



**NARC**  
*Building Regional Communities*



# PLANNING FOR REGIONAL COMPETITIVENESS EXECUTIVE SUMMARY

**A REPORT PREPARED BY NARC AND MZ STRATEGIES, LLC FOR REGIONAL ECONOMIC PARTNERS IN THE MINNEAPOLIS-SAINT PAUL METROPOLITAN AREA**

Several efforts are emerging in the greater Minneapolis-Saint Paul, MN (MSP) region (also referred to as the Twin Cities) to support more strategic partnerships and align investment decisions to support regional economic competitiveness. The Twin Cities region is known for its regional governance and collaboration on a range of issues including transportation, revenue sharing and waste water infrastructure. The region is also home to more Fortune 500 companies per capita than any other metro region and a population that is, on average, relatively well educated and financially stable. Concerns have arisen over the last decade that economic and racial disparities are increasing, and that economic growth including business start-ups and wage rates are not keeping pace with regional expectations. In response, the Metropolitan Council (Met Council) and the newly created Greater MSP Partnership, among other regional economic stakeholders, are refining their efforts to advance equitable economic competitiveness for the Twin Cities region.

Through funding from the McKnight Foundation, the National Association of Regional Councils (NARC) and MZ Strategies, LLC (the Project Team) partnered to survey a subset of regional planning agencies and examine efforts in Denver, Kansas City and Seattle metropolitan areas to highlight different approaches to economic competitiveness. The study provides a snapshot of regional economic innovation and collaboration necessary to achieve equitable economic growth in the greater Minneapolis-Saint Paul metropolitan area. The report also provides key findings from three regional case studies and a set of recommendations for stakeholders in the Twin Cities.

The initial survey was distributed by NARC to directors and/or lead economic development staff at 30 pre-identified regional agencies based on similarities and appropriateness to serve as a model for the Minneapolis-Saint Paul region. Overall, 16 of 30 regions responded – a response rate of 53 percent.

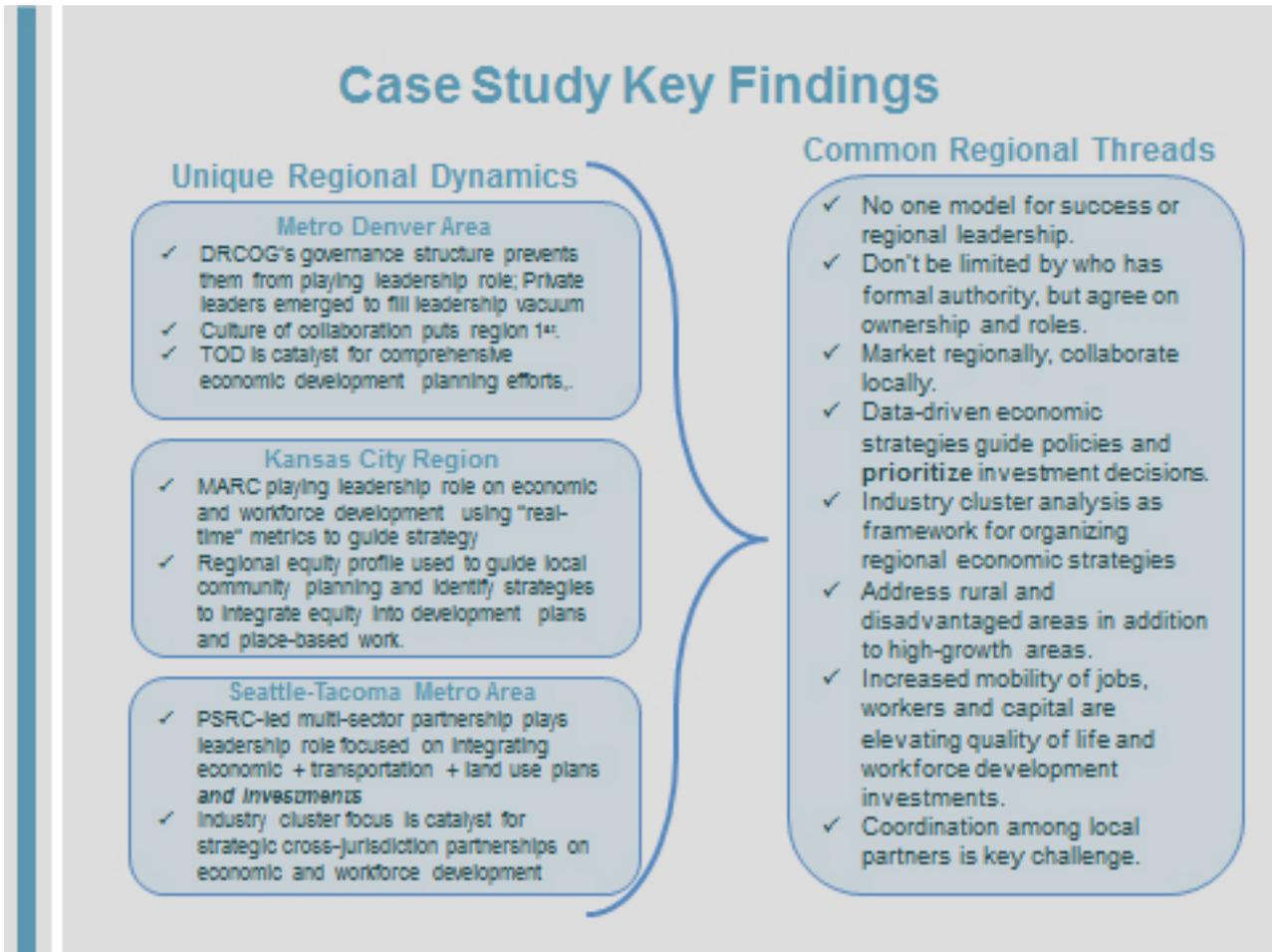
## Key Findings from Survey of Regional Planning Organizations

- A large majority of those who responded are doing some type of direct engagement on regional economic performance, but there is wide variation in terms of direct implementation, authority tools, and level of engagement and committed leadership by the private sector.
- Industry clusters provide a manageable and focused strategy for coordination between sectors and jurisdictions on workforce development, infrastructure, and business marketing, expansion and retention needs.
- The Met Council has the largest operating budget of those surveyed, reflecting its unique role as a transit and water/sewer provider in addition to its regional planning role, yet was the only respondent to not have a regional economic development strategy or be formally in the process of creating one.
- Of the surveyed regions, 75 percent track metrics to evaluate and inform regional economic performance, however only 50 percent use metrics to prioritize investments.

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Respondents included Southeast Michigan Council of Governments, Wasatch Front Regional Council, Triangle J Council of Governments, New Orleans Regional Planning Commission, Maricopa Association of Governments, Capital Area Council of Governments, Alamo Area Council of Governments, Mid-America Regional Council, Houston-Galveston Area Council, South Florida Regional Planning Council, Denver Regional Council of Governments, Centralina Council of Governments, Delaware Valley Regional Planning Commission, and the Metropolitan Council.

- Overall, the regions that are administering economic development programs are doing so either via federal requirements or a committee structure comprised of local elected officials, business leaders and planning professionals.
- Committed leadership and involvement by the private sector is essential, but can be challenging during the implementation phase unless a clear regional vision and action plan is established that clarifies roles and responsibilities.
- Only eight regions report that social equity goals are included in their economic planning efforts. These regions are receiving U.S. Department of Housing and Urban Development grants, so experience in applying metrics or informing their investments is limited.



## Key Recommendations to Enhance Regional Economic Performance

The following five recommendations include strategies that could be employed by the Met Council, and other private and public sector regional partners, to advance economic competitiveness goals of the greater MSP region. Some build off current elements already underway in the region, but the Project Team believes the experiences in other regions underscore their validity and the importance of accelerating adoption.

**1. Establish Ownership and Clarify Roles around a Single Economic Strategy:** Determine who in the region has the authority to lead the development and manage the implementation of a single regional economic strategy. This entity plays a key coordination role in partnership with others. Greater MSP or the Metropolitan Council could potentially play this role, and each would be strengthened by close coordination with the other. Regardless of who leads, the region needs to get behind one regional vision with defined strategies, specific action steps, and clarity around roles and responsibilities of different public and private stakeholders.

**2. Define and Monitor Performance of Regional Goals for Equitable Economic Growth:** The regional economic strategy should be informed by social and economic metrics that contribute to equitable regional growth and competitiveness, including strategies to address regional disparities. Continued monitoring and refinement of performance metrics should be shared regularly with regional partners. The Minnesota Department of Employment and Economic Development and the Met Council currently maintain many of the key variables that could be developed into an equitable economic development dashboard.

**3. Market Regionally and Coordinate Locally to Successfully Compete in Global Marketplace:** As financial capital and the labor force have become more mobile and global, the nature of competition has changed. Regions cannot afford to compete internally for jobs, but rather must reframe their understanding of economic and workforce gaps and assets against national and international metropolitan competitors of core industry clusters. The Twin Cities is known for its regional collaboration but needs to exhibit this more strongly on economic and workforce development matters to help attract, retain and grow jobs.

**4. Focus Economic and Workforce Development around Core Industry Clusters:** The region should build upon the substantial research that has been done to identify core industry clusters in the greater Twin Cities metropolitan area. Greater MSP has identified a set of core industry clusters for business attraction, retention and growth which could serve as a foundation for creating its regional economic strategy and partnerships. This would include looking at the complete range of workforce and employer needs across the industry cluster including training, infrastructure, quality of life, research, and innovation and business start-up, and expansion needs. Investment priorities could be informed by this analysis to ensure that regional equitable development needs associated with core industries are being well served in allocating scarce public resources.

**5. Prioritize Public Investments in Infrastructure, Education and Quality of Life:** Maintaining a high quality of life is necessary to be competitive for attracting and retaining workers and businesses. Regional investments in education, information technology, transit and freight corridors by the state, counties, Metropolitan Council and local governments should all align strongly with the regional economic strategy.

## About The National Association of Regional Councils

The National Association of Regional Councils (NARC), representing local elected officials and their regional planning organizations, serves as a national voice for regionalism by advocating for regional cooperation as the most effective way to address a variety of topics including transportation, economic and community development, environment and homeland security. NARC's member organizations are composed of multiple local governments that work together to serve American communities - large and small, urban and rural. For additional information, please visit [www.NARC.org](http://www.NARC.org).

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