

Summary for CEDS Committee Meeting #1

May 15, 1:00-2:30 pm

Overview

The Metropolitan Council hosted the kickoff meeting for the Comprehensive Economic Development Strategy (CEDS) committee on May 15, 2025. This meeting marked the first of five meetings between May and September 2025, providing opportunities to engage CEDS committee members on updating the Regional Economic Framework plan originally adopted in 2020. The meeting brought together a diverse cross-sector group of civic, public, and private leaders to assess regional economic conditions and surface key opportunities and challenges.

Following opening remarks and a presentation on the goals of the CEDS Update process, committee members broke into small group discussions focused on identifying current strengths, weaknesses, opportunities, and threats (SWOT) shaping the regional economy. The following summary provides insights gathered from this meeting, focusing on information ascertained through those breakout conversations.

Metropolitan Council Presentation Summary

CEDS Process and Document: Following the opening remarks, the meeting started with a presentation by the Metropolitan Council staff that provided context for the 2025 update. Committee members were reminded that the CEDS is both a federally required document to access US Economic Development Administration (EDA) funding as well as a vital document for shaping shared vision for regional economic development. First developed in 2020, the original CEDS marked the Twin Cities metro area's eligibility for EDA resources for the first time, and the current update builds on that foundation. The presentation emphasized the importance of the CEDS committee as a vehicle for aligning strategic priorities, and identifying an implementation and evaluation framework. Specifically, the presentation outlined five major components of the CEDS required by the EDA:

- *The state of the regional economy* – this section includes a structural description of the regional economy as well as some of the key trends and issues that are prevalent.
- *Strategic priorities* – this section identifies the region's key priorities as identified by stakeholders who have an impact on the region's economy.
- *Strategies and actions* – the third section includes strategies and actions that are crucial to achieving the region's priorities, taking stock of ongoing initiatives and activities that regional stakeholders have been pursuing.

- *Implementation and evaluation framework* – the fourth section explores the implementation of strategies and identifies evaluation metrics to measure the impact of ongoing efforts.
- *Economic resilience* – finally, the document ends with a discussion of the factors that impact the region’s economic resilience.

Committee Member Reflection on Strategic Priorities: Following the presentation of the CEDS process and document, the committee members were invited to reflect on the nine strategic priorities from the 2020 CEDS through an interactive survey. They were asked to state the importance of each priority on a scale of 1 to 5, with 5 being the most important. Committee member responses were as follows:

- Workforce and Skills (4.6)
- Affordability (4.5)
- Racial Inclusion (4.5)
- Transportation and Mobility (4.3)
- Startups and Innovation (4.2)
- Talent Migration and Retention (4.2)
- New Climate Economy (4.0)
- Regional Brand and Image (3.9)
- Job Growth (3.9)

Through open-ended responses to the questions “Have the priorities changed? If so, how?,” committee member feedback suggests that while the original priorities remain broadly valid, shifts have emerged. For example, there is a growing emphasis on talent retention, upskilling and childcare over simply attracting new talent. Additionally, affordability and public safety have gained importance, along with economic inclusion and self-sufficiency, particularly in response to changing federal policy. Racial inclusion has also risen in priority, both due to its significance and the impact on the region’s brand and image. Some members noted that priorities like job growth now feel less urgent, which is also reflected in the quantitative feedback, amid persistent workforce shortages. Finally, some committee members identified the interconnected nature of many of the priorities (e.g., improving job growth, workforce skills, and racial and economic inclusion contribute to a stronger regional image).

Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis: Following committee members reflecting on the continued importance of the nine strategic priorities listed in the 2020 document, Metropolitan Council staff presented a review of a regional SWOT analysis, which highlighted the region’s core strengths such as a high quality of life, relatively low cost of living, strong economic fundamentals, a skilled and diverse workforce, high concentration of Fortune 500 companies, and strong infrastructure.

Table 1. SWOT Analysis from Presentation

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ● High quality of life ● Strong economic fundamentals ● Diverse economic base and strong leading industries ● Quality infrastructure 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ● Persistent racial disparities in economic outcomes ● Workforce problems ● Weak venture capital inflow ● Distressed downtowns
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ● Clean economy innovations in sectors of strength ● Growing demand for medical technologies and healthcare solutions ● Entrepreneurship and business development opportunities among communities of color ● Digital technology prospects 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ● Climate change and related infrastructure stress ● Political polarization affecting policy ● Global economic volatility ● Workforce disruptions driven by AI, automation, and other technologies

The SWOT analysis also acknowledged key challenges including racial disparities, workforce shortages, weak venture capital flows, and distressed downtowns. Opportunities were identified in the clean economy, med-tech and digital technologies, and demographically diverse entrepreneurship. Finally, threats included climate change, political polarization, global instability, and disruptive technologies such as AI and automation. The presentation concluded by inviting committee members to provide feedback on the SWOT analysis through small breakout group discussions. Each small group was guided by the following questions:

- What do you see as the regional economy's key strengths and opportunities? What are some strategic initiatives that are happening?
- What do you see as the key weaknesses and vulnerabilities? What is being done and can be done to address them?

Breakout Group Discussion Summary

The following summary captures key themes that emerged from breakout group discussions with committee members, organized around strengths, weaknesses, opportunities, and threats. Together, these insights are incorporated into SWOT analysis provided by Metropolitan Council, offering additional clarification and updates to the regional SWOT.

Strengths: Participants across five breakout groups reinforced the Twin Cities metropolitan region's strengths, emphasizing its diverse economy and industry sector depth, capacity and willingness for innovation, and strong civic collaboration and public-private partnerships. Several committee members noted the region's ability to weather economic downturns due to its broad-based economy including the presence of Fortune 500 companies and a robust mix of strong sectors including healthcare, med-tech sectors, clean energy, agriculture and food, logistics, and higher education. Additionally, committee members described cross-sector innovation (e.g., MedTech 3.0) and industry adaptability in emerging technologies such as AI. Breakout groups also described the strength of a well-educated, civically engaged workforce as a competitive advantage and praised philanthropic leadership for advancing social and economic innovations that have led to regional strength and resilience. Examples included the fiscal disparities program, Met Council's governance model, corporate responsibility efforts, and institutions like Mayo Clinic, Greater MSP, and MN Innovation Exchange.

Weaknesses: Despite reinforcement and identification of several strengths, committee members discussed major weaknesses, highlighted by growing racial and geographic disparities, workforce shortages, aging infrastructure, and lack of a cohesive strategy for coordination related to investment and marketing and communication of the region nationally and internationally. Disparities in wealth and education among racial groups and communities/neighborhoods remain deep and are identified as a barrier to economic development opportunities. Workforce challenges were widely cited by breakout groups including persistent labor shortages, underinvestment in training, credentialing barriers for immigrants and limited employer engagement in the workforce development ecosystem. The region's aging housing stock was also flagged across tables, along with concerns about downtown and suburban commercial real estate distress.

Committee members identified the region's tendency to "talk, not do" resulting in lack of coordination, follow-through and implementation. Specifically, breakout groups identified several persistent and interrelated regional weaknesses, including fragmented governance, lack of coordination, and gaps between planning and implementation. Despite strong civic infrastructure, duplication of efforts and jurisdictional silos were identified as undermining the effectiveness of public private partnerships and cross-sector collaboration. This political fragmentation, weak cross-jurisdictional leadership, and inconsistent engagement from both government and business leaders were seen as weaknesses and barriers to regional action.

Opportunities: Committee members identified several opportunities for advancing the regional economy. A central theme that tied into regional weaknesses was the need for stronger alignment and coordination among organizations, leaders, and initiatives. Some committee members emphasized the importance of talent pipelines through upskilling, childcare solutions, and credentialing pathways. Closing the racial disparities in wealth and opportunities was widely viewed as an essential part of regional growth and development. While the region has a strong ecosystem that supports innovation and talent development, committee members noted weaknesses in access to capital, mentorship, and leadership for young, new civic and business leaders as well as various underrepresented entrepreneurs. This strength could be leveraged to address a weakness and provide an opportunity (i.e., to leverage this ecosystem and network through an intentional capital and leadership strategy). Breakout groups also addressed opportunities for better narrative and reputation management through intentional national/international promotion of telling compelling stories from the region about innovation, quality of life and economic strength. Finally, there was recognition that processes and documents like the one being produced through the CEDS update could be used as a platform to set measurable outcomes, guide action, and foster accountability.

Threats: Finally, among the breakout groups, committee members identified several converging threats that could undermine the region's long-term economic resilience. Primarily among them were demographic shifts (e.g., aging population, declining immigration, and outmigration of young people), which raise concerns about workforce sustainability and future economic competitiveness. Racial and geographic disparities were consistently framed as systemic risks rather than isolated issues. Committee members warned that failure to address these issues could threaten regional cohesion and economic development opportunities. Another theme that emerged pointed to the continued loss of community-focused leaders, which weakens civic leadership and disengagement from public facing issues. The threat included replenishing this loss amongst business and corporate leaders who are no longer engaged as much as they once were in the community and region. The region's negative national reputation, especially around perceptions of police violence and decline of downtown areas, were seen as threats to achieving and implementing strategic priorities. This reputation, coupled with political polarization, was also described as threats to action. Lastly, climate change and the lack of coordinated responses along with headwinds against action were highlighted as the backdrop to all these other threats.

Incorporation of Breakout Group Input: The updated SWOT analysis below reflects key insights drawn from breakout group discussions. This refined version incorporates the feedback from CEDS committee member participants to strengthen the strategic framing and guarantee that emerging themes are represented in the final analysis.

Table 1. SWOT Analysis from Presentation

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ● High quality of life ● Strong economic fundamentals ● Diverse economic base and strong leading industries ● Quality infrastructure <i>and collaborative regional planning systems</i> ● Well-educated, civically engaged, and adaptable workforce ● Robust public-private partnership and philanthropic leadership 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ● Persistent racial disparities in economic outcomes <i>rooted in structural barriers</i> ● Workforce problems <i>related to readiness, retention, and development</i> ● Weak venture capital inflow <i>and limited support for scaling innovation and investment in smaller and underrepresented entrepreneurs</i> ● Distressed downtowns <i>and suburban commercial areas</i> ● Aging housing and built infrastructure ● Fragmented governance and weak cross-jurisdictional coordination ● Disconnect between strategy and sustained action
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ● Clean economy innovations in sectors of strength ● Growing demand for medical technologies and healthcare solutions ● Entrepreneurship and business development opportunities among communities of color ● Digital technology prospects ● Close racial and regional economic gaps ● Improve alignment among public-private sector leaders ● Tell a compelling, unified regional story about innovation, quality of life, and economic strength 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ● Climate change and related infrastructure stress ● Political polarization affecting policy ● Global economic volatility ● Workforce disruptions driven by AI, automation, and other technologies ● Persistent racial and geographical disparities in education, employment, and wealth ● Loss of civic leadership and declining engagement from business leaders

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**Italicized* text suggests additions to the original SWOT based on committee feedback.