PLANNING LAND FOR FUTURE JOBS

LOCAL PLANNING HANDBOOK

From 2010 to 2040, employment in the seven-county Twin Cities metro will expand by 489,000 jobs. Some new employment will site in business districts with long histories as activity centers. Still other employment will spring up in newly developing centers and commercial corridors. Businesses will need approximately 300 million additional square feet of built space. Total development activity will be even higher as obsolete buildings are replaced, renovated, or repurposed, and as changing needs motivate business relocations within the metro region.

As new development progresses, land use for commercial, office, industrial and institutional purposes will grow from 119,000 acres in 2010 (includes mixed use land) to 140,000 acres in 2040. The expansion of this nonresidential land will be substantial, but will not exhaust the larger land supplies that metro area communities have guided for these uses.

Relationship of Employment Growth and Land Use Growth

Metropolitan Council forecasts **local** employment growth and long-term demand by analyzing what kinds of places attract businesses and enable job growth. The Council's local forecasts reflect how businesses select sites within the metro area.

Considering both the abundant land supply and competition from neighboring communities, communities should evaluate how much nonresidential land they realistically expect to be developed – and where. Communities take a risk if they speculatively guide and supply additional land beyond what is needed to satisfy expected local demand.

What Factors Drive Business Location Choices?

In advance of the *Thrive MSP 2040* forecasts, Metropolitan Council researched the characteristics that distinguish locations and affect business location choices. Some factors contribute to the choice of an economic region; still other factors drive the selection of a specific community or site within a region; and some factors matter at both regional and local scale.[1]

Regional and Local Factors that Drive Business Location Choices

REGIONAL FACTORS	LOCAL FACTORS	BOTH REGIONAL AND LOCAL
• Access to national and global customers • Regional demand and customers • Freight shipping costs • Other business costs • State tax environment • Business climate	• Accessibility to workforce and customers • Land supply, room to grow • Complementary (and competing) land uses • Land costs • Costs, availability and reliability of city services	• Workforce talent, skill levels and productivity • Labor costs • Industry clusters and specialization • Access to suppliers and contractors, needed resources • Costs, availability and reliability of infrastructure • Quality of life, socioeconomic conditions, and social climate

Within an economic region, locations with the greatest advantages – having the characteristics most attractive to businesses – will command higher rents, which improves the financial prospects and likelihood for new development activity.

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