

Economic Competitiveness and Prosperity

Scope, authority, definitions and context

According to [state statute](#), *Thrive MSP 2040* shall guide the “the orderly and economical development, public and private, of the metropolitan area” and furthermore “recognize and encompass physical, social, or economic needs of the metropolitan area”. Additionally, pursuant to [statute](#), the transportation chapter must include “the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers.”

Regional economic competitiveness is strategic, long-term and focused on the region’s economic strengths relative to other regions.

Economic drivers, also known as basic sectors, are industries that export a product or service beyond the region. These businesses and institutions bring wealth into the region and create higher-paying jobs than local-serving businesses.

The Council has proposed the following goal for *Thrive MSP 2040*:

A vibrant and globally competitive economy creates opportunities for residents and employers.

While economic competitiveness is a new emphasis for the Metropolitan Council, the Council’s long-range planning and infrastructure investments already advance regional economic prosperity by:

- Planning for the efficient movement of people and freight globally, nationally and regionally;
- Providing cost-effective and efficient wastewater treatment;



- Contributing to a quality of life and cost structure that attract and retain a talented workforce;
- Working with local jurisdictions to provide access and infrastructure to employment locations;
- Creating a consistent framework for land use planning.

The Council’s specific contributions to regional economic competitiveness lie in the arena of **community development** – that is, supporting the infrastructure, amenities and quality of life that are essential to attracting and retaining businesses and workers.

Today’s issues are strongly connected to past *Thrive* discussions on:

- Agriculture Policy;
- Geographic Planning Areas;
- Transportation Policy (Highway, Transit and Bicycle / Pedestrian); and
- Water Sustainability.

Existing policy direction

The [Regional Development Framework](#) frames the Council’s work around land use, development, transportation and housing, and views businesses and employers primarily as consumers of real estate rather than drivers of where growth and development could occur. Key policies relevant to business needs are primarily in transportation policy:

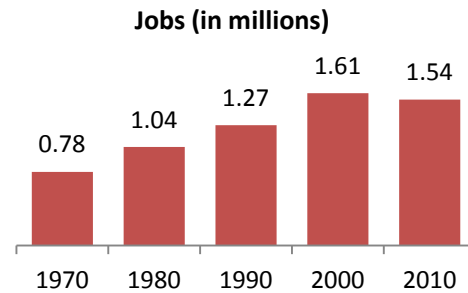
- Promote the development and preservation of various freight modes and modal connections to adequately serve the movement of freight within the region and provide effective linkages that serve statewide, national and international markets.
- Support airport facilities investments to keep pace with market needs and maintain the region’s economic vitality.

While not explicitly included in the *Framework*, the Council tracked a [benchmark](#) that 55 percent of net job growth would occur in the developed area (including the central cities).

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Emerging tensions

Since the adoption of the *Framework*, the region saw its first decade with net job loss since the Great Depression, losing 63,000 jobs from 2000 to 2010. The job losses of the last decade, combined with an [emerging recognition](#) that in



today's global economy regions are the primary drivers of economic growth, helped lead to the creation of [GREATER MSP](#) as a regional economic development partnership to market the area to site selectors. More recently, the McKnight Foundation funded National Association of Regional Councils and MZ Strategies to recommend [strategies for regional competitiveness](#):

1. Establish ownership and clarify roles around a single economic strategy;
2. Define and monitor performance of regional goals for equitable economic growth;
3. Market regionally and coordinate locally to successfully compete in global marketplace;
4. Focus economic and workforce development around core industry clusters;
5. Prioritize public investments in infrastructure, education and quality of life.

While the Council is partnering in addressing all of the recommendations, *Thrive* and the regional planning process focus on the fifth recommendation – public investments in infrastructure and quality of life.

Freight rail makes significant but often-underappreciated contributions to economic competitiveness. The Metropolitan Council and the Minnesota Department of Transportation recently completed [Twin Cities Metropolitan Region Freight Study Summary Report](#), which highlighted, among its findings, the tensions between land use and economic activity:

- Pressures to redevelop industrial land along rivers and railroads in the metro region may threaten the viability of water and rail-dependent industries and freight terminals.
- Increased non-industrial land development and encroachment upon industrial land uses in urbanized areas may affect the efficiency of operating freight terminals and may lead to conflicts between industry with residential communities, commercial districts, and parklands.

Questions for discussion

- A. **Promoting economic competitiveness in local comprehensive planning**
- Traditionally the comprehensive planning process is led by land-use planners, local residents and policymakers with very limited consideration of economic development. Nonetheless, [state statute](#) permits plans to contain, “an economic development element that identifies types of mixed use development, expansion facilities for businesses, and methods for developing a balanced and stable economic base.” To effectively integrate economic development into local comprehensive planning, local jurisdictions should analyze their contributions to the regional economy, engage businesses (especially but not exclusively economic drivers) and be thoughtful about how their key development/redevelopment areas support economic development and economic competitiveness. How could the Council help local governments more effectively integrate economic competitiveness considerations into local comprehensive plans?
- Provide enhanced information on local economic competitiveness to inform local comprehensive planning;
 - Offer technical assistance to the region's local governments on economic development and how comprehensive planning can advance regional economic competitiveness;
 - Create shared venues for businesses to communicate their local comprehensive plan concerns to local governments;

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- Encourage local governments to listen to business voices early in the local comprehensive planning process, providing critical insights to policymakers and influencing local comprehensive plans;
 - Strengthen the Council’s expectations around local requests for revisions to local employment forecasts.
- B. Promoting regional economic competitiveness** The Council currently has a consultant under contract to define the Council’s opportunities to more effectively align its work with economic competitiveness. Broadly defined, what additional roles should the Council perform to support regional and local planning to advance regional economic competitiveness and prosperity?
- Include a goal on economic competitiveness in Thrive and identify appropriate policies in the systems plans to advance the goal;
 - Collaborate with GREATER MSP to understand the region’s economic drivers, including employer needs related to place-based factors such as transportation, land use, water, wastewater, talent retention and attraction, and workforce access to jobs;
 - Consider economic competitiveness as a lens for the Council’s planning and operational decisions;
 - Work with regional and local partners to develop a federally-recognized [Comprehensive Economic Development Strategy](#) which analyzes the regional economy, identifies strategies to build on the region’s economic strengths and opportunities, and focuses on economically distressed areas and populations aligned as a Thrive policy plan.
- C. Regionally significant economic places** Should the Council designate “regionally significant economic places” to receive both a higher level of land use scrutiny and resources? If so,
- Recognizing that a broad definition would dilute the importance of the designation, should the definition include:
 - Significant concentrations of economic drivers, such as corporate headquarters or major manufacturers;
 - Places associated with infrastructure that connects our region, our residents and our freight to the global economy – such as airports, freight terminals, and river ports; once these uses are lost, they are extremely hard to recreate;
 - Locations that are well-located and well-served by infrastructure but are underutilized; redevelopment of these areas could provide the space that large employers need, but may exceed the capacity of any single local government.
- What policies should be associated with regionally-significant economic places?
- Higher expectations of land use to maximize existing infrastructure;
 - Higher priority for Council grants;
 - Increased technical assistance.
- D. Protecting industrial land** Industrial jobs in production, distribution, repair and logistics offer the highest wages for workers without a college degree. Historically, working-class neighborhoods grew up around industrial locations, but the challenges of redevelopment made greenfield locations cheaper sites despite freight and workforce access. Pressures to redevelop industrial land along rivers and railroads into recreational or residential uses may be threatening the viability of water and rail-dependent industries and freight terminals. What will the Council do to preserve industrial land located close to freight connections and workforce?
- Pursue a metrowide inventory of industrial land and its accessibility via freight connections (including barge, local rail spur and intermodal rail terminals) as well as to potential workers;
 - Explore using Comprehensive Plan review to protect freight-dependent land uses in areas well-served by barge or rail;
 - Prioritize brownfield redevelopment for industrial uses in areas well-served by barge or rail or proximate to a potential workforce;
 - Develop innovative approaches to integrate working industrial land uses with recreational access to riverfront land.