

**ECONOMIC COMPETITIVENESS:
A SUMMARY OF THE METROPOLITAN
COUNCIL'S ECONOMIC RESEARCH,
INFORMATION, AND TECHNICAL
ASSISTANCE EFFORTS IN 2014**



January 2015

The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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The purpose of this document is to provide an account of the work of the Metropolitan Council in 2011-2014 to create an economic research, information and technical assistance program, to inform the local comprehensive plan update process that will occur in 2016-2018.

Since its inception, the Metropolitan Council has played an important role in supporting and advancing the economy of the Twin Cities Area. Minnesota Statutes assigns responsibilities to the Council that include:

- Transportation planning
- Transit planning and system delivery
- Wastewater planning and system delivery
- Water resources planning
- Regional parks and trails
- Support for livable communities
- Land use planning

When the Metropolitan Council board appointed by Governor Dayton began its work in 2011, it immediately identified a priority to assist with the strengthening of the region's economy. In ensuing years, this priority took several forms.

Economic discussions were included in the development of Thrive MSP 2040, which was adopted in May of 2014. This document retooled the Council's long-range regional plan to focus on outcomes (stewardship, prosperity, equity, livability and sustainability) and principles (integration, collaboration and accountability) rather than functional policy areas. The Thrive discussions of prosperity especially highlighted the importance of the region's economy, but the other outcomes and principles also had important economic implications. The many economic commitments made in Thrive led Council management to create a "Thrive Economic Competitiveness Implementation Team" consisting of staff from all Council divisions to ensure that these commitments would be pursued systematically. Sustaining an economically competitive region is a dynamic and collaborative process involving many organizations focused on the thoughtful integration of economic development, workforce development and community development.

Two issues in particular emerged during the Council's economic discussions in 2011 and 2012. First, there was a need for greater clarity regarding what exactly should be the Council's role within a larger effort on the part of many organizations to strengthen the region's economy? Second, it became clear that an important void that the Council could fill would be in the area of economic research and information dissemination.

To address both of these issues, the Council's regional planning director, Mark VanderSchaaf, was assigned to be the project lead. It was also recognized that consultant services would be needed to help the Council craft an economic strategy that would complement the work of other organizations in the region who had missions relating to various aspects of the region's economy. Janna King of Economic Development Services, Inc. was selected to fill this role, and began working with the Council in early 2013.

The focus of work in 2013 was defining with clarity an appropriate Council economic role in light of its statutory responsibilities, direction emerging from Thrive, and the specific economic challenges of our time. Working with the Council's Community Development Committee, it was determined that a useful scheme would be to establish "economic competitiveness" as the umbrella term for a variety of types of activities and organizations working on regional economic issues. Within the larger arena of economic competitiveness, it was also determined that three different types of activities and organizations contribute especially to the competitiveness of the region: economic development, community

Figure 1: Economic Competitiveness Partners & Roles



development and workforce development. Finally, it was noted that within this scheme, the Metropolitan Council primarily functions in the community development realm – both in terms of its own work as an agency responsible for basic regional infrastructure and services, and in terms of its role coordinating the local comprehensive planning of the region’s 185 municipalities.

With this scheme well established, the focus of Council work in 2014 shifted to determining what kinds of research, information and technical assistance activities could be useful for the Council to perform as the 2016-2018 local comprehensive planning process grew nearer.

To advance regional economic competitiveness, the Metropolitan Council is undertaking a Research

Information and Technical Assistance program focused on the Economic Competitiveness of the Minneapolis-St. Paul Metropolitan Region. It will expand access to economic research available to those engaged in addressing economic, community, and workforce development across the metropolitan region, with an emphasis on supporting local communities as they update their comprehensive plans during the 2016-2018 timeframe. To shape and inform this effort a series of county-wide workshops were hosted throughout the seven-county metropolitan area in 2014.

Summary of 2014 Summer Workshops

Table 1: Schedule of Summer Workshops

Participation and Purpose

Between June 2014 and November 2014, Metropolitan Council Staff reached out to staff representatives of each of the seven counties within the Metropolitan Area to help convene workshops with representatives of city, county, and non-profit staff involved with community, economic, and workforce development. Additionally, a joint meeting

Date of Introductory Workshop	Partners
June 25, 2014	Carver County and Scott County
June 30, 2014	Ramsey County and Washington County
July 31, 2014	Minneapolis and Saint Paul
August 13, 2014	Anoka County
August 14, 2014	Dakota County
November 14, 2014	Hennepin County

with representatives of the Cities of Minneapolis and Saint Paul was hosted to gain the unique insights and perspectives of these two major cities. Altogether, over 80 individuals attended the workshops, with representation from of each of the 7 county governments as well as 37 different local governments and other organizations including the Saint Paul Area Chamber of Commerce, Southwest Metro Transit, Dakota-Scott County Workforce Investment Board, Ramsey County Workforce Solutions, GREATER MSP, the West Broadway Coalition, the Saint Paul Foundation, and Metro Cities.

Each introductory workshop was structured as an interactive, roundtable-style session that focused on the concept of integrating economic competitiveness into local and regional plans, practices, and policies. Additionally, participants engaged in open discussion of how the Metropolitan Council could be a meaningful resource and partner in supporting economic competitiveness efforts both within and outside the comprehensive planning framework. The information gathered at the workshops,

summarized below, will continue to inform the Met Council staff’s approach to providing usable resources related to regional economic competitiveness.

What We Heard - Summary of Participant Feedback

In general, participant feedback at the Summer Workshops could be broadly categorized as touching on one of the following topic areas: (1) acknowledgement of the potential local benefits of a regional economic competitiveness and economic strategy; (2) questions and concerns about a regional economic competitiveness program initiated by the Met Council, and; (3) anticipated next steps and/or areas of need. The key themes that emerged within each of these topic areas are presented below.

Benefits

Fundamentally, participants at the summer workshops acknowledged the benefit of research information available to communities throughout the region to support the integration of economic competitiveness into the comprehensive planning process and other local strategies and projects. Many communities are challenged by the lack of staff and/or resources to effectively gather, analyze and distribute economic information. Centralizing this capacity at the Metropolitan Council provides an economy of scale and assures consistency in information.

Communities identified the benefit of sharing an understanding of the region’s economic drivers and clarifying their economic niche within the region – enabling them to build on their unique assets and address economic challenges facing their communities.

Participant Questions and Concerns

The summer workshops served Met Council staff with an opportunity to better understand the perspective of local and county community, economic, and workforce development professionals. The following core questions/concerns generally voiced at each of the workshops were:

- There is a concern that the Met Council's Economic Competitiveness work will introduce redundancy and/or conflict with work being undertaken by entities such as GREATER MSP, DEED, and local and county Economic Development agencies. Care should be taken to avoid duplication of efforts.
- Generally speaking, participants saw value in their organization’s involvement in regional economic competitiveness, but needed to review involvement with other staff and policy-makers.
- A number of participants made it clear that the Met Council's role should be that of convener and information conduit, and reinforced the importance of voluntary local engagement.

Areas of Need

The summer workshops provided an early opportunity to establish a regional dialogue focused on developing and sharing information and resources that can enhance the capacity of the region’s local governments and their development partners to advance the region’s competitiveness. Participants

provided feedback on possible research and technical assistance elements identified in Table 2. Several ideas were introduced by participants as desirable elements for future program focus:

Table 2: Program Components Ranked as “Useful” or Better at Summer Workshops

Research Elements
Real estate and site selection requirements of key industry sectors
Workforce characteristics and occupational concentrations
Greater MSP industry cluster intelligence localized by county
Information on freight and logistics
Inventory and analysis of sites meeting criteria of key industry sectors
Technical Assistance
Local Planning Assistance related to freight, logistics facilities, and land use
Assistance with sub-regional economic strategy
Assistance with incorporating economic strategy into comprehensive plans

- Met Council identification and reporting of best practices (at both regional and sub-regional scales) in fostering economic competitiveness.
- Met Council development and vetting of data, resources and tools that local and county agencies can integrate should they choose to prepare a local Economic Strategy.
- Data, programs, and resources to support redevelopment as a key component of economic competitiveness were identified as an important area of need.

Refinement Session – November Convening

Participation and Purpose

Metropolitan Council Staff invited attendees of all summer workshops to reconvene collectively on November 17 at the Wilder Center in St. Paul. Over 30 participants attended, with representatives from fourteen different cities and four different counties joined by representatives of the St. Paul Chamber of Commerce, Smartlink Scott County, the St. Paul Foundation, and Metro Cities. The November convening served as a continuation and further refinement of the Summer Workshops. Attendees were divided into rotated through small-group breakout discussions focused on potential research elements and technical assistance that participants at the Summer Workshops rated most highly (see Table 2, above).

Emerging Insights – November Convening

Based largely upon the input received at the Summer Workshops, Met Council Staff moderated four breakout sessions at the November Convening and encouraged participants to rotate between their choice of up to three topical sessions: (1) Real Estate Requirements of Economic Drivers and Sites for Economic Growth; (2) Freight and Logistics; (3) Geography of Industry Clusters, Workforce, and Access to Jobs, and; (4) Linking economic research and technical assistance to Comprehensive Plans. At each session, participants were asked to identify resources they currently were using and accessing within the particular topic area, and also to comment on what characteristics the Met Council should integrate into new resources that would be most useful. Generally speaking, the breakout sessions generated healthy discussion which will continue to inform the Met Council's program, and illustrated the ongoing benefit and need for continued collaboration as the program advances.

General Comments

- Participants encouraged alignment of Met Council's funding assistance programs/grants with the economic competitiveness initiative, potentially to include economic competitiveness criteria in application processes.
- Partners are interested in the Met Council presenting a suite of resources that touch both the regional and local levels from which partners can choose "a la carte" and integrate into their practices, policies, and planning.

Real Estate Requirements of Economic Drivers and Sites for Economic Growth

- The purpose of the inventory is for long range planning for sites for economic drivers and **NOT** facilitating current real estate transactions. The transaction-oriented tool is the responsibility of DEED and GREATER MSP using a technology like LOIS or ZoomProspector, possibly with a link to MNCAR data.
- One participant noted: "If your Council wants you to do 200 acres and a neighboring community is doing 200 acres and the market is likely to be 100 acres... it's good to know that."
- The inventory AND relating it to the needs of economic drivers will be helpful.

- The inventory may need a “fuzzy” category, because staff may be aware of projects that can be anticipated longer term, but are not officially recognized. (e.g. retiring farmer; brownfield ready for clean-up).
- There is a need for broker/developer input. Get the inventory and engage with brokers/developers on an annual basis. The dialogue with brokers familiar with the local market brings meaning to the numbers.
- There are outstanding questions and decisions about how the information will be kept up to date. Will it be a continuous or periodic process? Who will be responsible for updates?
- Consider developing a “checklist” that communities can use in evaluating particular development locations.
- Recognize the dynamics of site selection for different industries and in different contexts. Some industry types need large sites and some are more willing to consider vertical layouts/urban sites. Site selectors need to think through parking costs and transit access in different locations.
- There is generally consensus that it would be valuable for the Metropolitan Council to build the capacity to provide information and technical assistance related to Sites for Economic Growth available on a regional basis. Participants preferred to have the Met Council compile existing information from land use, comprehensive plans, and redevelopment plans then share and update that information in partnership with local jurisdictions, using a format that is uniform throughout the region.
- Participants also expressed an interest in using MetroGIS as a neutral platform for sharing data. Local governments in the region are partners in the parcel-based system and have the capacity to access the data, add to it, and access other layers of information to enhance local analysis.

Freight and Logistics

- Need to better understand freight needs and market needs. It’s difficult to target economic development without more information. This is a gap not served by Greater MSP or DEED.
- More information and market analysis could help land use planning. How do we accommodate growth and distribution needs? Where should distribution uses go? Where do we have land for this? Who would use industrial land near rail? It would be good to fill a void on freight in comp plans.
- Get more data on railroads and trucking. Find out volume, who uses mode, who has access, routes used, local versus through traffic and shipping destinations. Interested in relationship between trucking and other sectors. Cover the barge industry and how it fits into intermodal transportation.
- Develop working relationships with railroads. Can’t talk to railroad now or don’t know where to start. Helpful to have open dialog with railroads.
- Gain tools and data to analyze impact on people who live around freight (noise, crossings, blighted industrial land). Share best practices on mitigating local impacts.
- Interested in fact sheets to educate the public on the economic benefits of freight. Need broader regional conversation around freight and transportation assets.

Geography of Industry Clusters, Workforce, and Access to Jobs

- Participants acknowledged the existing data gap in workforce information, location of living wage jobs/employers, and whether/where employers have unmet employment demands, and the vitality of building such an information base locally and regionally. These considerations would be especially useful in planning for transportation investments.
- Participants were interested in further examination of the geography of industry clusters such that they'd be able to pinpoint clusters by City and identify local strengths as well as compare clusters by geography.

Linkage to Comprehensive Plans

- Local communities and policy makers will respond to compelling and clear economic data and indicators and leverage that data to prepare and implement their comprehensive plans. Met Council's role should be to gather, synthesize, analyze, and share data and findings.
- Some partners identified this effort as an opportunity for communities to improve and/or prepare a Comprehensive Economic Development Strategy (CEDS) that complements, informs, and aligns with local Comprehensive Plans.
- Met Council's effort should provide economic development guidance in the form of best practices to local governments that might inform multiple elements of comprehensive planning. Attempting to craft and/or prescribe a regional economic development strategy is not viewed as a priority for Met Council resources and focus.

Looking Forward – Resource Development and Vetting in 2015

With the primary intention of informing local comprehensive plans as they're prepared between 2016 and 2018, the elements of the Met Council's program will be introduced throughout 2015 via continued communication and periodic events with stakeholders in the region. Fundamentally, the program includes both a research agenda and technical assistance agenda which attempts to speak to the priorities identified at the summer workshops and fall convening. Although Council staff will continue to refine tools to support each agenda throughout 2015, a "primer" on activities anticipated in 2015 is provided below. Where applicable, Met Council staff will present examples of several of the resources for participant feedback at the Spring Convening on March 26, 2015.

Communications and Outreach

One of the primary aims of the Met Council's program is to foster improved and increased dialogue and understanding among local and county stakeholders on issues that impact the region's economic development and competitiveness. With this in mind, the Council intends to establish a communications effort in 2015, which may include the following:

- Increased presence at www.metrocouncil.org - a "Regional Economic Competitiveness" subpage will be created and maintained under the "Planning" heading of the council's webpage.
- E-mail communications - Met Council staff will communicate with interested partners via e-mail from a mailing list that was generated at the summer workshops and fall convening.
- Spring and Fall Convening - Met Council staff intends to coordinate all-agency convening events in the Spring (scheduled for 2 p.m. on March 26, 2015 at 60 Empire Drive, Suite 200 in Saint Paul) and Fall of 2015.

Integration with Local Planning Handbook

As communities and counties prepare to update their comprehensive plans beginning in 2016, the Metropolitan Council's online Local Planning Handbook promises to be a valuable resource at every step of plan preparation. In order to accommodate those communities that seek to create, update, expand, or improve an economic development element in their plan, the Local Planning Handbook will include a subpage dedicated to Economic Competitiveness, which will highlight the research, information, and technical assistance products introduced below.

- Fact Sheets - Met Council staff continues to assemble key data and trend information related to the region's economic competitiveness to feed concise, illustrative regional and sub-regional "fact sheets".
- Static Maps - Met Council staff will build upon the solid foundation of map products developed for *THRIVE MSP 2040* in order to detail, and as appropriate to localize, geographic phenomena that influence – and are influenced by – local and regional economic competitiveness.
- Best Practices - Met Council staff will catalog economic competitiveness practices employed by peer communities and regions, and share pertinent findings.
- Mapping - The Metropolitan Council's expansive GIS capabilities are anticipated to be a significant resource for our partners who wish to actively engage in the program.
- Templates – Council staff will research and prepare an effective framework of documents, strategies, and tools that local practitioners can reference and build upon within their own unique set of circumstances.
- Inventory and Analysis Tools - These tools will seek to assist practitioners in assembling an inventory of local sites that meet market expectations and demand, and in evaluating local sites against criteria for particular types of development.



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