Regional Economic Competitiveness | Local Comprehensive Planning

An End-of-year Update to the Metropolitan Council Community Development Committee

12/21/2015

METROPOLITAN COUNCIL

Regional Economic Competitiveness

"The ability of a region to compete effectively and prosper in the global economy"

Economic Competitiveness Land Use Policy

- **Prioritize cost-effective investments**
- **Range of locations**
- **Support freight transportation**
- **Intensify Job Concentrations**
- **Technical assistance, information, research, and analysis**

METROPOLITAN COUNCIL

Economic Competitiveness | Approach

- Strengthen the link between **local comprehensive planning** and issues of **regional economic competitiveness**

- **Lead and share research** with local partners on the economy

- Foster/Grow **Partnerships**
  - Local/County Staff
  - State Agencies
  - GREATER MSP

METROPOLITAN COUNCIL

Local Planning Handbook

- Guidance for communities to **enhance their plan**
- **Data and research information** on regional economy
- Plan **examples** and other **best practices**


LOCAL PLANNING HANDBOOK

PLANNING OVERVIEW
PLAN ELEMENTS
Land Use
Transportation
Water Resources
Parks & Trails
Housing
Resilience
Economic Competitiveness
Implementation
COMMUNITY PAGES
REVIEW PROCESS
LOCAL PLANNING HIGHLIGHTS
RESOURCES
CONTACT US
Training & Workshops

ECONOMIC COMPETITIVENESS

As acknowledged in Thrive MSP 2040, regional economic competitiveness is a core element of the Region's sustained prosperity. Collectively, the region must provide great locations for businesses to succeed – particularly those industries that export products or services beyond the metropolitan area and bring revenue and jobs to the region.

Economic competitiveness in the context of comprehensive planning refers to examining and strengthening the ability of the region to compete effectively and prosper in the global economy. **Economic development** typically refers to activities that directly aim to retain, attract, and grow businesses that bring wealth into a community or region. Economic development in our region is effectively carried out by organizations such as Greater MSP, economic development authorities, cities, port authorities, industry associations, the Minnesota Department of Employment and Economic Development (DEED), nonprofits, counties, chambers of commerce, and businesses. While the Metropolitan Council does not assume an active role in economic development, the Council's role in providing regional infrastructure, services, and amenities that serve as a foundation for economic growth is intended to align with and support ongoing economic development efforts to the greatest extent possible.

The economic competitiveness resources offered in the Local Planning Handbook are presented to support communities that choose to develop an economic development element or otherwise integrate economic competitiveness into their comprehensive plan.

Economic Competitiveness Plan

KEY INDUSTRIES/CENTERS OF EMPLOYMENT
REDEVELOPMENT
EDUCATION AND WORKFORCE
BUSINESS DEVELOPMENT
ECONOMIC INFORMATION, MONITORING, AND STRATEGIC INITIATIVES

Economic Competitiveness Resources

Plan Examples
Fact Sheets
Mapping
FAQs
Best Practices
Forms & Templates

Research Agenda | 2015

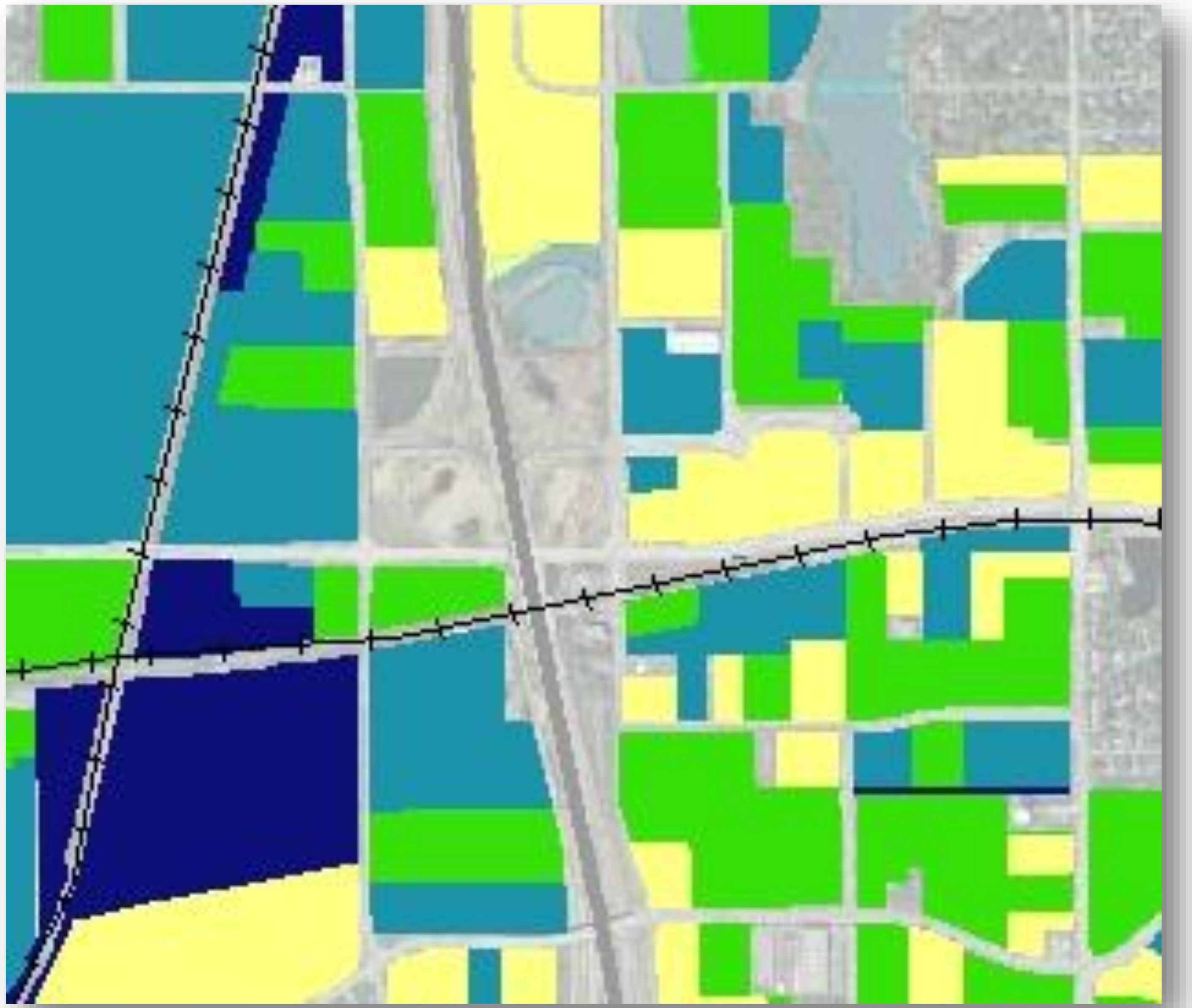
- Core Industry **Clusters**
- **Real Estate** Requirements of Core Industry Clusters
- **Sites** for Economic Growth
- **Freight and Logistics**
- Leading **Occupations**
- **Access to Jobs**

METROPOLITAN COUNCIL

Research Agenda | 2015

- Real Estate **Preferences** of Core **Industry Clusters**
  - Site selector **survey**
  - Key person **interviews**

- **Sites** for future economic growth
  - Collaborate with local/county partners on consistent analysis and methodology
  - Integration of survey, interview findings into qualitative tools



METROPOLITAN COUNCIL

Site Selector Survey

- Four broad **topical** areas:
  - Transportation Access
  - Real Estate
  - Community/Local Services
  - Workforce
- **SIOR** and **NAIOP** of Metro Area*
- Followed up with **One-on-One Interviews**
  - Site selection professionals
  - Top tier contractors/developers
  - Utilities
  - DEED

SurveyMonkey

Ranking Site Selection Factors of Key MSP Industries

Real Estate

5. Real Estate: Please identify the importance of each of the following factors in site selection decisions for the seven key industry sectors.

	Finance and Insurance	Advanced Manufacturing	Food Manufacturing and Wholesaling	Headquarters and Advanced Business Services	Freight and Transportation	Health, Science and Water Technology	Infor Tech
Availability of existing office space							
Availability of existing production/warehouse space							
Availability of bulk warehouse/distribution space							
Availability of specialized tech space (e.g. clean room, data center)							
Availability of flexible/creative space							
Availability of prepared site with infrastructure							
Availability of land without infrastructure							
Cost of space/land							

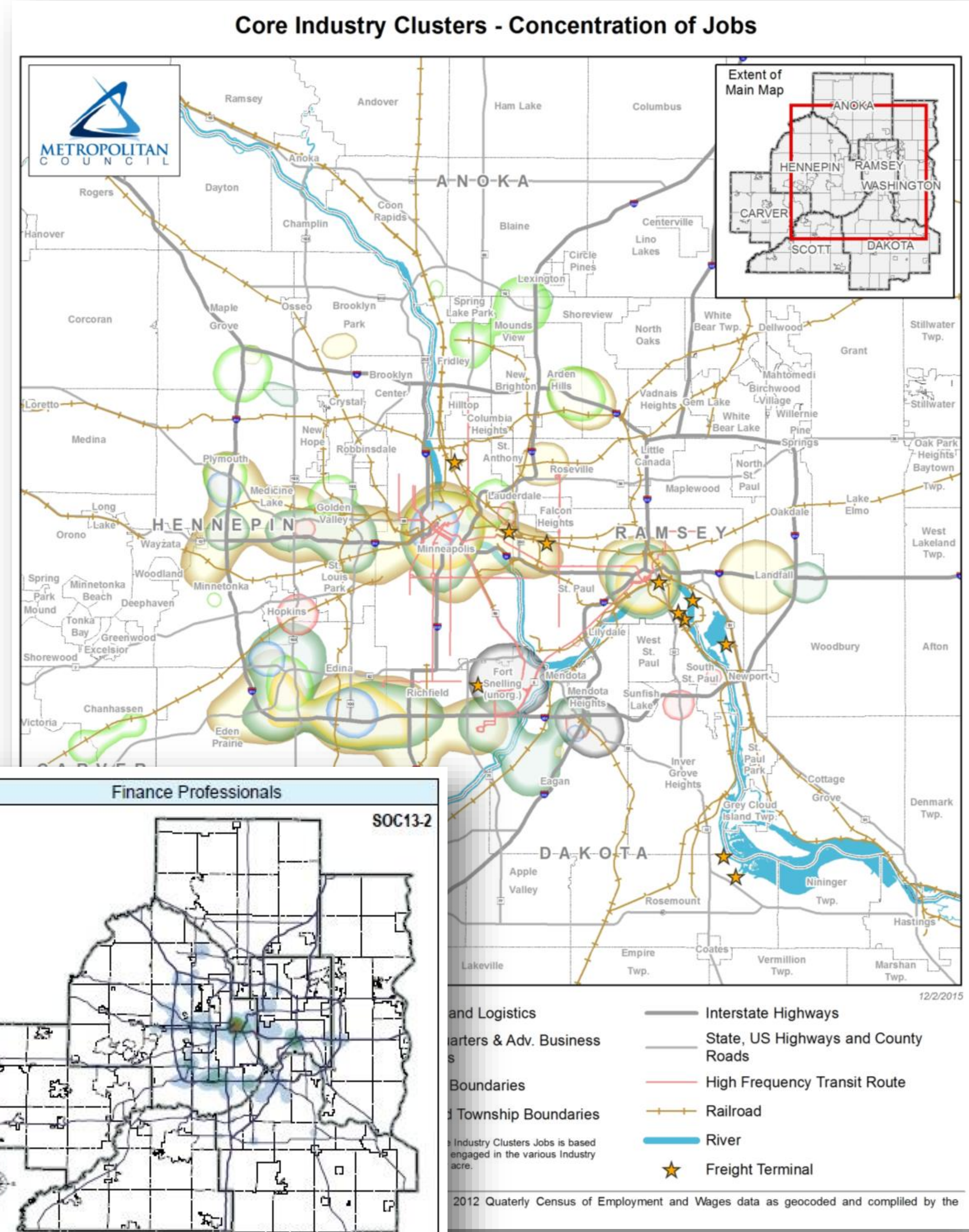
6. Please share additional comments (if any) regarding real estate.

* SIOR is the Society of Industrial and Office Realtors;
NAIOP is the National Association of Industrial and Office Parks

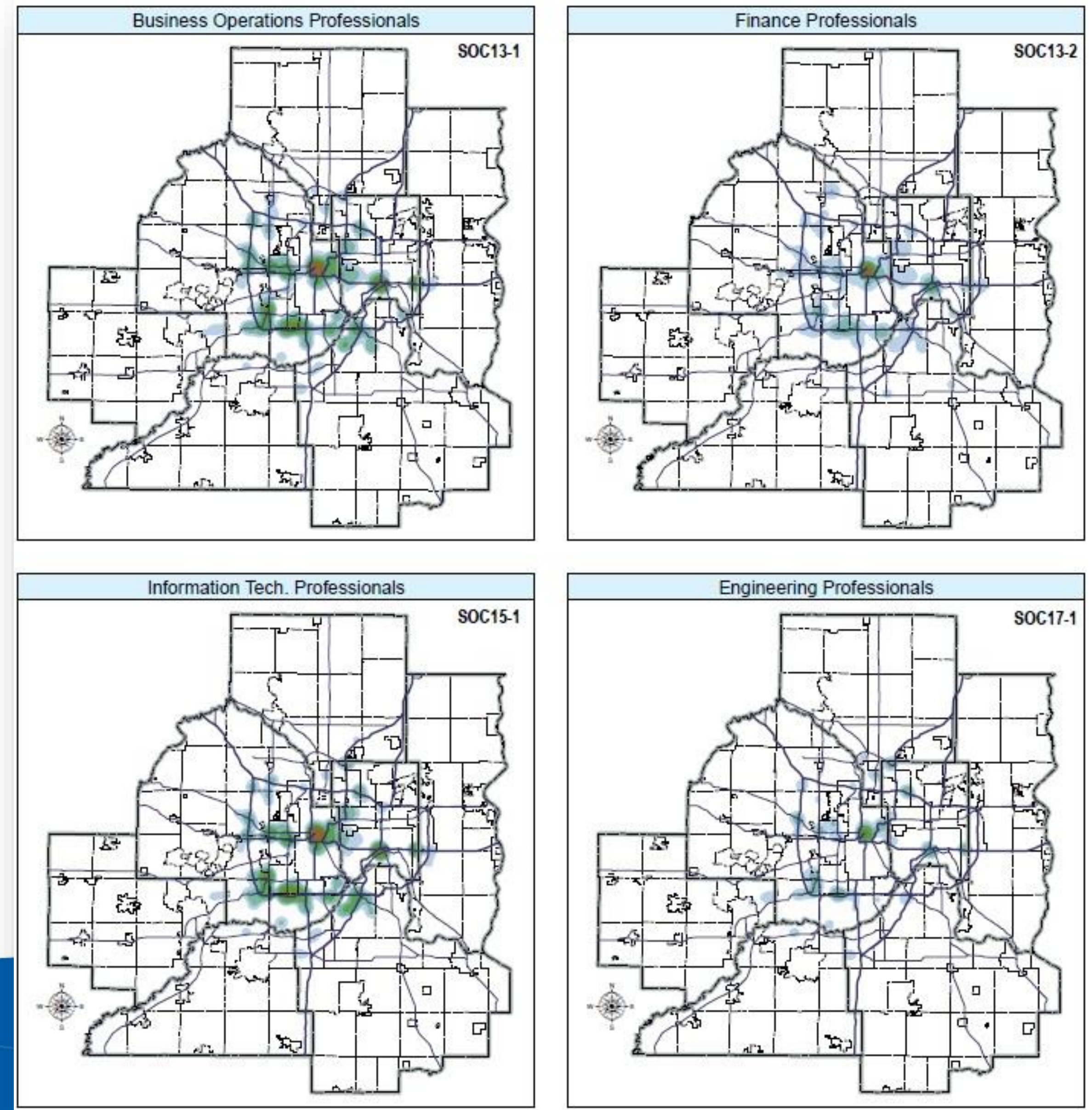
METROPOLITAN COUNCIL

Research Agenda | 2015

- Core **Industry Clusters**
  - Build on GREATER MSP, Humphrey School
  - Specific to 7-county region
  - **Geography of clusters**



- Leading **Occupations**
  - Identify **occupational strengths** for key industries
  - Identify trends in their **geography**
  - Identify trends in **workforce geography**



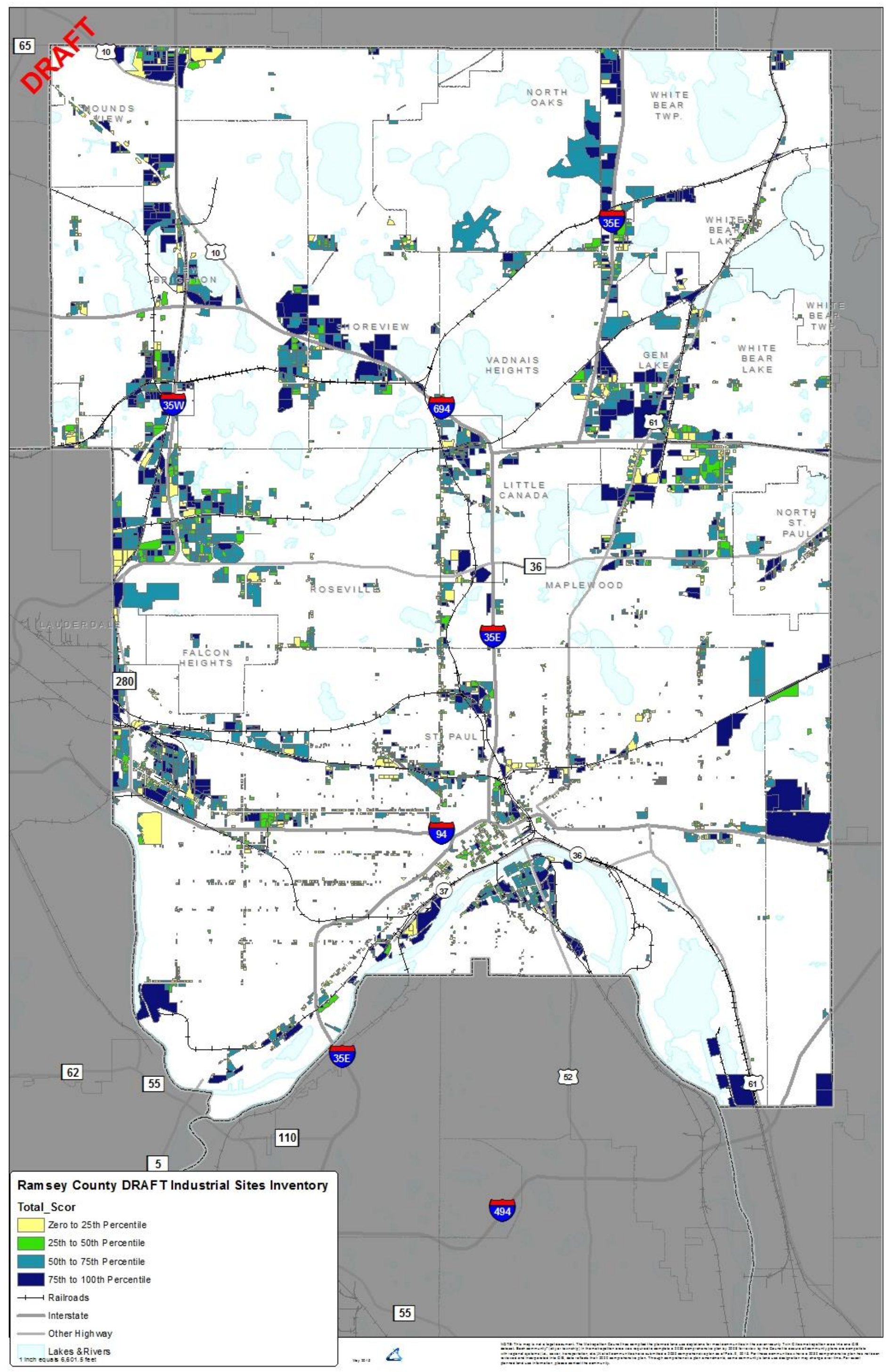
“Sites” Methodology

- Ramsey County **“Pilot”**
  - Redevelopment focus
  - Saint Paul Area **Chamber**
  - **Ramsey County** staff
  - City of **Roseville** staff
  - City of **White Bear Lake** staff

- **GIS** platform
  - Consistent **criteria**
  - Local **weighting**
  - Inform local **economic strategy**
  - Inform local **land use** guidance

CANDIDATE SITES TOOL | REDEVELOPMENT

STEP ONE: Y/N CRITERIA		
* *These are the initial* ***selection*** *criteria which will determine which properties are "candidate sites" for further evaluation (Step 2).*		
Within 2040 MUSA		
Existing Use is:		
- Industrial/Manufacturing/Extraction (incl. Mixed Use Industrial)		
- Commercial (Incl. Mixed Use Commercial)		
- Office		
- Vacant		
- Golf Course (Id Public/Private)		
STEP 2: WEIGHTED CRITERIA (GENERAL)		
Criteria		Weight Range
Comp Plan Guiding		*-.05 to .05*
- Residential, Public Open Space, Institutional, other Inconsistent		-.05
- Commercial, Office, or Similar		0.025
- Industrial, Manufacturing, or Similar		0.05
Parcel Size		*-0.1 to 0.05*
- Less than 1 acre		-0.1
- Greater than or equal to 1 acre		0.025
- Greater than 10 acres		0.05
Brownfield (if yes, apply +.05)		*0 to .05*
Tax Base Density (/acre)		*0 to .15*
- Lowest 1/4		0.15
- Low-Mid 1/4		0.1
		0.05
		0
...ssing)		*-.15 to .1*
		-.15
		0.05
		0.1
		0 (not vacant) to .15 (vacant)
		-0.30 to 0.55



Areas of Focus | 2016

- Continue building out resources in the **Local Planning Handbook**

- Ongoing **collaboration** with local partners
  - Ramsey County **"Pilot"**
  - Sites methodology for **new development**
  - **LPA Training Program**

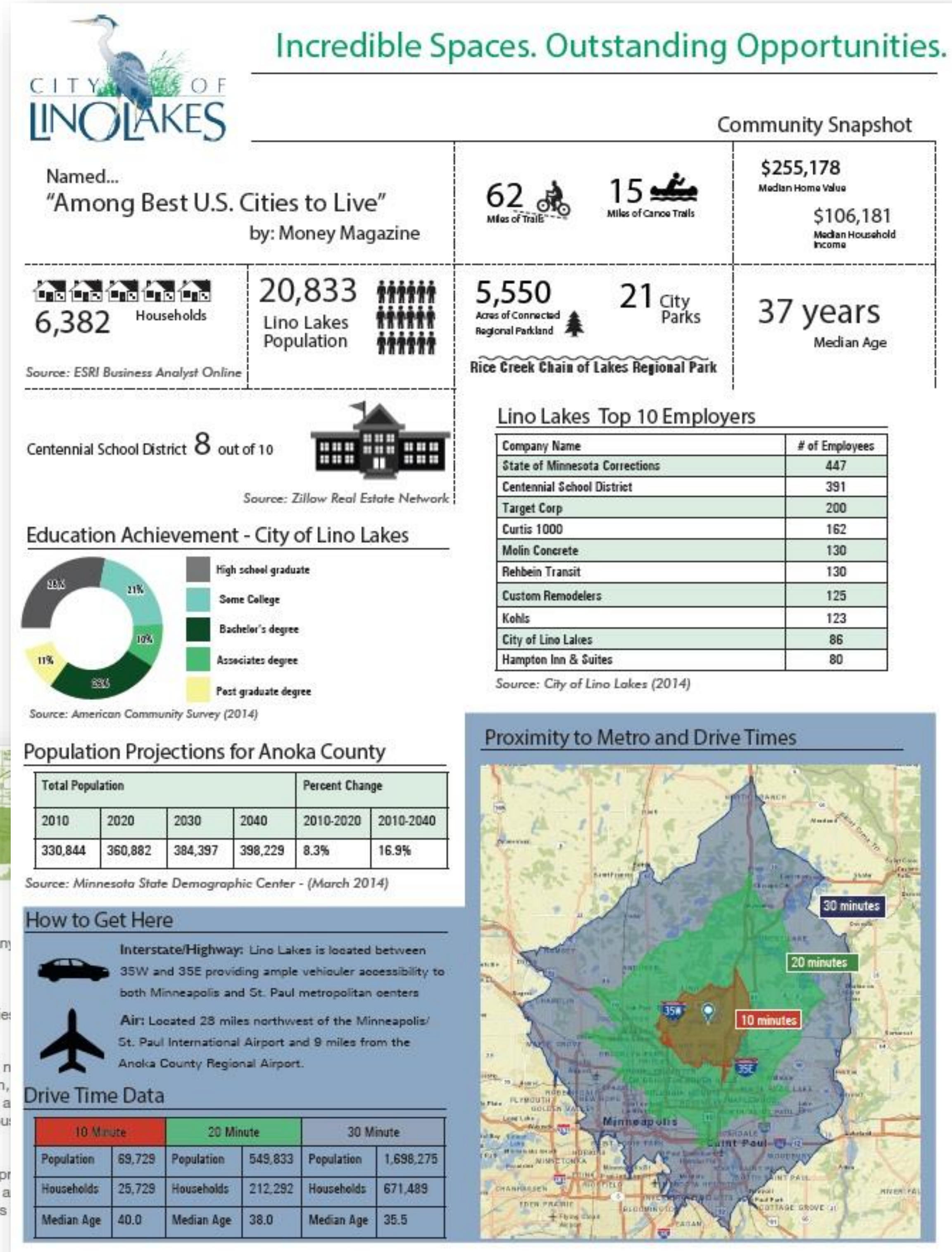
- Increased focus on **workforce** and **access to jobs**
  - Local Employment Dynamics
  - Commute patterns by industry, income levels, etc.

METROPOLITAN COUNCIL

Areas of Focus | 2016

- Fact Sheets
  - Context and data related to **regional economy**
  - Start the **local conversation**

- Best Practices/Plan Examples
  - Catalog of plans, success stories to **inspire next round of local plans**



Incredible Spaces. Outstanding Opportunities.

CITY OF LINO LAKES

Community Snapshot

Named...
"Among Best U.S. Cities to Live"
by: Money Magazine

62 Miles of Trails

15 Miles of Canoe Trails

$255,178 Median Home Value

$106,181 Median Household Income

6,382 Households

20,833 Lino Lakes Population

Source: ESRI Business Analyst Online

5,550 Acres of Connected Regional Parkland

21 City Parks

Rice Creek Chain of Lakes Regional Park

37 years Median Age

Centennial School District 8 out of 10

Source: Zillow Real Estate Network

Education Achievement - City of Lino Lakes

High school graduate
Some College
Bachelor's degree
Associates degree
Post graduate degree

21%
10%
11%

Source: American Community Survey (2014)

Lino Lakes Top 10 Employers

Company Name	# of Employees
State of Minnesota Corrections	447
Centennial School District	391
Target Corp	200
Curtis 1000	162
Molin Concrete	130
Rehbein Transit	130
Custom Remodelers	125
Kohls	123
City of Lino Lakes	86
Hampton Inn & Suites	80

Source: City of Lino Lakes (2014)

Population Projections for Anoka County

Total Population				Percent Change	
2010	2020	2030	2040	2010-2020	2010-2040
330,844	360,882	384,397	398,229	8.3%	16.9%

Source: Minnesota State Demographic Center - (March 2014)

How to Get Here

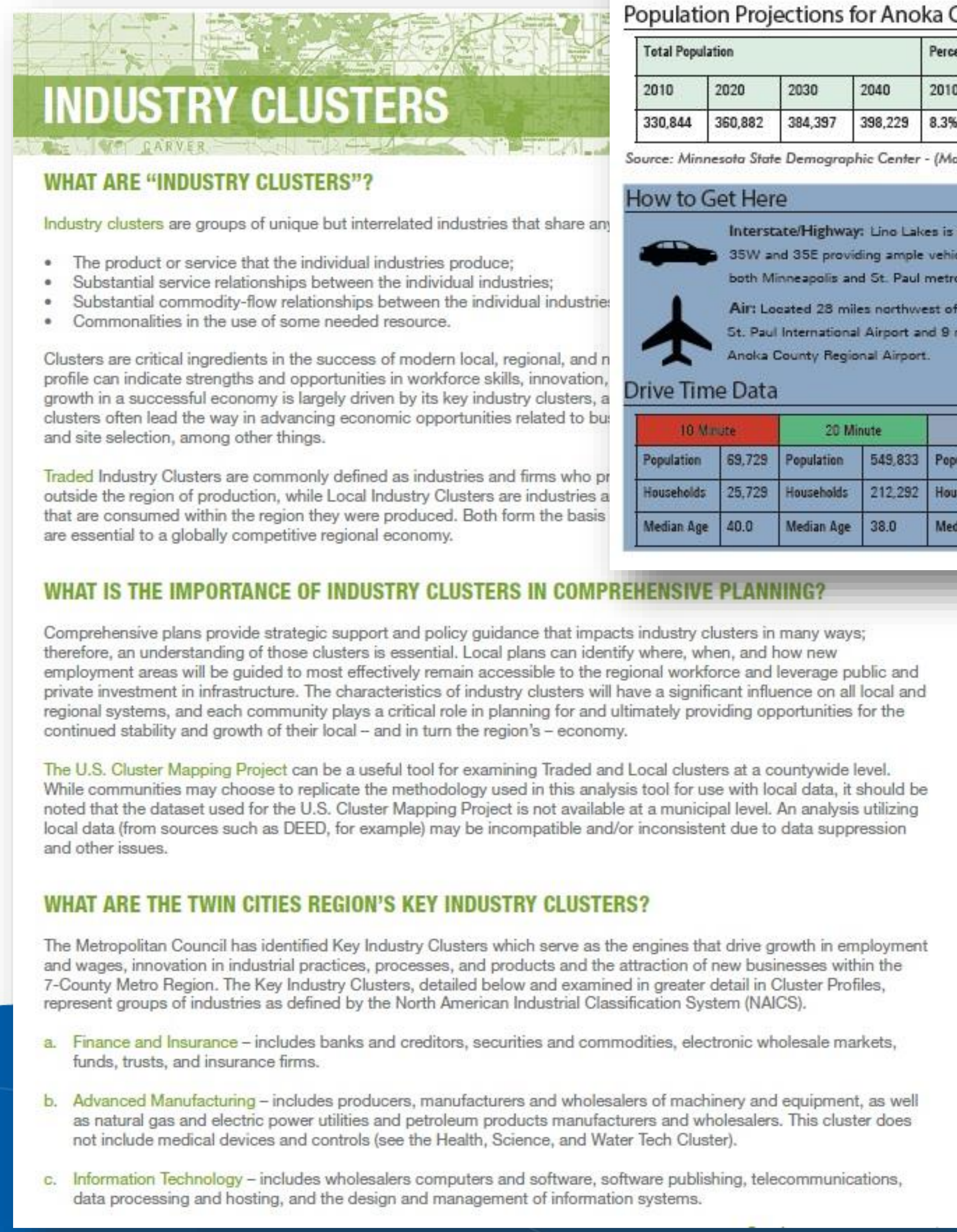
Interstate/Highway: Lino Lakes is located between 35W and 35E providing ample vehiculer accessibility to both Minneapolis and St. Paul metropolitan centers

Air: Located 28 miles northwest of the Minneapolis/ St. Paul International Airport and 9 miles from the Anoka County Regional Airport.

Drive Time Data

10 Minute		20 Minute		30 Minute	
Population	69,729	Population	549,833	Population	1,698,275
Households	25,729	Households	212,292	Households	671,489
Median Age	40.0	Median Age	38.0	Median Age	35.5

Proximity to Metro and Drive Times



INDUSTRY CLUSTERS

WHAT ARE "INDUSTRY CLUSTERS"?

Industry clusters are groups of unique but interrelated industries that share any

- The product or service that the individual industries produce;
- Substantial service relationships between the individual industries;
- Substantial commodity-flow relationships between the individual industries
- Commonalities in the use of some needed resource.

Clusters are critical ingredients in the success of modern local, regional, and n
profile can indicate strengths and opportunities in workforce skills, innovation,
growth in a successful economy is largely driven by its key industry clusters, a
clusters often lead the way in advancing economic opportunities related to bu
and site selection, among other things.

Traded Industry Clusters are commonly defined as industries and firms who pr
outside the region of production, while Local Industry Clusters are industries a
that are consumed within the region they were produced. Both form the basis
are essential to a globally competitive regional economy.

WHAT IS THE IMPORTANCE OF INDUSTRY CLUSTERS IN COMPREHENSIVE PLANNING?

Comprehensive plans provide strategic support and policy guidance that impacts industry clusters in many ways; therefore, an understanding of those clusters is essential. Local plans can identify where, when, and how new employment areas will be guided to most effectively remain accessible to the regional workforce and leverage public and private investment in infrastructure. The characteristics of industry clusters will have a significant influence on all local and regional systems, and each community plays a critical role in planning for and ultimately providing opportunities for the continued stability and growth of their local – and in turn the region's – economy.

The U.S. Cluster Mapping Project can be a useful tool for examining Traded and Local clusters at a countywide level. While communities may choose to replicate the methodology used in this analysis tool for use with local data, it should be noted that the dataset used for the U.S. Cluster Mapping Project is not available at a municipal level. An analysis utilizing local data (from sources such as DEED, for example) may be incompatible and/or inconsistent due to data suppression and other issues.

WHAT ARE THE TWIN CITIES REGION'S KEY INDUSTRY CLUSTERS?

The Metropolitan Council has identified Key Industry Clusters which serve as the engines that drive growth in employment and wages, innovation in industrial practices, processes, and products and the attraction of new businesses within the 7-County Metro Region. The Key Industry Clusters, detailed below and examined in greater detail in Cluster Profiles, represent groups of industries as defined by the North American Industrial Classification System (NAICS).

a. Finance and Insurance – includes banks and creditors, securities and commodities, electronic wholesale markets, funds, trusts, and insurance firms.

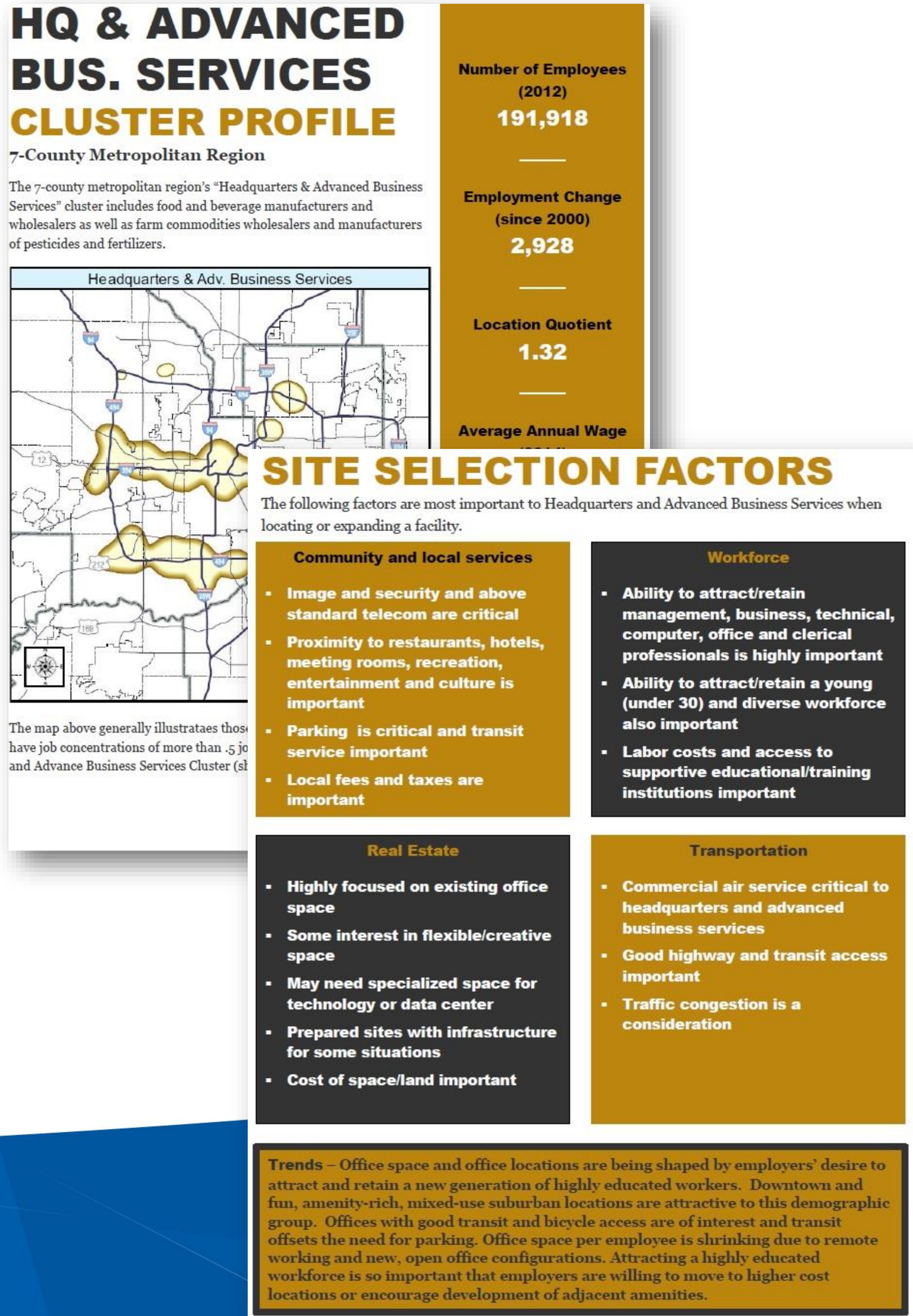
b. Advanced Manufacturing – includes producers, manufacturers and wholesalers of machinery and equipment, as well as natural gas and electric power utilities and petroleum products manufacturers and wholesalers. This cluster does not include medical devices and controls (see the Health, Science, and Water Tech Cluster).

c. Information Technology – includes wholesalers computers and software, software publishing, telecommunications, data processing and hosting, and the design and management of information systems.

METROPOLITAN COUNCIL

Areas of Focus | 2016

- Cluster **Profiles**
  - 7 **Core Industry Clusters**
  - Integration of components of **2015 Research Agenda**
  - Regional **economic drivers** in **local planning process**
    - Understand **industry's characteristics**
    - Identify **community's opportunities**



HQ & ADVANCED BUS. SERVICES
CLUSTER PROFILE

7-County Metropolitan Region

The 7-county metropolitan region's "Headquarters & Advanced Business Services" cluster includes food and beverage manufacturers and wholesalers as well as farm commodities wholesalers and manufacturers of pesticides and fertilizers.

Number of Employees (2012)
191,918

Employment Change (since 2000)
2,928

Location Quotient
1.32

Average Annual Wage

The map above generally illustrataes thos
have job concentrations of more than .5 jo
and Advance Business Services Cluster (sl

SITE SELECTION FACTORS

The following factors are most important to Headquarters and Advanced Business Services when locating or expanding a facility.

Community and local services
- Image and security and above standard telecom are critical
- Proximity to restaurants, hotels, meeting rooms, recreation, entertainment and culture is important
- Parking is critical and transit service important
- Local fees and taxes are important

Workforce
- Ability to attract/retain management, business, technical, computer, office and clerical professionals is highly important
- Ability to attract/retain a young (under 30) and diverse workforce also important
- Labor costs and access to supportive educational/training institutions important

Real Estate
- Highly focused on existing office space
- Some interest in flexible/creative space
- May need specialized space for technology or data center
- Prepared sites with infrastructure for some situations
- Cost of space/land important

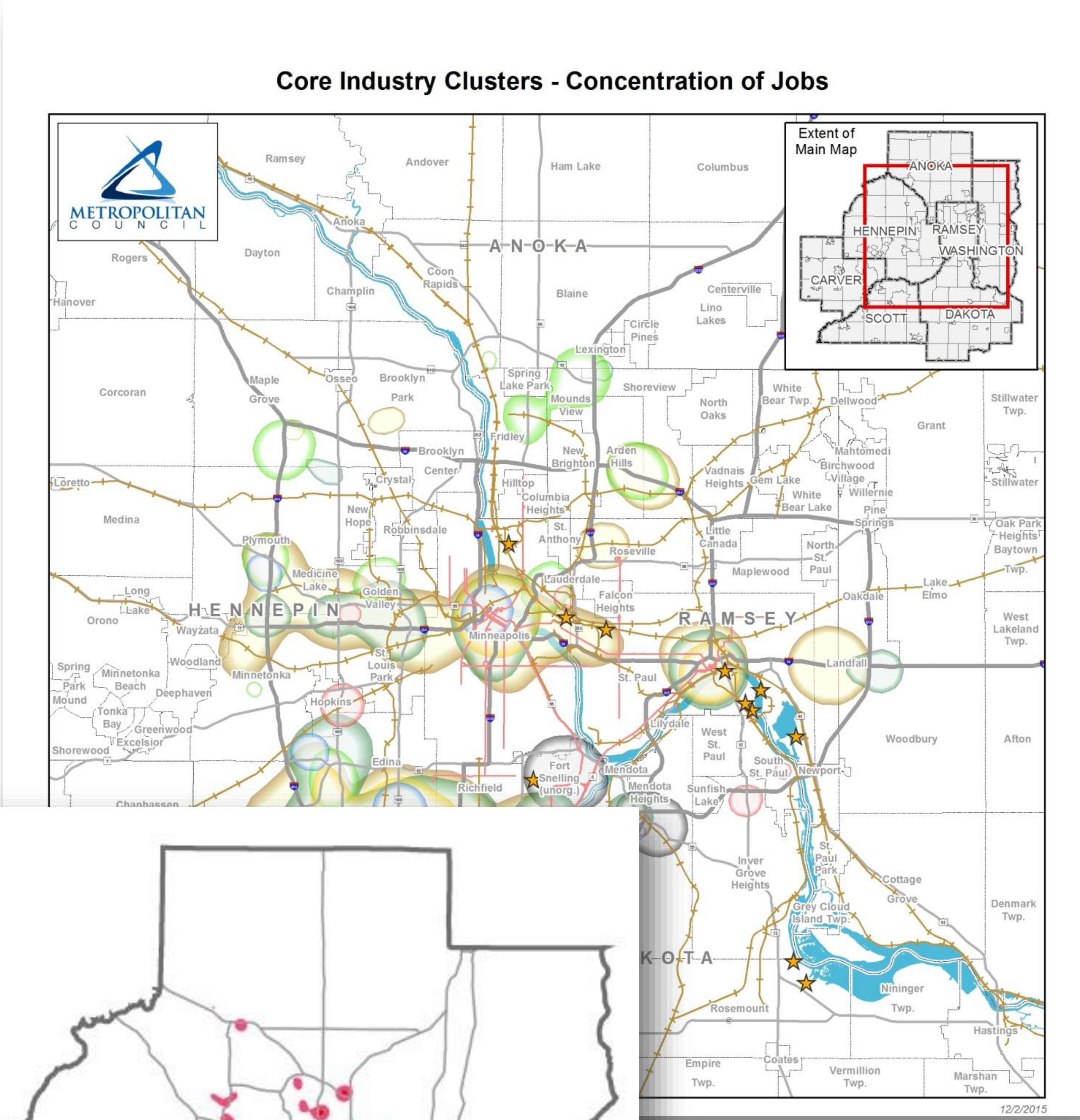
Transportation
- Commercial air service critical to headquarters and advanced business services
- Good highway and transit access important
- Traffic congestion is a consideration

Trends – Office space and office locations are being shaped by employers' desire to attract and retain a new generation of highly educated workers. Downtown and fun, amenity-rich, mixed-use suburban locations are attractive to this demographic group. Offices with good transit and bicycle access are of interest and transit offsets the need for parking. Office space per employee is shrinking due to remote working and new, open office configurations. Attracting a highly educated workforce is so important that employers are willing to move to higher cost locations or encourage development of adjacent amenities.

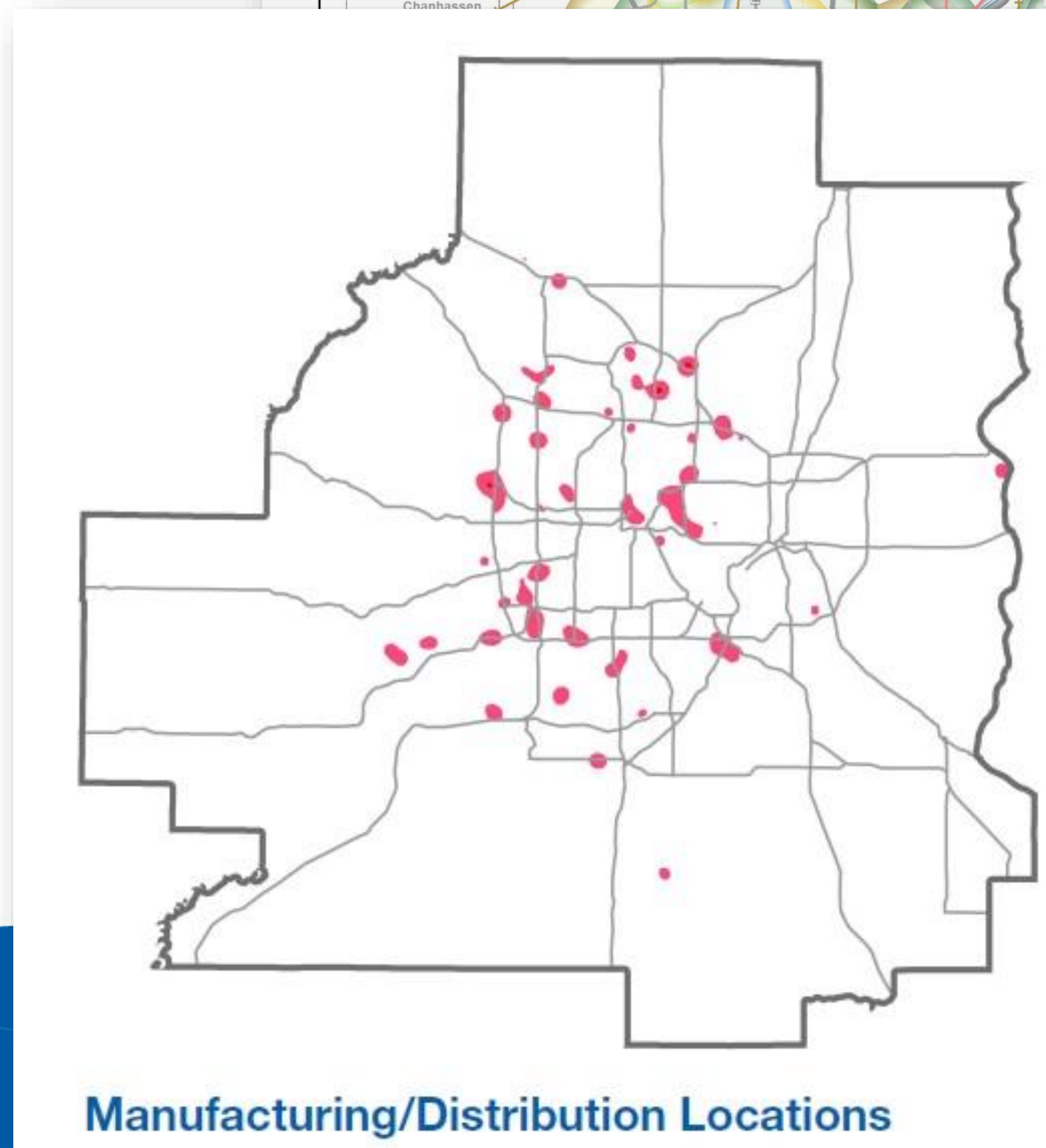
METROPOLITAN COUNCIL

Areas of Focus | 2016

- Mapping/GIS
  - Regional geographic datasets of local and regional economic importance
    - Freight/Logistics → Land Use
    - Workforce → Access to Jobs
  - Supplement maps and geographic data developed for ***Thrive***
  - Grounded in **regional competitiveness** and **Core Industry Clusters**



Core Industry Clusters - Concentration of Jobs



Manufacturing/Distribution Locations

METROPOLITAN COUNCIL

Economic Competitiveness | Approach

- Strengthen the link between **local comprehensive planning** and issues of **regional economic competitiveness**

- **Lead and share research** with local partners on the economy

- Foster/Grow **Partnerships**
  - Local/County Staff
  - State Agencies
  - GREATER MSP

METROPOLITAN COUNCIL

For More Information

http://metrocouncil.org/Communities/Services/Research,-Info-and-Technical-Assistance.aspx

Ryan Garcia, Local Planning Assistance

651-602-1832

ryan.garcia@metc.state.mn.us

METROPOLITAN COUNCIL

METROPOLITAN
COUNCIL