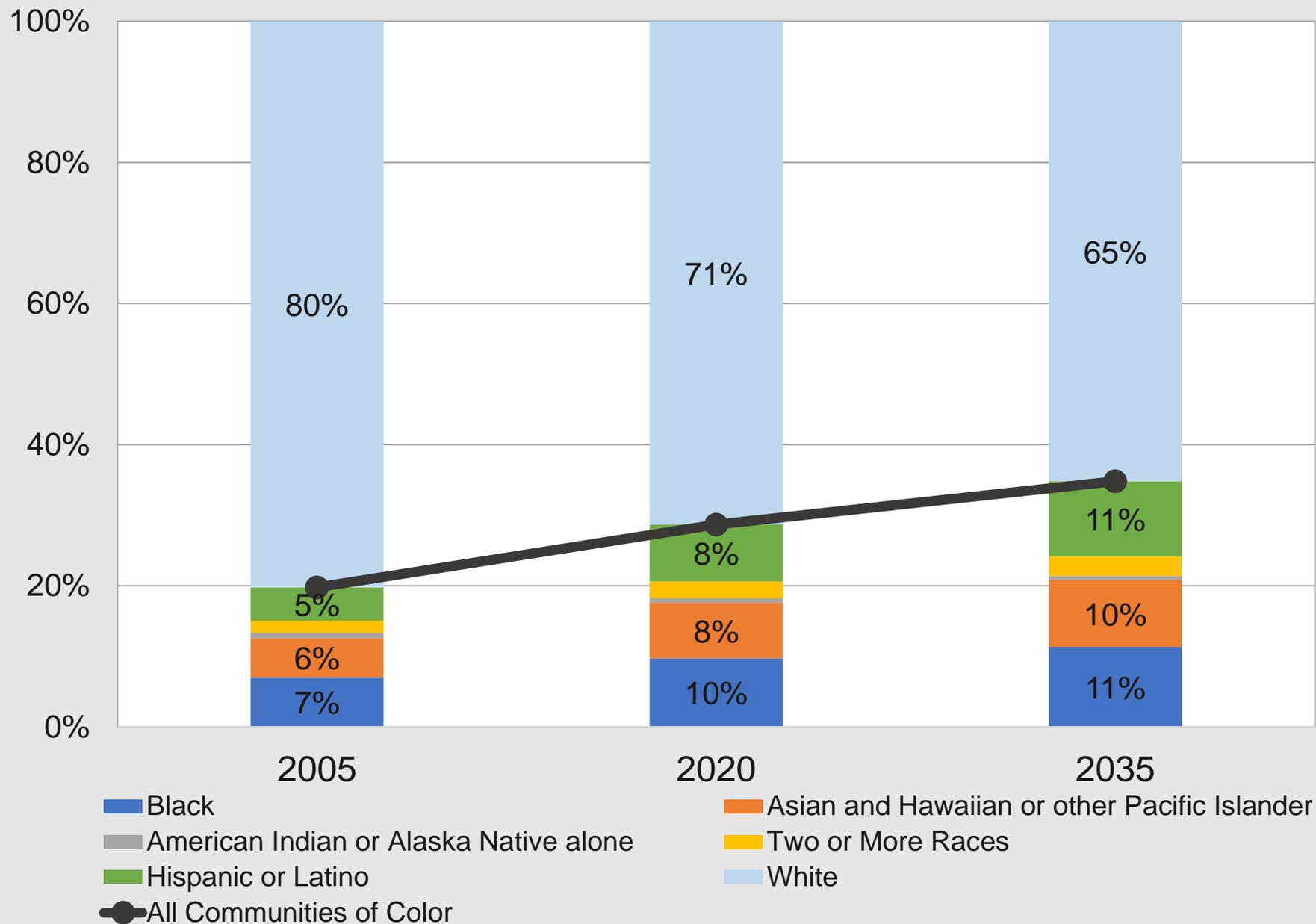


■ Under 35 ■ 35–64 ■ Over 65

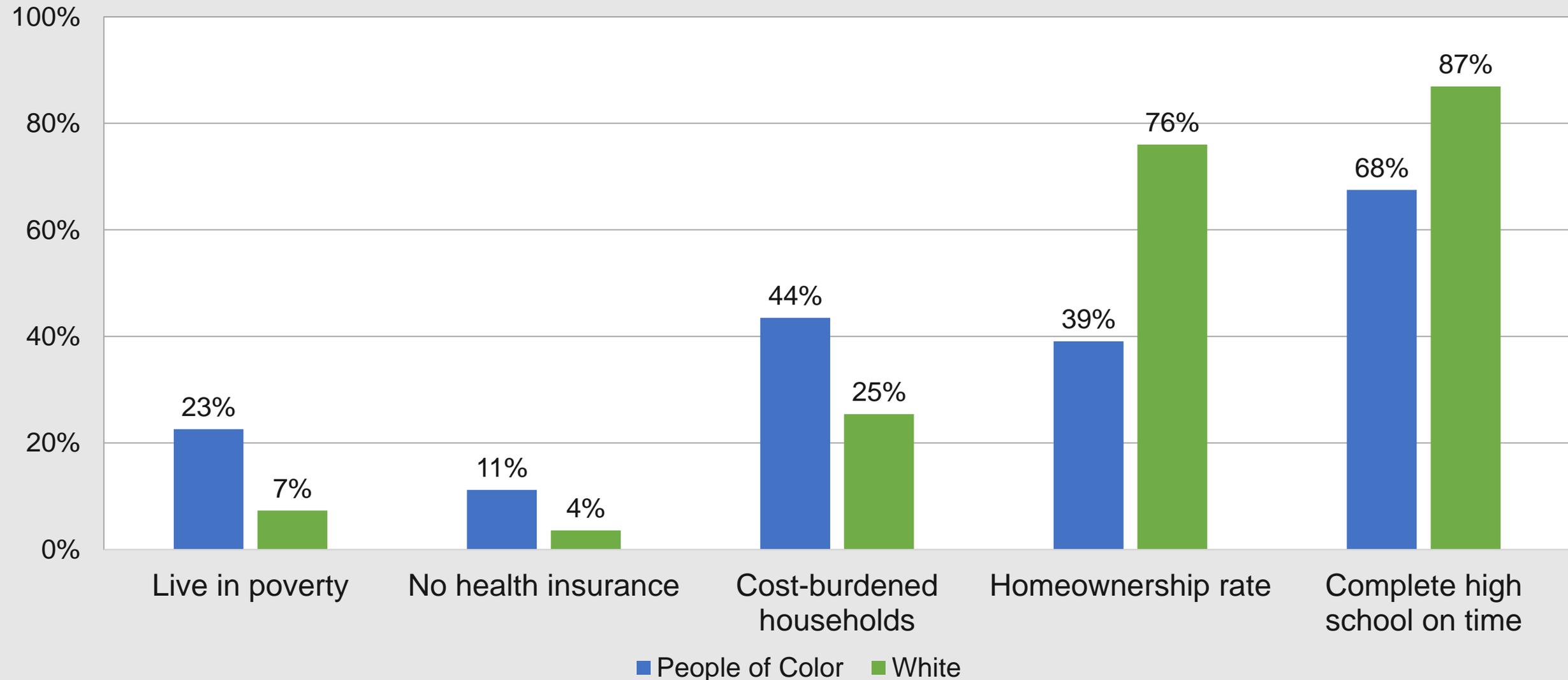
Arthur C. Nelson, TWIN CITIES Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040, 2014.

MINNESOTA IS
BECOMING
MORE
CULTURALLY
DIVERSE

CHANGE IN RACE/ETHNIC COMPOSITION OF TWIN CITIES



MINNESOTA'S COMMUNITIES OF COLOR EXPERIENCE SIGNIFICANT DISPARITIES



MARKET FORCES

MSP REGION COMPARATIVE ADVANTAGES

COST-BURDENED HOUSEHOLDS

HOUSING AND JOBS MISMATCH

WORKFORCE SHORTAGES

COMMERCIAL INDUSTRY TRENDS

TOP COMPARATIVE ATTRIBUTES OF THE MSP REGION



1. **HOUSING:** Availability and affordability of housing



2. **PROXIMITY:** How close to my opportunity is it?



3. **MOBILITY:** Do I have options to get around?



4. **CONNECTIVITY:** Can I meet people or be near friends and family?



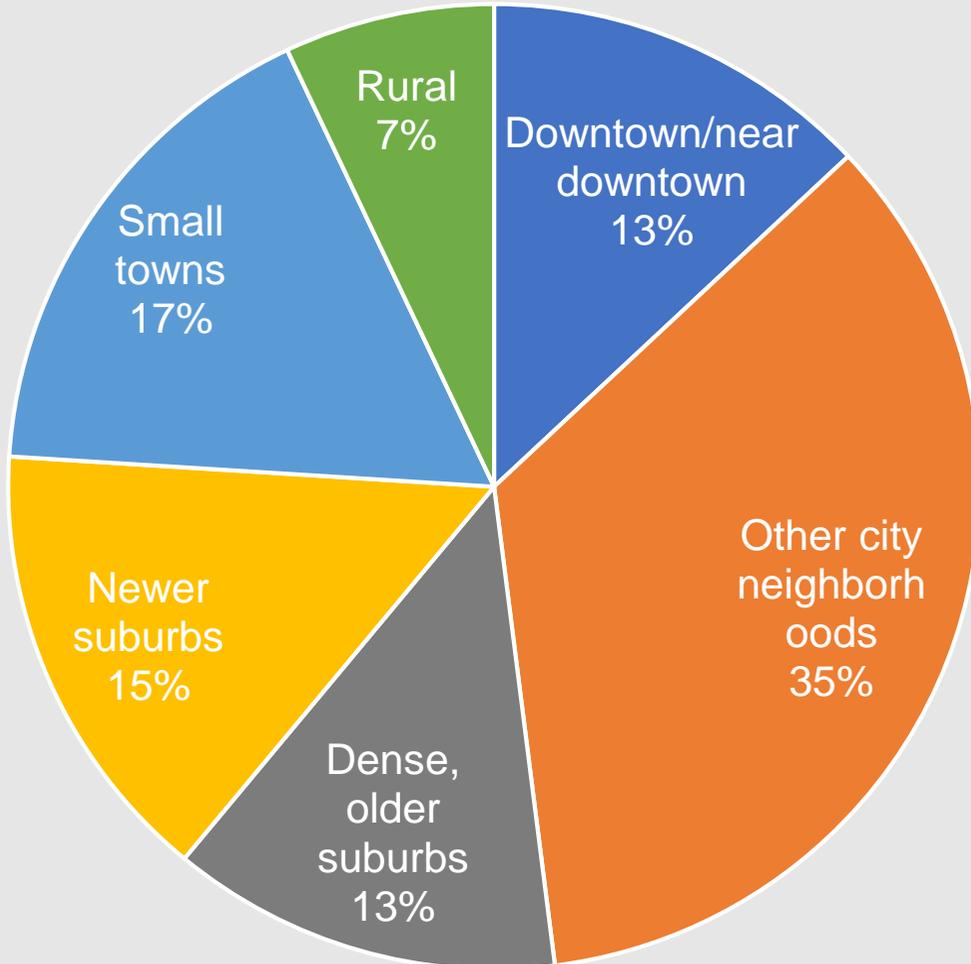
5. **PARKS AND GREEN SPACE:** Can I enjoy the outdoors?

ALSO RATED HIGHLY: Access to restaurants/bars, arts/culture, safety

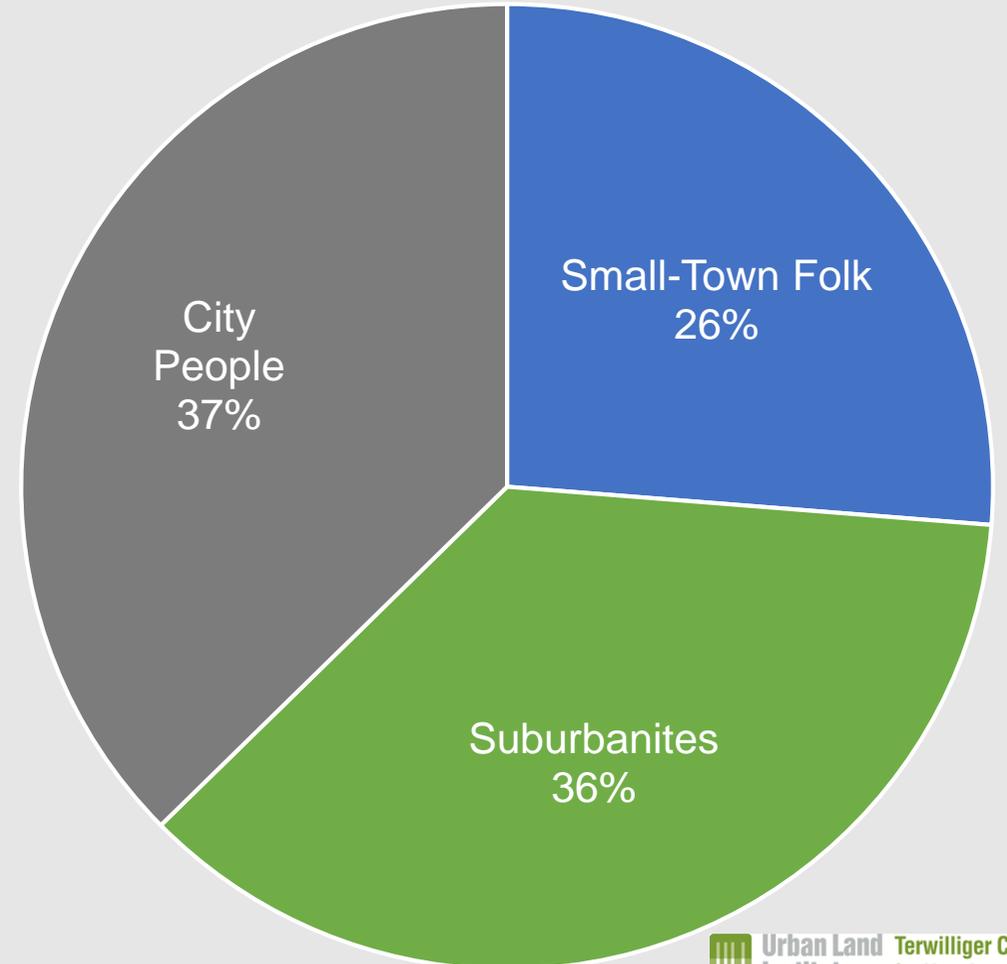
SITUATIONALLY IMPORTANT: Walkability, school district, bike paths

MILLENNIALS LIVE IN COMMUNITIES OF ALL TYPES AND WANT URBAN-LIKE AMENITIES

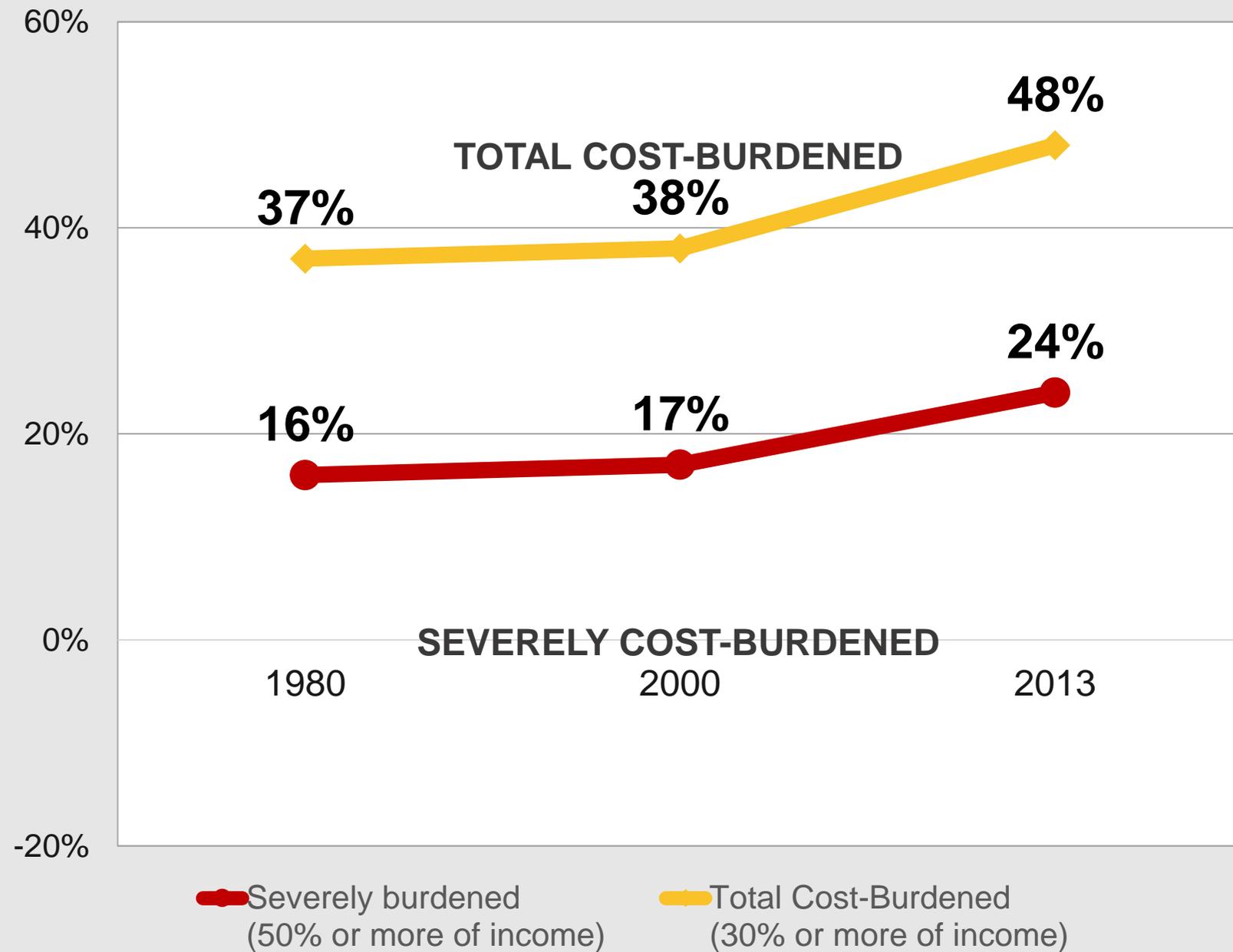
WHERE THEY LIVE



HOW THEY SEE THEMSELVES



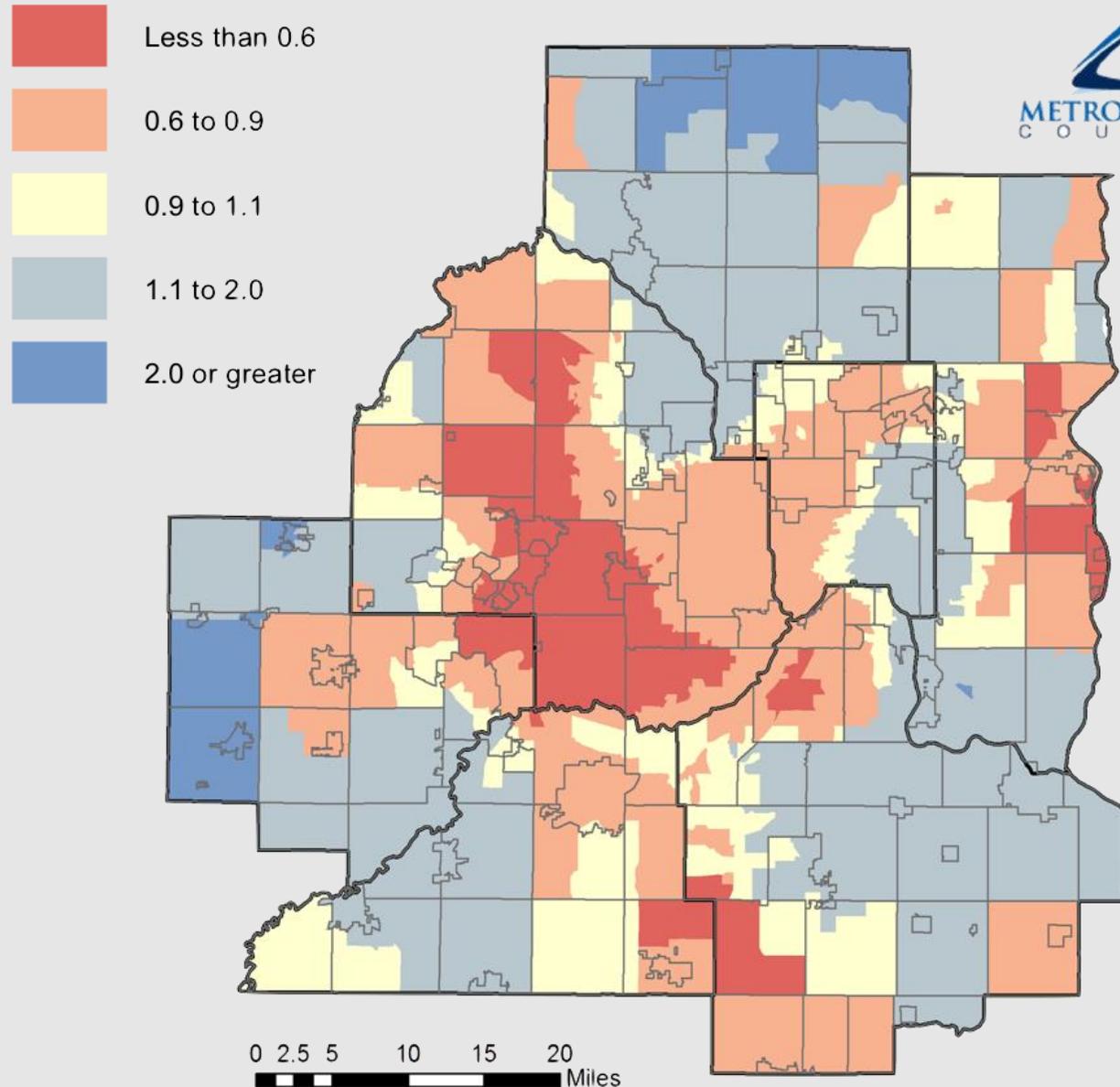
CHANGE IN COST-BURDENED RENTAL HOUSEHOLDS



PERCENTAGE OF METRO AREA COST-BURDENED HOUSEHOLDS HAS GROWN TO NEARLY 50%

MISMATCH
BETWEEN
AFFORDABLE
HOUSING AND JOBS

WORKFORCE HOUSING PER LOW-WAGE JOB



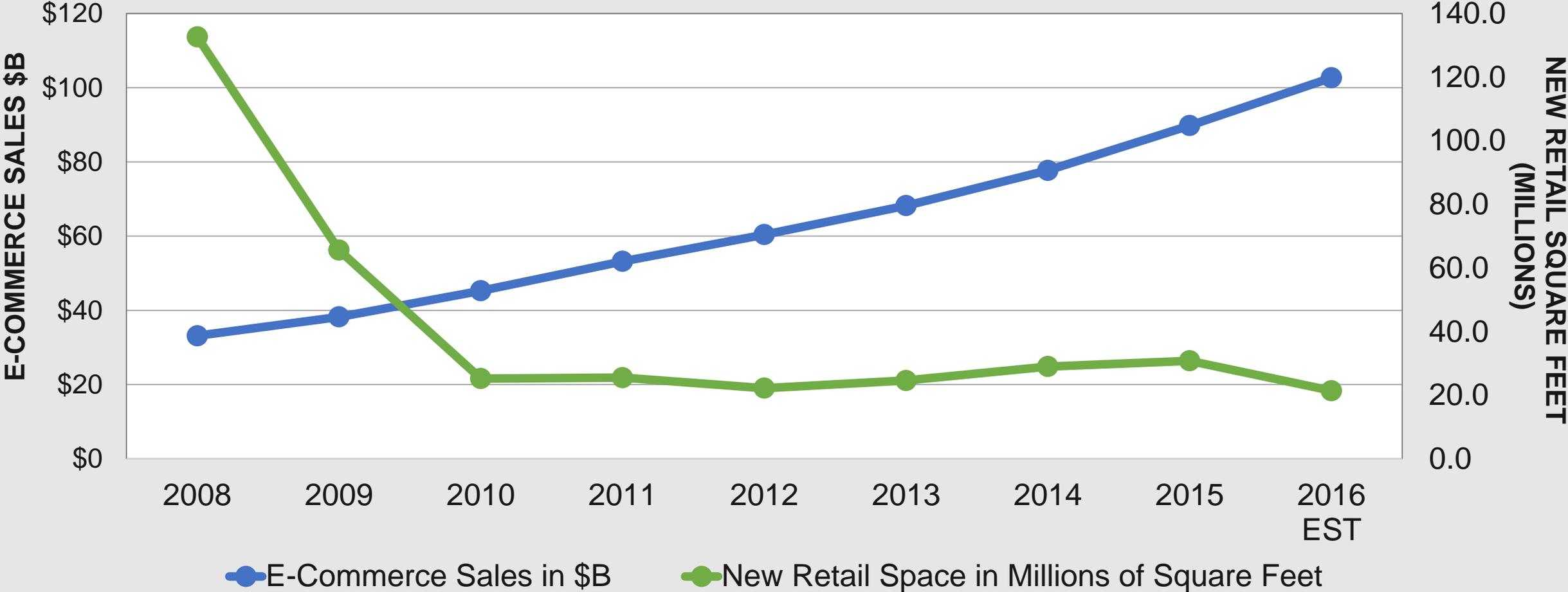
PROJECTED SHORTFALL OF 100,000+ SKILLED WORKERS BY 2020

**BABY BOOMER
RETIREMENTS
STAGNANT LABOR
FORCE GROWTH
CHALLENGES
RECRUITING TO THE
REGION**



COMMERCIAL INDUSTRY TRENDS

E-COMMERCE CONTINUES TO GROW RAPIDLY AS WE BUILD FEWER NEW BRICK AND MORTAR SPACES



Sources: New retail space data from JLL Q2 2016 Retail Outlook. E-Commerce sales data from US Economic Census

A green arrow-shaped graphic pointing to the right, containing the word 'TECHNOLOGY' in white capital letters. The arrow is centered horizontally and has a thin green line extending from its tail to the left edge of the slide.

TECHNOLOGY

AUTOMATION AND JOBS

THE SHARING ECONOMY

NEW TECHNOLOGY, REGULATION AND CITIES



AUTOMATION IS AFFECTING JOBS AND
CREATING CHALLENGES AND OPPORTUNITIES



THE SHARING ECONOMY IS CHANGING RETAIL AND SERVICES REGULATION IS PLAYING CONSTANT CATCH-UP



DRIVERLESS VEHICLES ARE ADVANCING QUICKLY AND ARE A HIGH PRIORITY FOR CAR COMPANIES



MAVEN



we've got your

STYLE

the newest cars, the latest technologies and hourly rates as low as \$6.



FORD SMART MOBILITY



CONNECTIVITY



MOBILITY



AUTONOMOUS VEHICLES



CUSTOMER EXPERIENCE



DATA ANALYTICS

AUTONOMOUS VEHICLES WILL CREATE LAND USE OPPORTUNITIES AND CHALLENGES

31%

of our
downtown
commercial
cores are
devoted to
parking.

There are

4

times as
many parking
spaces as
cars in
America.

The average
automobile
spends

95%

of its time
sitting in place.

RESILIENT INFRASTRUCTURE

CYBER SECURITY

REUSE OF INDUSTRIAL BUILDINGS

DEFERRED MAINTENANCE

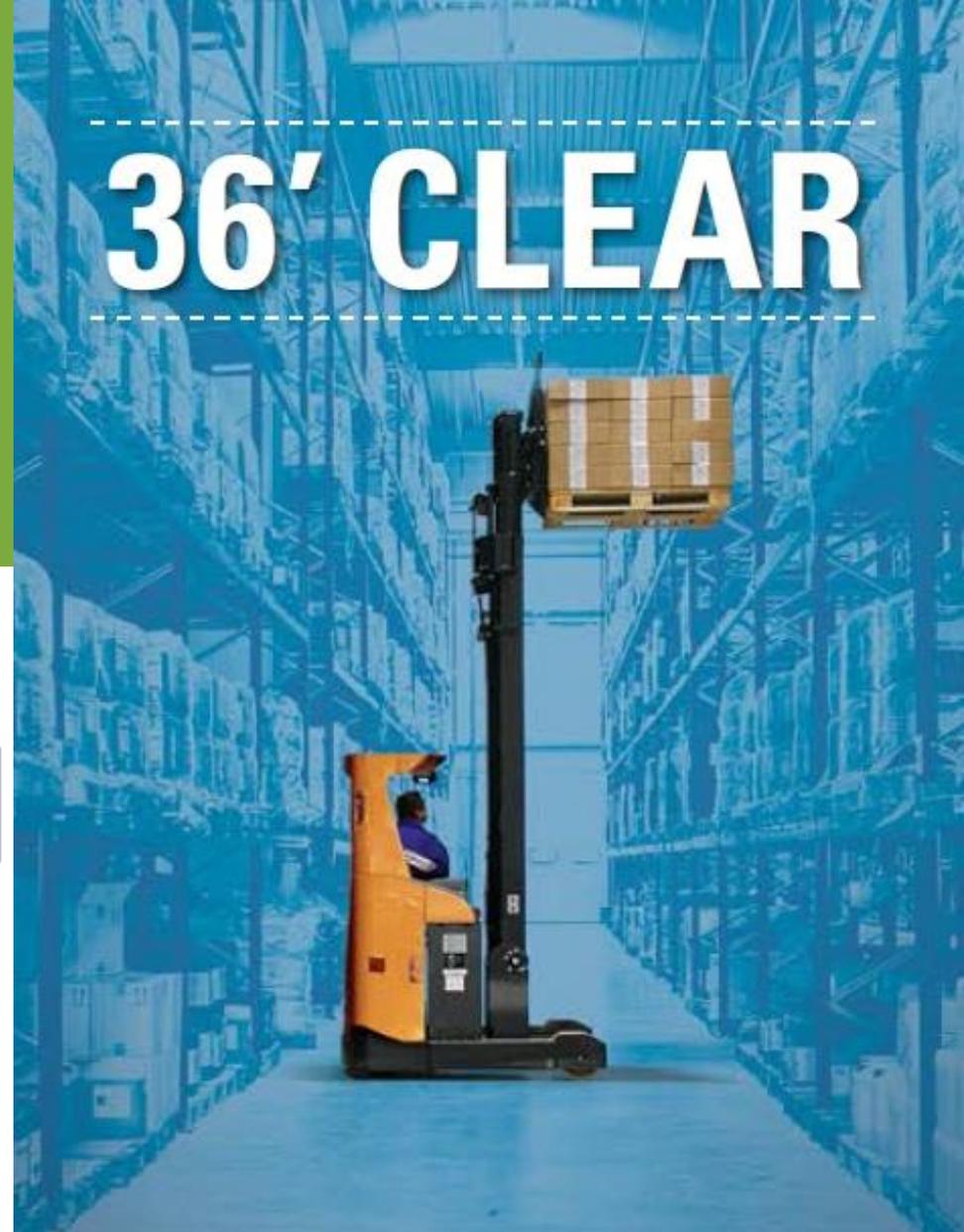
TRAILS, PATHS AND SIDEWALKS

COMMUNITIES NEED A CYBERSECURITY STRATEGY

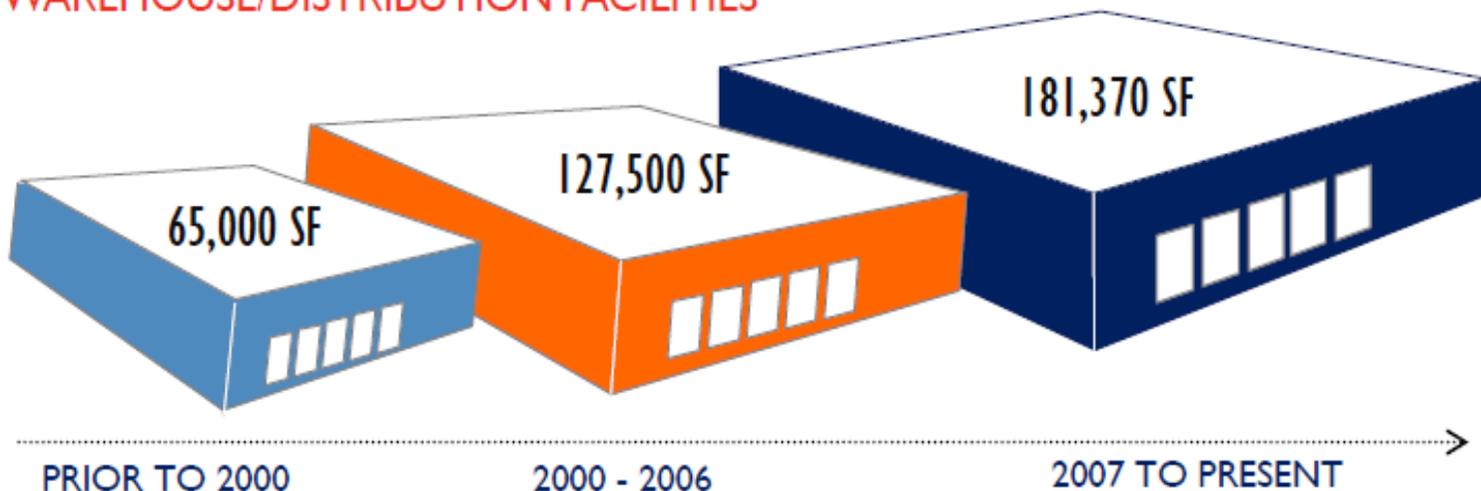
```
a.fn.scrollspy=d,this},a(window).on(
y),+function(a){"use strict";function b(b){return this.each(function(){var
&e[b]()}})var c=function(b){this.element=a(b)};c.VERSION="3.3.7",c.TRANSITION_DURATION=150,c.prototype
d=h.data("target");if(d||(d=b.attr("href"),d=d&&d.replace(/.*(?=#[^\s]*$/,"")),!
is.activate(h,h.parent(),function
pe.activate=function(b,d,e){func
ab"]').attr("aria-expanded",!1),l
eClass("fade"),b.parent(".dropdo
).attr("aria-expanded",!0),e&&e()}var g=d.find("> .active"),h=e&&
de")||!d.find("> .fade").length);g.length&&h?g.one("bsTransitionEnd",f).emulateTransitionEnd
;var d=a.fn.tab;a.fn.tab=b,a.fn.tab.Constructor=c,a.fn.tab.noConflict=function(){return a.fn.t
"show"};a(document).on("click.bs.tab.data-api",[data-toggle="tab"],e).on("click.bs.tab.data
"strict";function b(b){return this.each(function(){var d=a(this),e=d.data("bs.affix"),f="ob
typeof b&&e[b]()}})var c=function(b,d){this.options=a.extend({},c.DEFAULTS,d),this.$target=a
,a.proxy(this.checkPosition,this)).on("click.bs.affix.data-api",a.proxy(this.checkPositionWi
null,this.pinnedOffset=null,this.checkPosition());c.VERSION="3.3.7",c.RESET="affix affix-top
tState=function(a,b,c,d){var e=this.$target.scrollTop(),f=this.$element.offset(),g=this.$targ
"bottom"==this.affixed)return null!=c?!(e+this.unpin<=f.top)&&"bottom":!(e+g<=a-d)&&"
l!=c&&e<=c?"top":null!=d&&i+j>=a-d&&"bottom"},c.prototype.acti
.RESET).addClass("affix");var a=this
WithEventl
```

WAREHOUSE/DISTRIBUTION FACILITIES ARE MUCH LARGER AND REQUIRE GREATER CLEAR HEIGHTS

36' CLEAR



U.S. AVERAGE SIZE OF WAREHOUSE/DISTRIBUTION FACILITIES



Source: Cushman & Wakefield Research

AGING INFRASTRUCTURE AND DEFERRED MAINTENANCE



**STORMWATER
OVERLOADS**



**SEWER SYSTEM
FAILURES**



TRAILS, BIKE PATHS AND SIDEWALKS
IMPROVE CONNECTIVITY, INCREASE
PROPERTY VALUES, AND ATTRACT
ECONOMIC DEVELOPMENT





WHAT DOES ALL OF THIS MEAN FOR THE FUTURE OF
COMMUNITIES?



Northfield Community Data

DEMOGRAPHICS

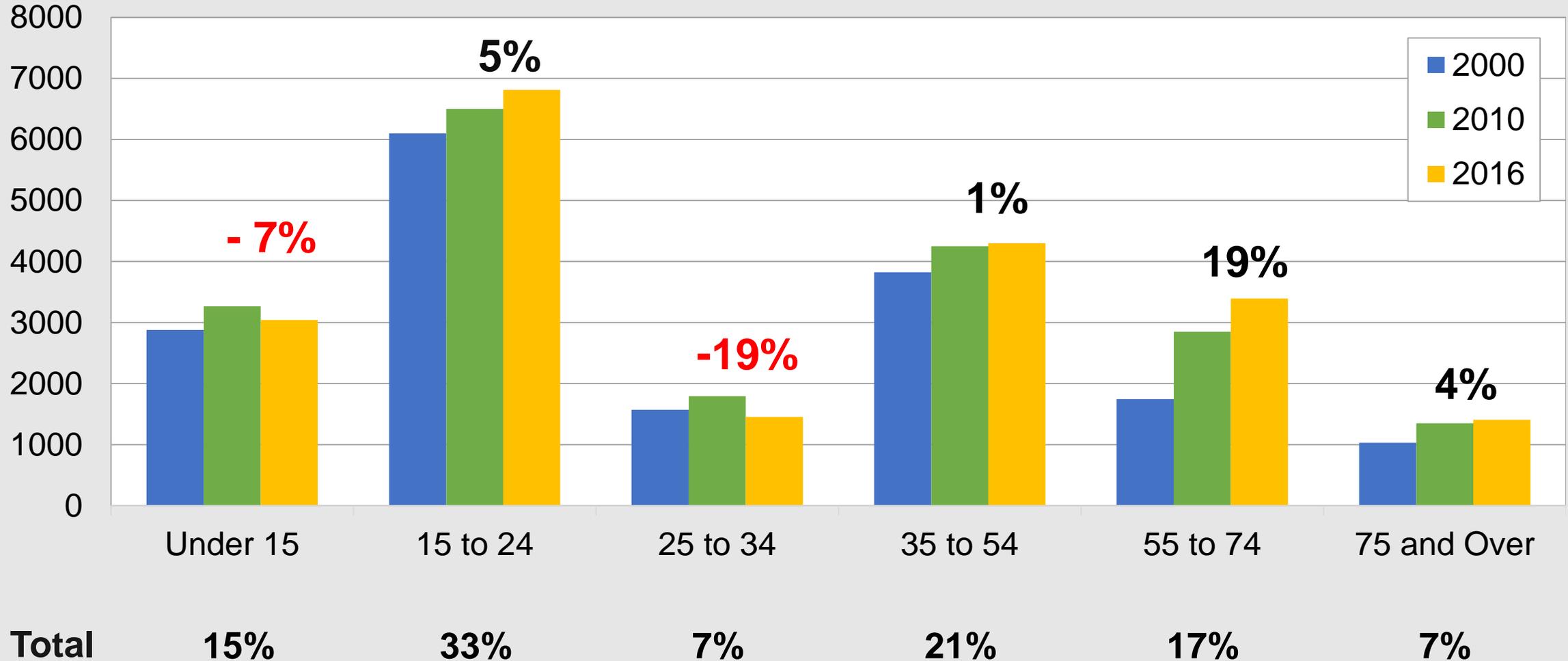
HOUSING STOCK AND TENURE

EMPLOYMENT AND LABOR

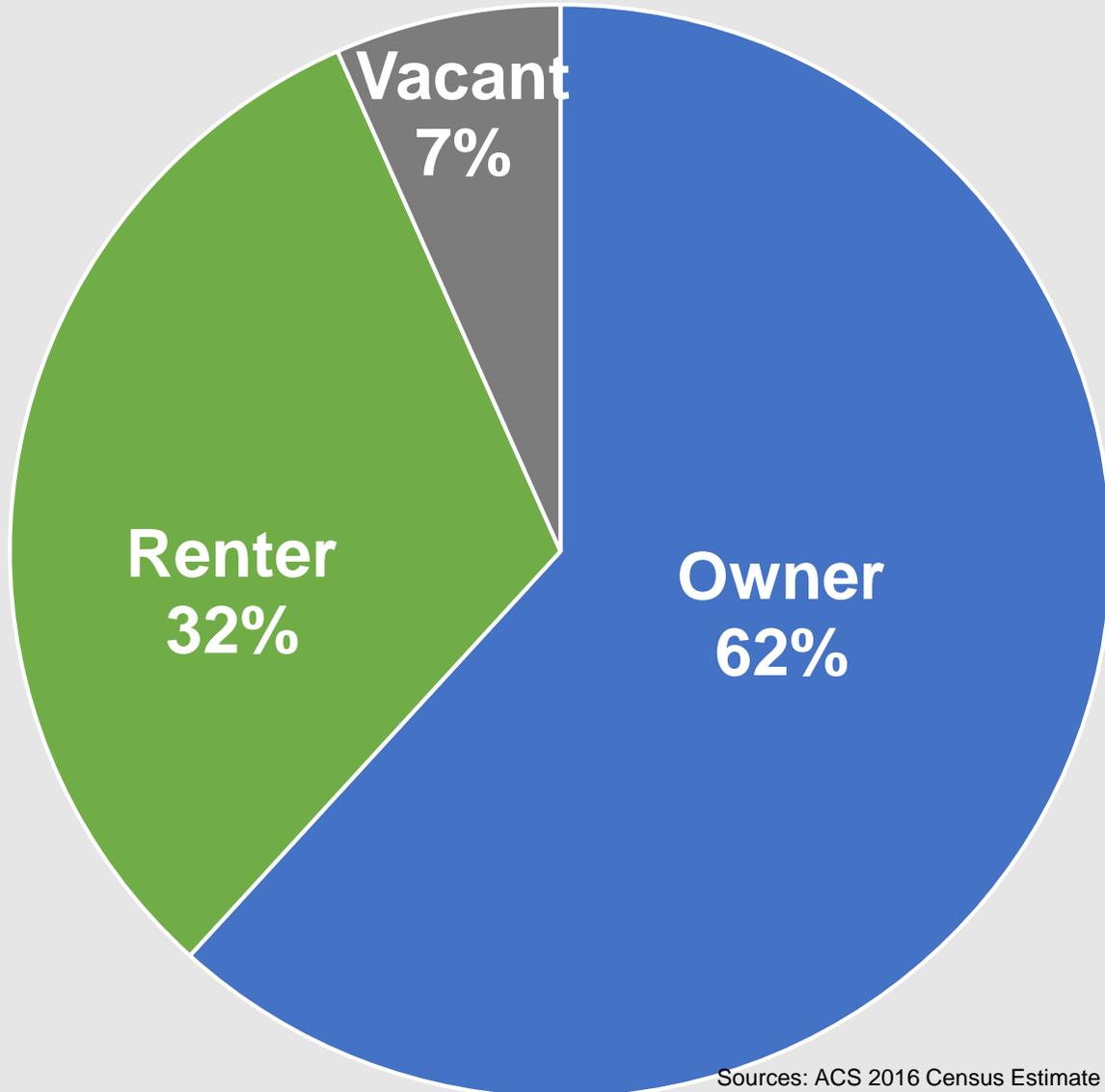
INCOME AND WAGES

DEMOGRAPHIC CHANGE BY RESIDENT AGE

16% GROWTH (2000-10)
2% GROWTH (2010-16)



TENURE AND HOUSING STOCK



Sources: ACS 2016 Census Estimate



52% Single Family Detached



22% Attached – 1-4 units Multifamily



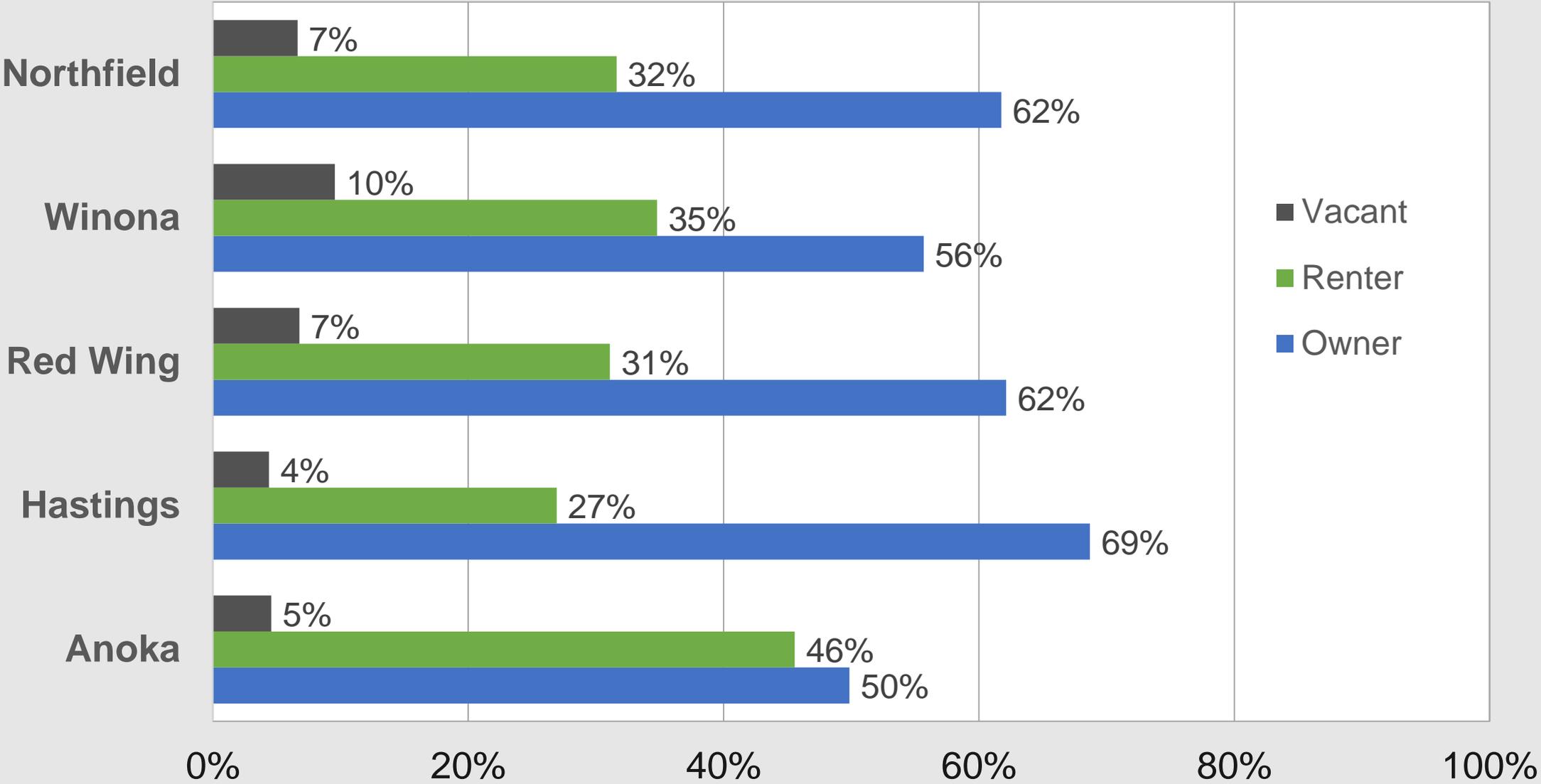
23% 4+ Multifamily



3% Manufactured Home

Sources: ACS 2016 Census Estimate

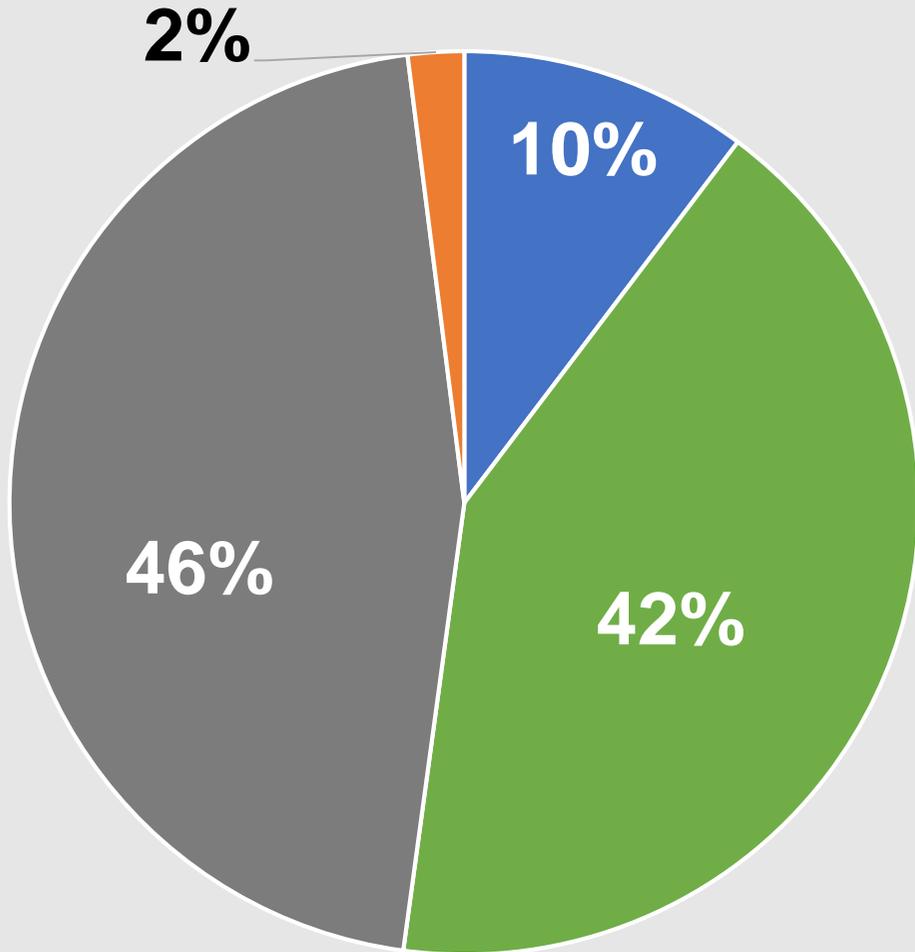
PEER COMMUNITY TENURE STATUS BREAKDOWN



HOUSING VALUES AND RENT

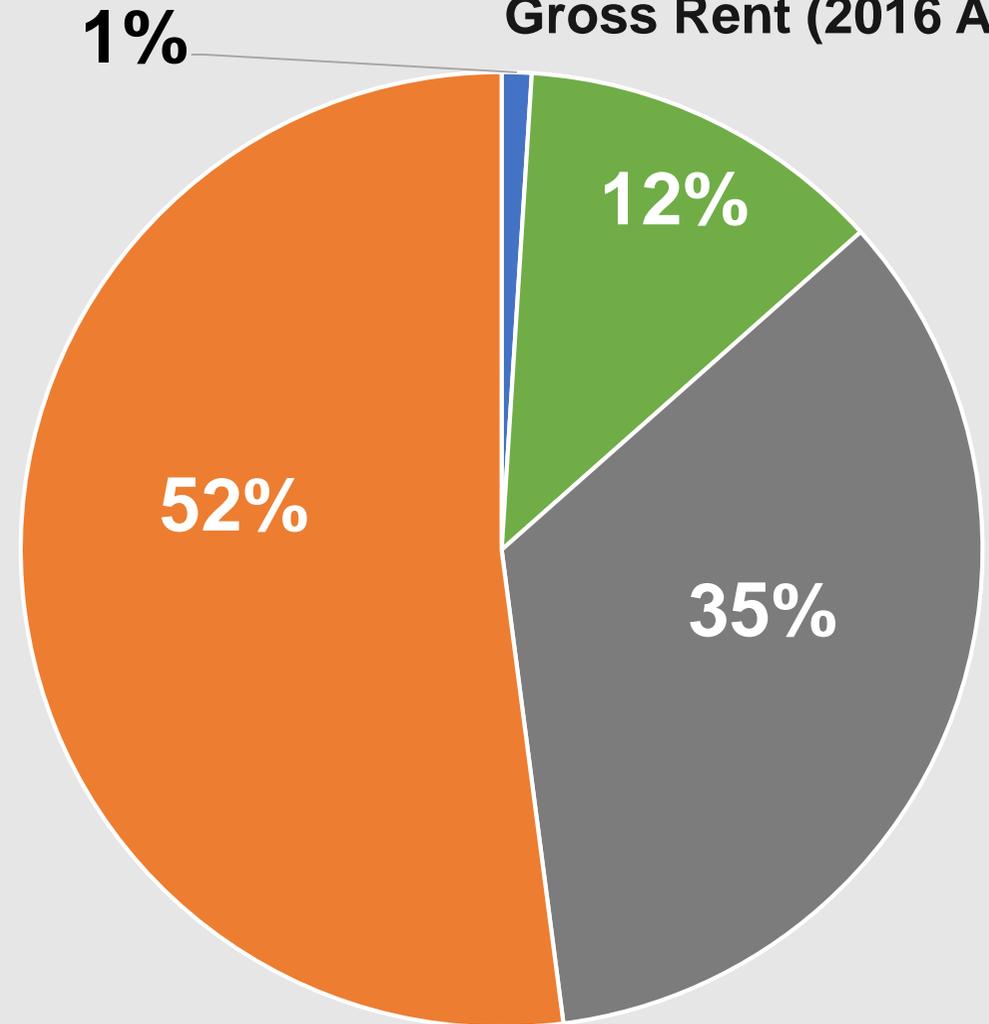
Sources: ACS 2016 Census Estimate

Owner Occupied Housing (2016 ACS)



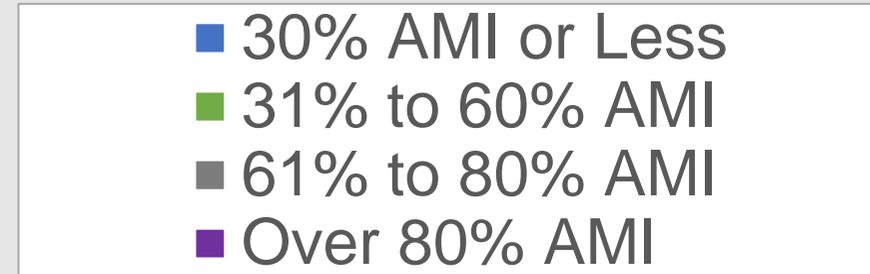
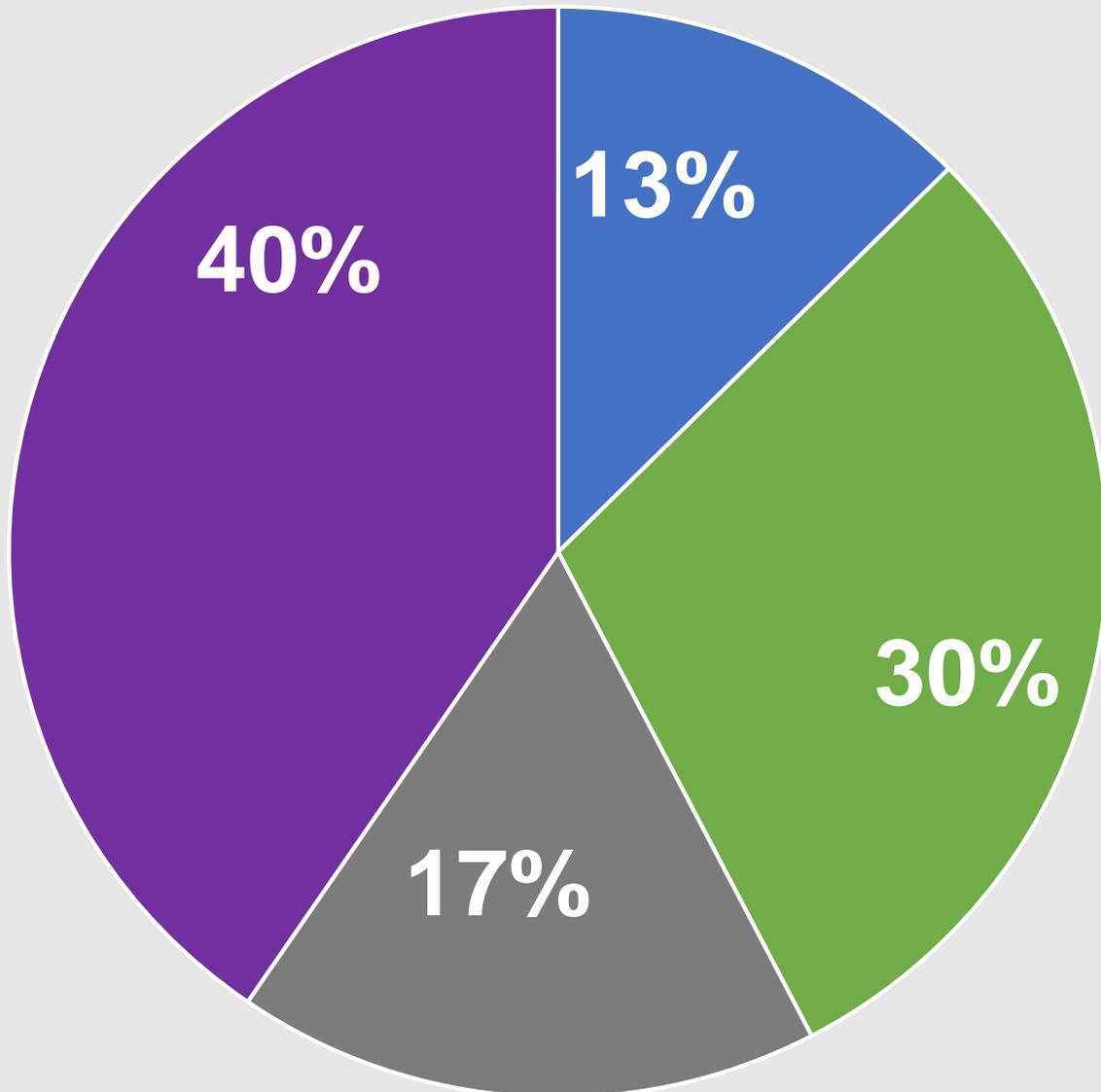
■ Less than \$100,000 ■ \$100,000-\$199,000
■ \$200,000-\$499,000 ■ \$500,000 or more

Gross Rent (2016 ACS)



■ Less than \$500 ■ \$500 - \$999
■ \$1,000 - \$1,499 ■ \$1,500 or more

HOUSING AFFORDABILITY AT AMI LEVELS

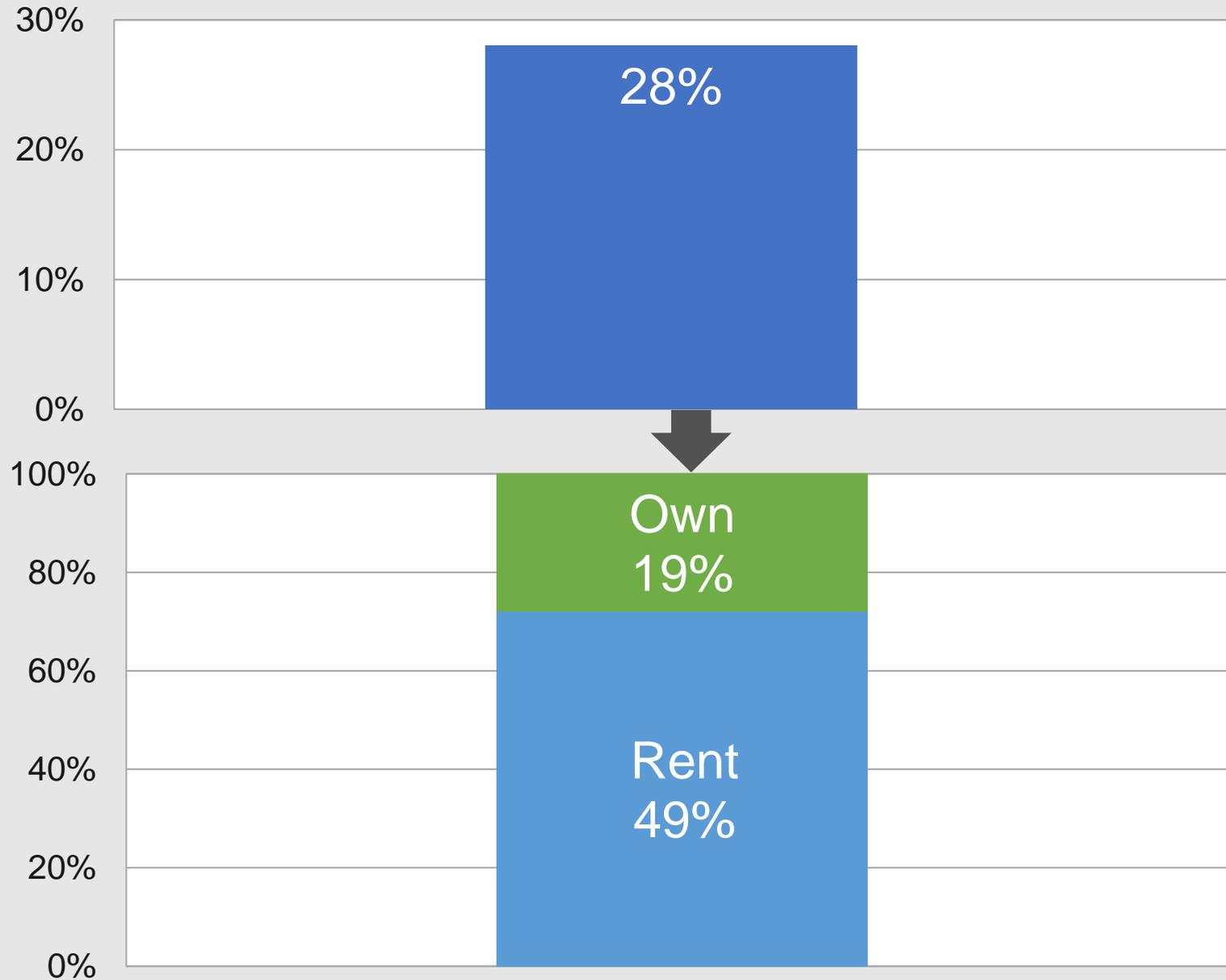


Percent of AMI	60%	80%
Sample household	Single mom, works as teacher, raising two kids	Family with two parents and two kids. Dad is a chef and mom is a half-time nurse's aide
Typical income	\$52,000	\$62,000
Affordable rental price including utilities	\$1,300	\$1,700

Sources: ACS 2016 Census Estimate

11%
Northfield's
POPULATION
BELOW THE
POVERTY LEVEL

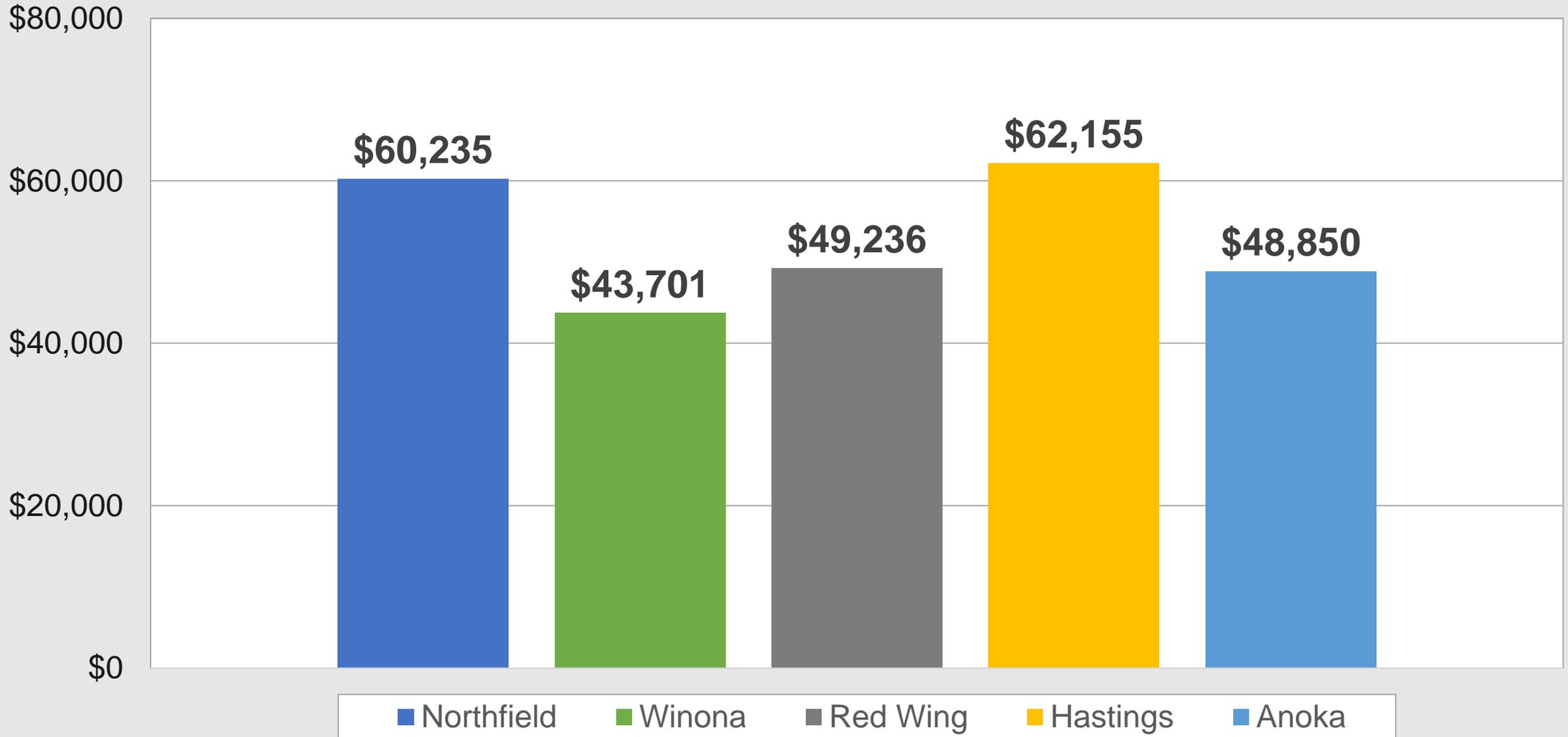
**COST-BURDENED
(30% OR MORE ON HOUSING)**



INCOME IN PEER COMMUNITIES

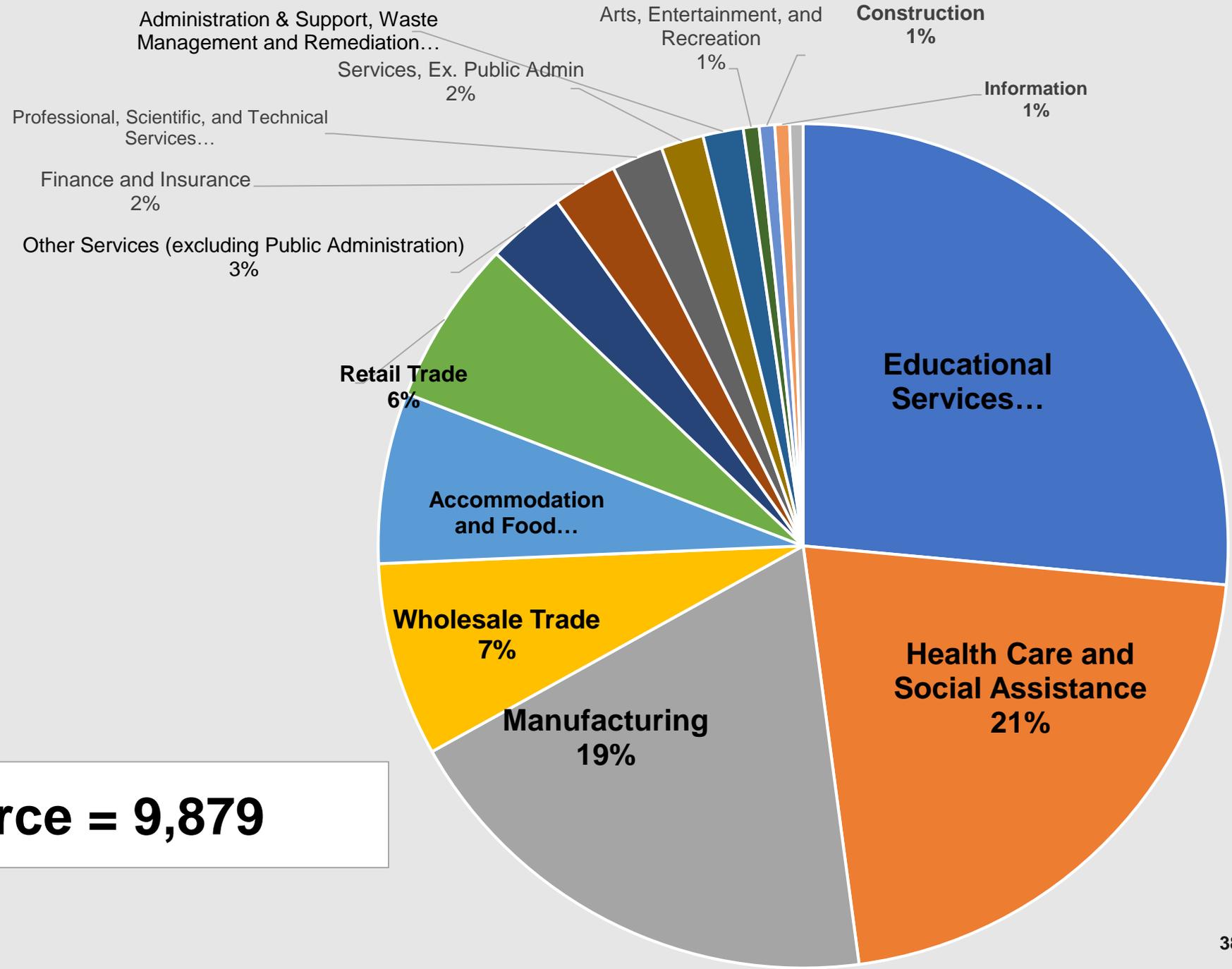
Median HH Income

Sources: ACS 2016 Census Estimate

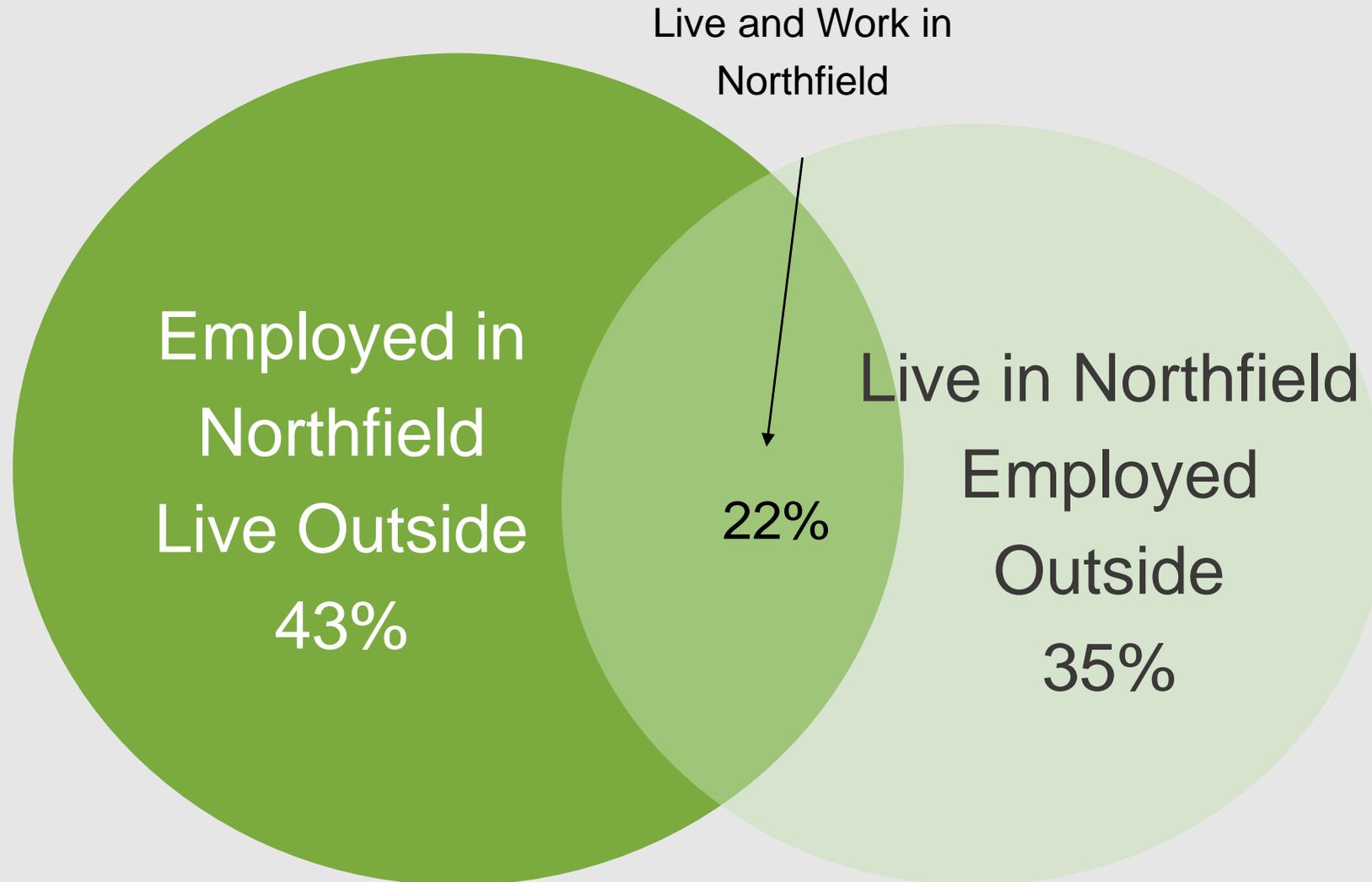


EMPLOYMENT BY INDUSTRY

Labor Force = 9,879

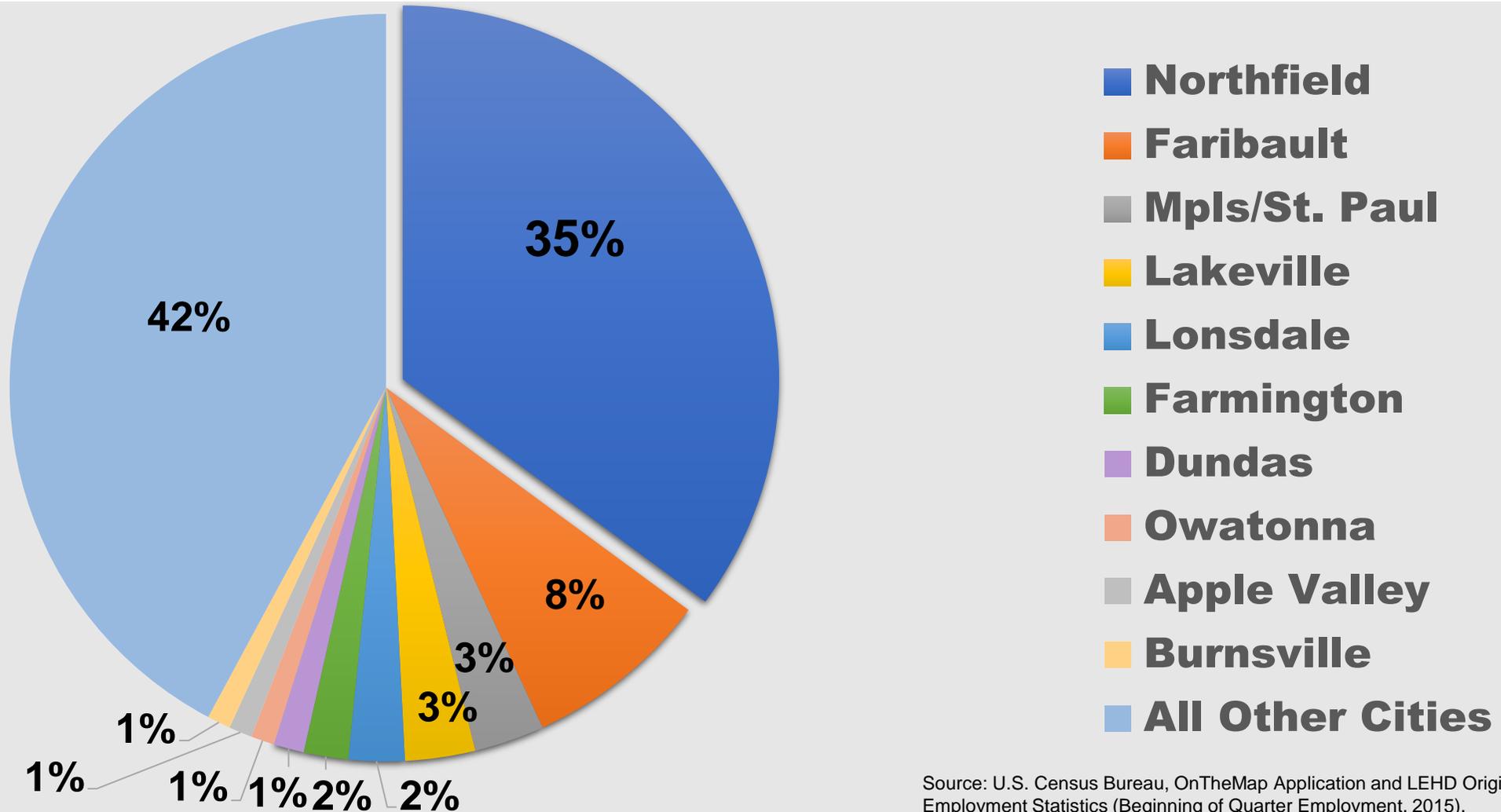


LABOR FORCE / RESIDENT WORKERS



WHERE LABOR FORCE LIVES

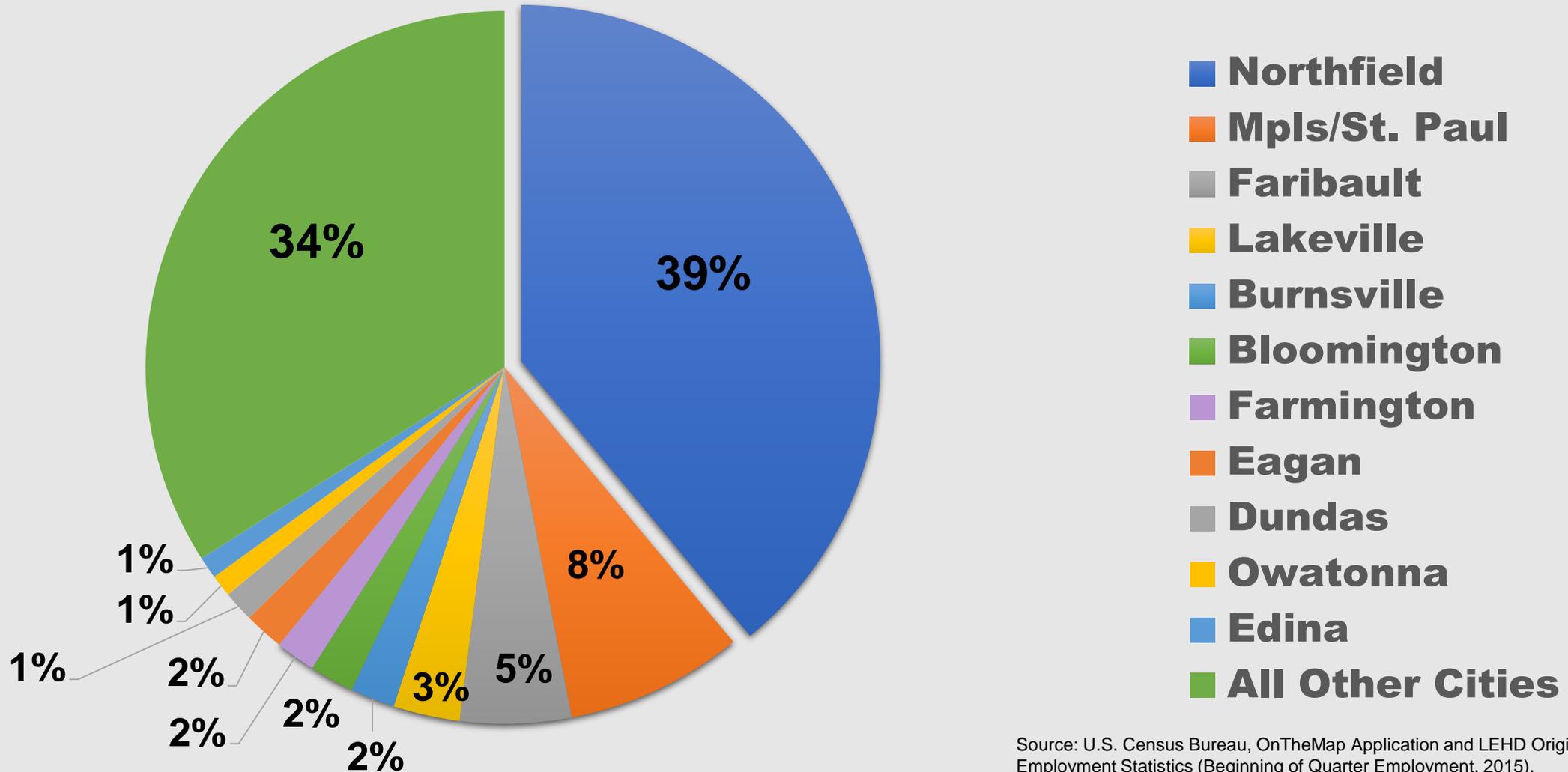
9,879 TOTAL (ACS, 2015)



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2015).

WHERE RESIDENT WORKERS COMMUTE TO

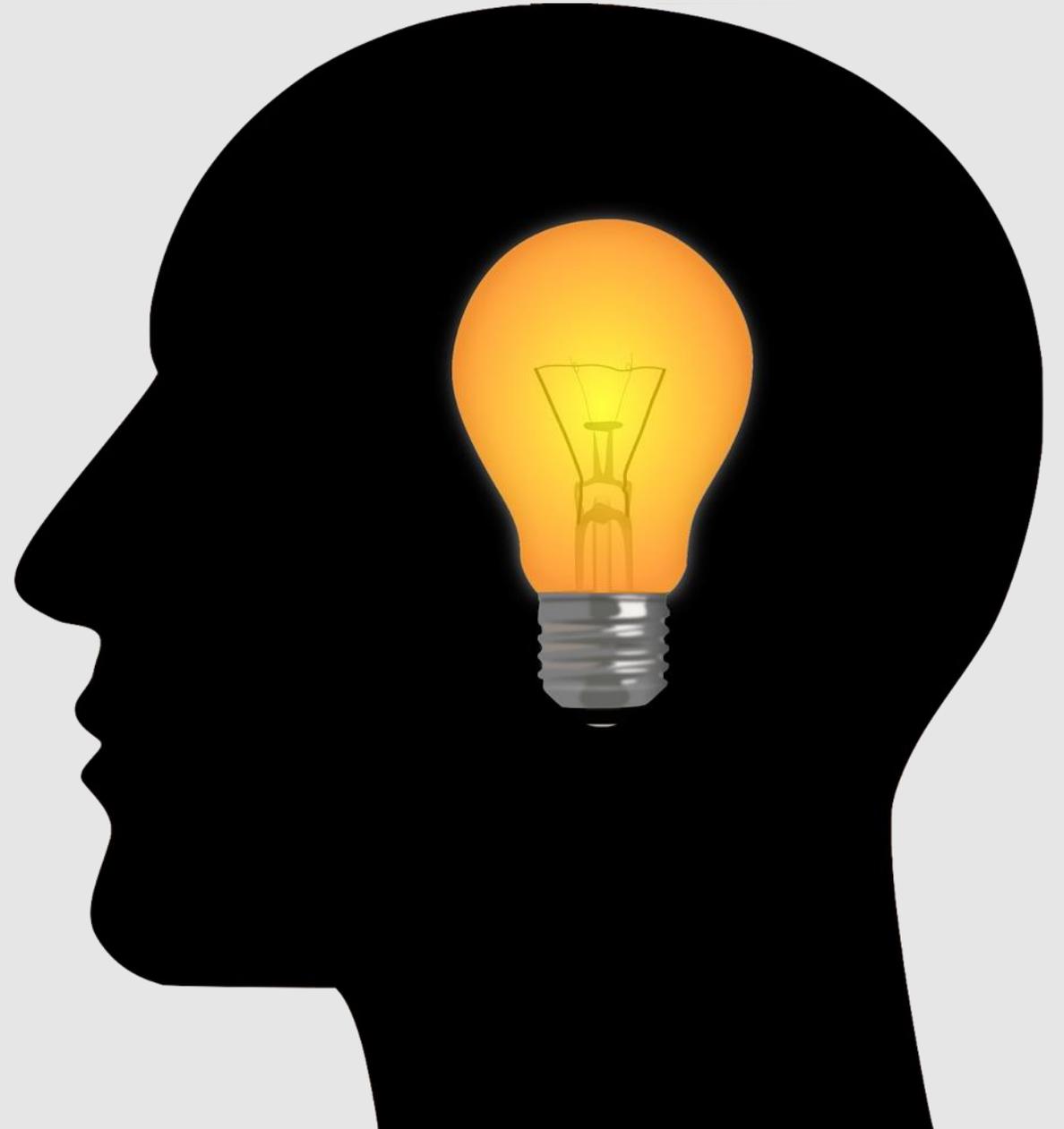
8,784 TOTAL (ACS,2015)





WHAT CAN YOU DO?
WHAT CAN WE DO TOGETHER?

HAVE A LONG-TERM
VISION, STRATEGY,
AND TOOLS FOR
YOUR COMMUNITY



GUIDING PRINCIPLES

1. Establish a **vision** and clearly articulate community **goals**.
2. Be **responsive and flexible** as market demands and national trends evolve.
3. Be attuned to the **cultural assets** of your community.
4. Foster **collaborative** and integrated strategies.
5. Analyze and modify land use **regulations to align** with community vision, goals and strategies.
6. Shift project review and approvals from **reactive to proactive**.
7. **Provide transparency** that clearly defines the (re)development process and expectations.
8. Provide existing **due diligence** information to developers upfront.
9. **Work as a team** to coordinate approval processes across all agencies, departments, elected offices, and investment partners.
10. Examine the **cost of doing nothing**.



**INDUSTRY
LEADER PANEL
DISCUSSION**

