

Minutes of the

REGULAR MEETING OF THE COMMITTEE OF THE WHOLE

Wednesday, September 2, 2015

Committee Members Present:

Rodriguez, Schreiber, Munt, Barber, Elkins, Dorfman, Letofsky, Duininck, Rummel, Melander, Kramer, Commers, Chávez, Wulff, Reynoso

CALL TO ORDER

A quorum being present, Chair Duininck called the regular meeting of the Council's Committee of the Whole to order at 4:04PM on Wednesday, September 2, 2015.

APPROVAL OF AGENDA AND MINUTES

It was moved by Schreiber, seconded by Dorfman.

It was moved by Letofsky, seconded by Barber.

BUSINESS

Regional Economic Competitiveness: An Industry Cluster Perspective

Mark VanderSchaaf introduced the panel of speakers and explained that in the early 1990s a colorful, new analytic tool was introduced to assist regions looking to strengthen their economic competitiveness. Known as industry cluster analysis, this tool was largely the creation of Harvard Business School student Michael Porter. Minneapolis-St. Paul was one of the first metropolitan areas to use this framework and in 1995 a joint study was done by the University of Minnesota and the Metropolitan Council.

The first presenter was Lee Munnich, Senior Fellow at the Humphrey School of Public Affairs at the University of Minnesota. Munnich explained that the fundamental purpose of economic development policy should be to increase productivity in order to bring economic benefits to an area. Ten principles serve as an organizing framework for thinking about the economic development process. These ten principles are competitiveness, equity, global economy, comprehensive strategy, regional collaboration, industry cluster focus, customer orientation, partnerships, measurement and evaluation, and learning. Clusters matter because they are the building blocks of modern economies and a key lens to understand the profile of a regional economy. Clusters drive regional economic performance, from prosperity to job growth and innovation. They are a powerful channel and organizing principle for effective policies to shape economic development. They provide business opportunities for investments, exports, site selection, and supply chain assessment. Systematic cluster data is a critical resources to firms, government leaders, and many other economic development professionals.

The second speaker was Janna King from Economic Development Services, Inc. King stated that sites for traded industry clusters matter to our region and the Metropolitan Council because they mean higher wages and a greater economic multiplier. Factors that matter most in a business site location decisions include available sites and buildings, location and transportation, the ability to attract/retain workers, customers and suppliers, utilities, image, security and adjacent uses, and cost and regulatory factors. King listed some examples of major business locations in the metro area, including the Target Northern Campus in Brooklyn Park. She stated that where businesses locate has an impact on housing development. Key industry clusters in our region are finance and insurance, advanced manufacturing, headquarters and advanced business services, food

manufacturing and wholesaling, freight and logistics, health, science and water technology, and information technology.

Yingling Fan, Associate Professor at the Humphrey School of Public Affairs, was the third and final speaker. She spoke on the role of transit in supporting our region's competitive clusters. She explained that locating new jobs near transitways is especially important for maximizing the positive impact of current and future Twin Cities transitways. The greatest benefit comes from locating both new jobs and new housing near transitways. Workers below median income experience significantly higher accessibility gains than those above median income under the clustering scenario. All income levels benefit to some degree; the clustering scenario promotes both regional prosperity and social equity. Fan showed a map of the planned transit corridors and where job vacancies are located in the region. The Blue and Green Line extensions will make important connections.

ADJOURNMENT

Business completed, the meeting adjourned at 5:59PM.

Emily Getty
Recording Secretary