



Department of Employment and Economic Development

# Regional Economic Competitiveness Initiative

Summary of Regional Meetings

12/1/2014

# Minnesota Regional Economic Competitiveness Initiative

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# Minnesota Regional Economic Competitiveness Initiative

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## Project Background

The Minnesota Department of Employment and Economic Development (DEED) has embarked on a regional economic competitiveness project that is identifying opportunities to sharpen its strategies and help drive regional economic growth. DEED leadership recognized that the state's economic policy needs to be updated to reflect post-recession realities. To generate long-term, quality growth across the state, Minnesota needs to focus on three key economic drivers – innovation, trade, and human capital. The state needs to find ways to empower regions to act on those drivers, enabling them to leverage their distinctive strengths.

As part of this project, DEED has worked closely with local regional organizations (listed below) to convene over 22 meetings in 21 cities throughout Minnesota and meet with over 400 regional leaders representing businesses, workforce development organizations, economic developers, chamber officials, and foundation leaders.

The overall objectives for these meetings were for state and regional leaders to share economic development planning priorities, begin to identify common strategies, seek opportunities for collaboration and begin developing a shared framework for future initiatives.

This document summarizes the top priorities identified by participants for enhancing regional economic competitiveness and growth in the areas of innovation, trade, and talent.

Below is a list of the regions, cities, and partners that helped organize the meetings.

Region	Co-Conveners	Cities	Date(s)
Southwest	Southwest Initiative Foundation Southwest Regional Development Commission Mid-Minnesota Development Commission Upper Minnesota Valley Regional Development Commission	Willmar Montevideo Slayton	July 18th
Central	Initiative Foundation Greater St. Cloud Development Corporation Brainerd Lakes Area Economic Development Corporation Region Five Development Commission East Central Regional Development Commission	St. Cloud Baxter Mora	July 28th
Northeast	Northland Foundation Arrowhead Regional Development Commission APEX	Duluth Eveleth Grand Rapids	July 30th
Northwest	Northwest Initiative Foundation Northwest Regional Development Commission Headwaters Regional Development Commission	Bemidji Crookston Warroad	August 19th
South	Southern Minnesota Initiative Foundation Region Nine Development Commission	North Mankato Owatonna Rochester	August 22nd
West Central	West Central Initiative	Alexandria Perham Breckenridge	August 26th
Metro	Greater MSP Metropolitan Council	Minneapolis Saint Paul	August 28 <sup>th</sup> September 5 <sup>th</sup> September 8th

## Top Priorities for Enhancing Regional Economic Competitiveness

This document summarizes the top priorities for enhancing regional economic competitiveness and growth in the areas of innovation, talent, and trade. For complete summaries of each of the regional meetings see “Regional Meeting Summaries” starting on page 5.

### Talent

The top priority identified throughout all of the regional meetings was developing, attracting, and retaining a talented workforce. Specific challenges and opportunities related to enhancing talent differed widely throughout Minnesota. However, there were several common themes identified in the discussions:

- Better alignment and integration throughout the talent development pipeline; from K-12 education, post-secondary education, to incumbent worker training.
- Workforce readiness of high school graduates- there are many great jobs that don't require post-secondary education, however, many high school graduates are falling short of skills needed by employers.
- More flexibility and adaptability of state/federal workforce resources to the changing needs of regions, communities, and industries.
- Building communities with the amenities and infrastructure that will attract and retain talented young workers.
- Housing availability and affordability- many communities are facing housing shortages and an aging housing stock is making it difficult to attract young families to the region.
- Childcare availability and affordability- many communities face shortages in childcare resources, making it difficult to attract and support young families.
- Ensuring minority and immigrant communities have the access points and resources needed to succeed and participate in the growing economy.

### Innovation

Most of the discussions on innovation focused on investing in the infrastructure needed to position regions for future growth. In addition, there was recognition for the need of developing and supporting the next generation of entrepreneurs that will build the next great companies in Minnesota. Some of the common themes identified included:

- Expanding the availability and adoption of broadband; this was of special concern in more rural regions of the state where advanced agriculture and manufacturing increasingly rely on advanced information technology for enhancing competitiveness.
- Supporting local innovation and local entrepreneurs; there was wide recognition that, for long-term sustainable growth, the focus should be on retaining local business and supporting home-grown innovation and entrepreneurs that are connected to the communities in which they grow.

### Trade

The majority of the discussion on trade focused on the need to support the transportation infrastructure required to: (1) get products to market quickly and cheaply and (2) connect people to global market opportunities. Many of the challenges communities face relate to the effects of the overburdened rail

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system in western and northern Minnesota due to oil traffic from North Dakota. This is causing delays in getting agricultural commodities and manufactured products to market, placing additional burden on road transportation systems. In addition, several discussions focused on the need to expand export assistance services and to raise awareness of the availability of those services.

Key priorities identified included:

- Support expanded air-service- many companies in more rural regions of Minnesota have global connection and need to transport people and services quickly and efficiently.
- Support expanded pipeline and rail infrastructure to reduce burden on rail transportation due to the North Dakota oil-boom.
- Strengthen the availability and raise awareness of export assistance services through the Small Business Development Center (SBDC) network and the Minnesota Trade Office.

## Regional Meeting Summaries

The following are brief summaries of the discussions that took place during the regional engagement meetings throughout Minnesota.

### Southwest Region Meetings | July 18th

Willmar | Montevideo | Slayton

#### *Meetings Summary*

Meetings were held in Willmar, Montevideo, and Slayton. A total of 51 people representing businesses, workforce development, and economic development attended the meetings.

#### *Key Themes*

**Talent:** The discussion focused on issues related to developing and retaining a talented workforce in the region. With an aging population and out-migration, the region has experienced population loss, making it hard to fill jobs in growing industries in the region (such as manufacturing). Key challenges that were discussed included:

- Housing affordability and availability
- Childcare affordability and availability
- Low-wages
- Availability of amenities for young talented workers
- Work readiness of local high school graduates

**Innovation:** In the area of enhancing innovation in the region, the participants discussed the need to ensure the region was positioned to grow and support home-grown entrepreneurs and retain local businesses. Key challenges included ensuring the region had strong infrastructure in both transportation and communications technology.

**Trade:** The southwest region's economy is based heavily on agricultural and manufacturing exports. The key challenge identified was ensuring the region's transportation infrastructure was sufficient to ensure products can continue to get to market quickly and efficiently.

#### *Implications*

Most of the discussions at all three meetings focused on issues related to development and retaining a talented workforce. Recommendations for strategies to address these challenges included:

- Work with local chambers of commerce to build out amenities to make the region an attractive place to work, live, and raise a family.
- Partner to market the region to the rest of Minnesota and surrounding areas as a great place to work and live.
- Utilize DEED's WorkForce Centers to facilitate stronger relationships between K-12 education, community colleges, and businesses.
- Facilitate more local internship opportunities to attract talented workers outside the region and highlight opportunities for local workers.

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## Central Region Meetings | July 28<sup>th</sup>

St. Cloud | Baxter | Mora

Meetings were held in St. Cloud, Baxter, and Mora. A total of 71 people representing businesses, workforce development, and economic development attended the meetings.

Each meeting represented the large diversity of issues, challenges, and opportunities across the region. St. Cloud is a fast-growing hub of population growth and economic activity. The Baxter/Brainerd area is a more rural region where tourism, manufacturing, and agriculture form an important base of the economy. The Mora area is a heavily residential area strongly linked to the north metro area, where more than sixty percent of workers commute for employment.

### *Discussion Themes:*

**Talent:** Developing and retaining a talented workforce in the region is a priority throughout the region, but especially acute in the St. Cloud and Baxter/Brainerd areas. The JobSpot portal developed for the St. Cloud area was discussed as an important model to build from to address some of these challenges.

In St. Cloud, a growing and diverse regional hub with strong educational assets, the discussion focused on ensuring education resources were aligned across the education system and connected to growing opportunities in the private sector. St. Cloud State University educates many workers from outside the region and competes with the metro for talent. Key issues discussed included housing affordability, making the region open and attractive for immigrant and minority workers, and retaining/attracting high-skilled workers.

In the Baxter/Brainerd area meeting, the discussion on talent focused on the importance of partnerships and collaboration across the region and with the State for strengthening the talent pipeline from K-12 through college. Key challenges in the area of talent include work readiness of high school graduates, skilling up adult workers for new jobs in demand, and leveraging the region's natural assets to attract and retain talent in the region.

Participants in the Mora meeting focused on the region's unique challenge of being home to a large number of skilled workers that commute outside the immediate region. With not as many employment opportunities locally, and vulnerable to the residential housing market crash of 2007, the region has experienced significant unemployment and underemployment. The discussion focused on issues related to attracting businesses and entrepreneurs to the region to build a diverse base for the local economy.

**Innovation:** The discussion on enhancing innovation in the region focused on: (1) strengthening links between higher-education and industry through assets such as The Integrated Science and Engineering Laboratory Facility (ISELF) at St. Cloud State University, (2) developing local entrepreneurs through improving access to capital and support resources, and (3) building on existing industry strengths through cluster development in areas such as renewable energy, advanced manufacturing, and healthcare.

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The Mora region discussion was focused on challenges related to attracting companies to the region, as well as developing local entrepreneurs to expand the commercial base of the region and expand local employment opportunities.

Trade: In the area of trade and global engagement, participants discussed the importance of transportation infrastructure to transporting products to market and connecting local companies to global opportunities. The reestablishment of St. Cloud's air service to Chicago was discussed as a recent positive development in ensuring the area was globally engaged. The importance of expanded air service was echoed in the Baxter/Brainerd area, where businesses discussed the need to expand air service in the region as many local companies have important links to opportunities outside the US.

In the Mora region, rail and road transportation was an issue of special concern. Rail-based oil traffic is disrupting the ability of companies to get products to market, and heavy commuter based traffic is causing bottlenecks for over-the-road transportation of goods and services.

## *Implications, Ideas and Recommendations*

The groups discussed a number of ways forward to address the challenges and opportunities raised in the meetings.

In the area of talent, ideas included:

- Incentives such as student debt forgiveness to attract and retain talented workers in high-demand jobs.
- College credit for on-site training.
- Expanding the availability of affordable housing where shortages exist (St. Cloud, Baxter/Brainerd).
- Expanding local availability of STEM educational opportunities in high-education (Baxter/Brainerd).
- DEED to work more closely with the Department of Education on aligning K-12 education with employment opportunities and skills in demand (Brainerd).

In the area of innovation, ideas included:

- Marketing innovation assets such as ISELF outside the region (St. Cloud).
- Expanding services, support, and financing for local entrepreneurs (St. Cloud, Baxter, Mora).
- Taking advantage of the high concentration of shovel ready industrial parks (Mora).
- Tailor incentive program to better reflect regional economic realities such as lower wages, smaller companies, and expansions (Baxter, Mora).
- Expand broadband availability where needed (St. Cloud, Baxter, Mora).
- Improving regulatory framework to speed up permitting and business investment (St. Cloud, Baxter, Mora).

In the area of trade, ideas discussed included:

- Improving and expanding air and rail transportation infrastructure (St. Cloud, Baxter).
- Improving bottlenecks in over-the-road transportation systems such as Hwy 169 (Mora).
- Expanding trade education services in the region (St. Cloud, Baxter, Mora).

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- Focus on the export opportunity in mining for Minnesota while protecting natural assets (Baxter/Brainerd).

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## Northeast Region Meetings | July 30<sup>th</sup>

Duluth | Eveleth | Grand Rapids

Meetings were held in Duluth at Lakes Superior Colleges, in Eveleth at IRRRB offices, and in Grand Rapids at Itasca Community College. A total of 71 people representing businesses, workforce development, and economic development attended the meetings. The region is home to an international port in Duluth, significant natural assets in mining and forest, and Minnesota's 3<sup>rd</sup> largest city outside the Twin Cities; each meeting represented the large diversity of issues, challenges, and opportunities across the region.

### *Discussion Themes:*

**Talent:** Developing and retaining a talented workforce in the region is a priority throughout the region. The Northforce.org initiative was highlighted as an example of a recent effort launched in order to address some of the talent-related challenges in this area.

The discussion focused on challenges related to finding enough workers with the right skills to fill jobs in demand. Challenges identified included: (1) availability and affordability of housing for low to mid-income workers, (2) work readiness and basic customer service oriented "soft skills" of high school graduates, (3) alignment of higher education system to job opportunities and entrepreneurship, (4) attracting and retaining talented workers in the region, and (5) replacing high skilled workers that are nearing retirement.

**Innovation:** Discussions on innovation focused on continuing to attract innovative business to the region, such as Segetis, and expanding support for local entrepreneurs to grow the businesses of the future. Expanding broadband both to workers and businesses was highlighted as an important priority to continue to position the region as an innovative place to grow. Some of the challenges and opportunities discussed included: (1) identifying and filling gaps in local industry value-chains such as metal fabrication, (2) broadband availability, (3) supporting innovative opportunities for industries in transition such as the forest products industry, (4) supporting local entrepreneurs, and (5) regulations at the federal and state level.

**Trade:** Discussion on trade highlighted the number of great transportation assets in the area, including air service and international ports. However, concerns were raised about aging infrastructure of some of the transportation assets, especially roads and bridges. In addition, several comments were made recognizing the importance of expanding air access for the region and utilizing the regions' foreign trade zones. Some of the challenges and opportunities discussed included: (1) aging infrastructure in some parts of the region, (2) the need to continue to leverage and expand air and water transportation assets, and (3) utilizing broadband assets to better link with global opportunities.

### *Implications, Ideas and Recommendations*

The groups identified a number of ways forward to address the challenges and opportunities discussed in the meetings.

In the area of talent, ideas included:

- Aligning K-12 education and graduation requirements with industry workforce needs.

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- Giving high school students more career oriented education options and credentials (different types of diplomas, concurrent enrollment, etc.).
- Supporting innovative STEM education programs that link K-12 education with job opportunities – examples included CEO in the Classroom, Duluth Aviation Institution programs, and the Duluth Robotics Competition (Duluth).
- Better integration of “soft skills” training with K-12 and post-secondary training that recognizes the importance of customer service and professional interpersonal skills (Eveleth).
- Use technology, incentives, and assistance to increase the capacity of private businesses to find the “right people” and train them internally (Grand Rapids).

In the area of innovation, ideas included:

- Supporting and marketing the existing R&D assets in the region, such as NRRI.
- Improving regulatory framework to speed up permitting and encourage business investment (Duluth, Eveleth, Grand Rapids).
- Prioritize developing industry clusters in aerospace, green chemistry, advanced manufacturing, and forest products (Duluth, Eveleth, Grand Rapids).
- Taking advantage of emerging opportunities in energy, such as natural gas and renewables.
- Expanding access to high speed broadband for businesses (Evelth).

In the area of trade, ideas discussed included:

- Expanding outreach and education on export opportunities to small businesses. Interest is high but knowledge of opportunities is low (Duluth).
- Improve airport access to improve the flow of people, products, and services in and out of the region (Grand Rapids).
- Prioritize the export opportunity in mining for Minnesota while protecting natural assets (Grand Rapids/Eveleth).

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## Northwest Region Meetings | August 19<sup>th</sup>

Bemidji | Crookston | Warroad

Meetings were held in Bemidji at Beltrami Electric Headquarters, at University of Minnesota-Crookston, and in Warroad at Marvin Windows' training center. A total of 53 people representing businesses, workforce development and economic development attended the meetings.

Northwest Minnesota is one of the most rural regions in Minnesota and shares an important international border with Canada. It also has important cross-border economic ties to its neighbor, North Dakota. Each meeting represented the large diversity of issues, challenges, and opportunities across the region.

### *Discussion Themes:*

Talent: Developing and retaining a talented workforce is a priority throughout the region. The region boasts several large and growing employers, including Marvin Windows (Warroad), Polaris (Thief River Falls), Central Boiler (Greenbush), and Digikey (Thief River Falls). These employers pull workers from all over the region and report struggling to find workers to fill open jobs.

Challenges related to talent include: (1) housing shortages, especially in areas north of Bemidji such as Warroad, (2) an aging population and low population growth, (3) attracting highly skilled workers such as engineers to the region, (4) keeping younger workers (18-30) in the region, (5) childcare availability for working families, and (6) lack of vocational training opportunities at the high school level.

Innovation: The discussion on innovation focused on the need for developing and supporting the next generation of entrepreneurs that will build the next great companies in the region. Several people recognized that attracting businesses from outside the region to locate to Northwest Minnesota would always be difficult. The priority should be supporting the existing businesses in the region and supporting locally grown businesses. Challenges and opportunities related to innovation include: (1) the need for support for local entrepreneurs, (2) expanding broadband availability, (3) easing the regulatory burden on businesses looking to invest and expand, and (4) addressing the challenge of high energy costs for businesses.

Trade: With an international border and a heavily agricultural and manufacturing based economy, enhancing trade is a priority for the region. The discussion focused on the following key challenges related to enhancing trade in the region: (1) the displacement of local rail access due to oil transportation from North Dakota, (2) aging roads and bridges, and (3) the availability of air service.

### *Implications, Ideas and Recommendations*

The groups identified a number of ways forward to address the challenges and opportunities discussed in the meetings.

In the area of talent, ideas included:

- Aligning K-12 education and graduation requirements with industry workforce needs, especially in the area of vocational education (Warroad)
- Incentives for developing more affordable housing (Crookston, Warroad)

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- Resources to support childcare for working families (Bemidji, Crookston, Warroad).
- Expanding amenities to attract young talented workers (Bemidji, Crookston, Warroad).
- Marketing the job opportunities to other regions of the state (Bemidji, Crookston, Warroad).

In the area of innovation, ideas included:

- Improving regulatory framework to speed up permitting and encourage business investment (Bemidji, Crookston, Warroad).
- Expanding services, support, and financing for local entrepreneurs (Bemidji, Crookston).
- Expanding broadband access and utilization to unserved and underserved areas (Crookston, Warroad).

In the area of trade, ideas discussed included:

- Expanding outreach and education on export opportunities to small businesses (Bemidji).
- Support an oil pipeline to relieve pressure on rail lines due to oil related traffic (Bemidji, Crookston, Warroad).

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## Southern Region Meetings | August 22<sup>nd</sup>

North Mankato | Owatonna | Rochester

Meetings were held in North Mankato at the North Mankato Police Annex, in Owatonna at the Southern Minnesota Initiative Foundation office, and at the Rochester Chamber of Commerce office. A total of 87 people representing businesses, workforce development, and economic development attended the meetings.

Southern Minnesota boasts several important regional population centers, including the largest city outside the Twin Cities metro region, Rochester, which is home to Minnesota's largest private employer, the Mayo Clinic.

### *Discussion Themes:*

**Talent:** Developing and retaining a talented workforce is a priority throughout the region. Discussion focused on challenges related to finding and attracting enough workers with the right skills to fill in demand jobs in the context of an aging population and influx of new immigrants. Challenges identified included: (1) ensuring immigrant families are able to integrate and thrive in the region, (2) work readiness and basic job skills of high school graduates, (3) alignment of higher education system to job opportunities, (4) attracting and retaining talented workers, (5) replacing high skilled workers that are nearing retirement, (6) succession planning for retiring business owners, and (7) the availability and affordability of housing.

**Innovation:** The discussion on innovation focused on two main themes: (1) supporting local entrepreneurs and (2) building off existing strengths in innovation in healthcare, agriculture technology, and advanced manufacturing.

Some of the key challenges and opportunities discussed in the meetings included: (1) building a culture of innovation and entrepreneurship among youth, (2) small business access to capital and technical assistance, (3) moving local industries up the value chain in agricultural products, and (4) filling the remaining gaps in broadband availability.

**Trade:** Agricultural and related products remain an important part of the Southern Minnesota economy. The discussion focused on the challenge of ensuring adequate transportation infrastructure or even expanding to get products and service to market. Participants in the discussion identified the following challenges related to enhancing trade in the region: (1) expanding access to four-lane highways and (2) improving rail access for agricultural products.

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## *Implications, Ideas and Recommendations*

The groups identified a number of ways forward to address the challenges and opportunities discussed in the meetings.

In the area of talent, ideas included:

- Expanded investment in technical college training and better alignment with existing and future industry needs (North Mankato, Owatonna).
- Expanding support and promotion of apprenticeships and on-the-job training for K-12 and post-secondary students (North Mankato, Owatonna).
- More local control and flexibility of state programs to support locally driven priorities (Owatonna).
- Align and improve the K-12 and community/technical college pipeline (North Mankato).
- Expanding investments in transportation infrastructure for commuters (North Mankato, Owatonna).

In the area of innovation, ideas included:

- Expanding support for entrepreneurship and innovation opportunities such as Minnesota CUP (Owatonna, Rochester).
- Expanding services, support, and financing for local entrepreneurs through SBDCs and other providers (North Mankato, Owatonna).
- Expand support for the Angel Investor Tax Credit to support local innovations and entrepreneurs (Rochester).
- Expanding broadband availability for both businesses and teleworking opportunities (North Mankato).
- Improving regulatory framework to speed up permitting and encourage business investment (North Mankato, Owatonna).

In the area of trade, ideas discussed included:

- Raise awareness of export resources at the State and local governments, including SBDCs, Department of Agriculture, and the Minnesota Trade Office (Owatonna).
- Continued investments in roads, bridges, and 4-way lane expansion for key commercial corridors (North Mankato).

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## West Central Region Meetings | August 26<sup>th</sup>

Alexandria | Perham | Breckenridge

Meetings were held in Alexandria at the Holiday Inn Conference Center, in Perham at the Lakeside Golf Course Conference Center, and in Breckenridge at the St. Francis Healthcare Campus. A total of 62 people representing businesses, workforce development, and economic development attended the meetings.

The West Central region is an important hub for advanced manufacturing of agriculture and food processing related equipment, in addition to being an important agricultural region in the state. Alexandria is a major hub for manufacturing in the region, with Perham representing agriculture and agricultural processing parts of the region. Breckenridge represents many of the unique issues border communities face in sharing a border with North and South Dakota, states with booming fossil fuel economies. The discussion at each location represented the large diversity of issues, challenges, and opportunities across the region.

### *Discussion Themes*

**Talent:** Developing and retaining a talented workforce was discussed as a priority throughout the region. In Alexandria and Perham, many businesses are struggling to find enough workers with the right skills. In the Breckenridge area, which shares a border with North Dakota, workforce challenges related to their proximity to competing labor markets in North Dakota, where an oil boom has fueled a rapidly growing economy.

Discussion focused on a variety of challenges and opportunities related to finding, attracting, and retaining workers with the right skills to fill jobs in demand. Challenges and opportunities identified in the discussion included: (1) competing with the Fargo area and North Dakota for skilled workers, (2) the need for more investment, flexibility, and responsiveness in post-secondary technical training, (3) availability and affordability of housing for workers, (4) attracting and retaining young professionals with trailing spouses, (5) attracting and integrating immigrant families into the community, and (6) an aging workforce and low population growth.

**Innovation:** The discussion on innovation focused on investing in infrastructure to position the region for future growth and developing and supporting the next generation of entrepreneurs that will build the next great companies in the region. Several participants recognized that the region and Minnesota will always compete with North Dakota and Iowa, so the priority should be supporting the existing businesses in the region and supporting locally grown and locally loyal businesses. Challenges and opportunities related to innovation included: (1) the need for support for local entrepreneurs, (2) expanding broadband availability, (3) easing the regulatory burden on businesses looking to invest and expand, and (4) addressing the challenge of energy cost, especially of propane and natural gas, for businesses and communities.

**Trade:** In the area of trade and global engagement, participants discussed the importance of transportation infrastructure to transport products to market and connect local companies to global opportunities. Rail traffic from the North Dakota's oil boom was of special concern for many businesses

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in the region. Oil and natural gas traffic is displacing agricultural and manufacturing traffic from the area, leading to delays getting products to market and rising transportation costs.

## *Implications, Ideas and Recommendations*

The groups identified a number of ways forward to address the challenges and opportunities discussed in the meetings.

In the area of talent, ideas included:

- Expanding investment in technical college training with more program flexibility to meet the needs of growing businesses (Alexandria).
- More local control and flexibility of state programs to support locally driven initiatives (i.e. industry led apprenticeship programs, etc.) (Alexandria, Perham).
- Expanding tourism marketing to include attracting workers to the region (Alexandria).
- Aligning and improving the K-12 and community/technical college pipeline (Perham).
- Incentives to attract young talented workers (i.e. student loan forgiveness, housing vouchers, etc.) (Breckenridge, Perham).
- Expanding support for the amenities young workers find attractive (bike paths, farmer's markets, etc.) (Perham).

In the area of innovation, ideas included:

- Expanding broadband availability for both businesses and teleworkers (Alexandria, Perham, Breckenridge).
- Improving regulatory framework to speed up permitting and encourage business investment (Alexandria, Perham, Breckenridge).
- Expanding services, support, and financing for local entrepreneurs (Alexandria, Perham, Breckenridge).

In the area of trade, ideas discussed included:

- Supporting oil pipeline development to relieve traffic pressure on rail lines.
- Continued investments in roads, bridges, and 4-way lane expansion for key commercial corridors (Perham, Alexandria).

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## Metro Region Meetings | August 28<sup>th</sup>, September 5<sup>th</sup>, September 8<sup>th</sup>, September 9<sup>th</sup>

Minneapolis | Saint Paul

Meetings were held throughout the metro, each focused on one of the themes of economic competitiveness- talent, innovation and trade. The first meeting, focused on innovation, was held at the Carlson School of Business in Minneapolis. The second meeting, focused on trade, was held at the offices of Fredrikson and Byron in Minneapolis. The third meeting, focused on talent, was held at the Department of Employment and Economic Development offices in St. Paul. Over 120 people representing businesses, workforce development, and economic development attended the meetings.

The 7-county Twin Cities metropolitan region represents the majority of population and economic activity in the state, with over 50% of the state's population and over 60% of the state's economic output. The region has many important linkages and interdependencies with other regions of the state.

Innovation: The groups discussed a number of ways forward to address the challenges and opportunities of supporting an innovation economy in the metro region. The following is a summary of key concepts the group discussed:

- *Supporting new innovators and innovations:* the group discussed the need to ensure Minnesota supported a culture of innovation and entrepreneurship and continued to invest in tools, like the Angel Tax Credit, to attract higher-risk capital to support new ideas and new businesses.
- *Attracting and retaining talent:* the group discussed the need to ensure Minnesota continued to be a place that attracted talented workers and innovators from outside of Minnesota, and a place that those with some connection to Minnesota would want to come back to or stay. The group discussed that Minnesota has a great story to tell, but could do a better job getting that story out in a coordinated way.
- *Supporting our existing innovation base:* the group discussed the priority for supporting the current foundation of businesses and entrepreneurs, as well as the need to support a business and workforce climate that encourages continued investment in Minnesota. Issues such as federal tax policy and the Minnesota foreign royalty deduction were mentioned as key policy areas to focus on.
- *Better focus and coordination:* the group discussed the need for better coordination of activities and programs and more focus on the deployment of those resources. One challenge mentioned was the resources spread so thin they result in minimized impact. Participants discussed the need for investment in efforts that are focused, realistic, data driven, and based on real opportunities for growth in Minnesota.

Trade: The groups discussed a number of ways forward to address the challenges and opportunities of expanding trade and international investment in the metro region. The following is a summary of key concepts the group discussed:

- *Build the capacity of communities and business to expand exports.* Activities and services like "Export in Box" need to continue on a regular basis – the region needs to move away from pilot programs to full stage implementation so these activities become imbedded in local communities and continue to build a culture of exporting among small business owners. DEED

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should also consider continuing to expand export assistance service through local SBDCs and establishing SBDC international trade centers across the state.

- *Focus and coordination of global trade and investment efforts.* The region has an impressive array of services available to businesses but shouldn't spread resources too thin. There is a need to focus on the region's identified industry strengths and continue to build Minnesota's brand. Getting businesses to export requires a heavy touch and should focus on specific industries that will have the greatest opportunity and impact.
- *Building the Minnesota brand and sharing it with the world.* The world knows Minnesota's companies, but don't know Minnesota. Stakeholders should work together to continue to tell Minnesota's story and use existing strengths, such as medical devices, to get the foot in the door. Certain regions, such as the Nordic countries, have strong connections to Minnesota. The region needs to continue to build those connections and expand connections to other regions of the world.
- *Outreach to international students.* International students help connect Minnesota to the world and many stay after their education is complete. Many of these students are the future business leaders that will help build a culture of exporting and global engagement. Deliberate outreach is needed to keep them here or help reconnect them to Minnesota after they've left.

## Talent:

The groups discussed a number of ways forward to address the challenges and opportunities of building a competitive workforce for the future in the metro region. Two main themes emerged out of the discussion: (1) the need to build, retain, and attract a globally competitive workforce and (2) ensure minority and immigrant communities access points and resources to succeed in Minnesota's economy.

The following is a summary of key concepts the group discussed:

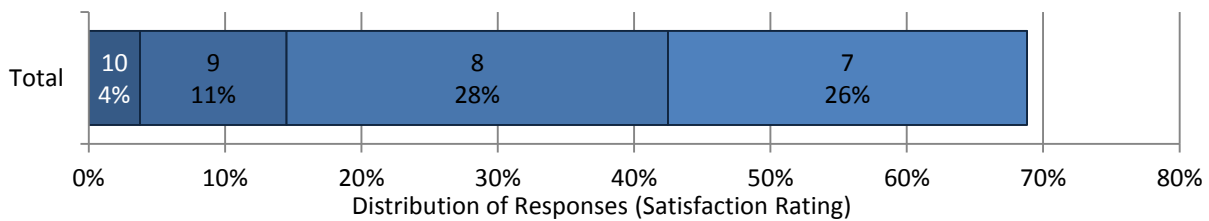
- *Attracting and retaining talent:* the competition of talented workers is high and we need an organization to focus on this issue and pull partners together.
- *Workforce inclusion and reducing disparities:* the employment and education disparities between white and minority populations are the defining challenges of this region. There is a need to improve the coordination of service delivery, support the organizations that are on the front lines of serving underserved communities, and ensure all the voices are at the table for tackling this problem.
- *Youth workforce development:* getting youth attached to workforce early on is critical to future success, especially in targeting minority populations— we need to expand programs like Step-wide and bring it statewide.
- *Building a career pathways system:* the reauthorization of WIA (now WIAO) is an opportunity to reorient our workforce system towards career pathway based programming. We have many program by program responses to our challenges, but not a system wide approach. WIAO could be the opportunity for a system-wide approach.

## Highlights of Regional Meetings Feedback Survey Results

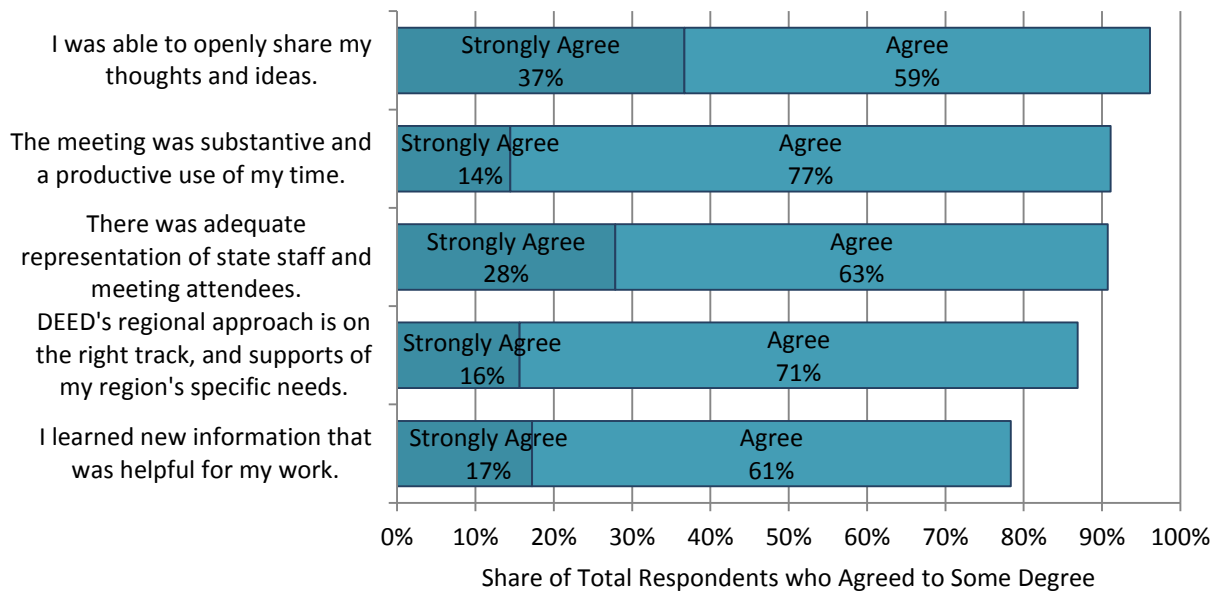
Participants attended more than 20 regional engagement meetings across the state during the months of July through September 2014. Shortly after the meetings took place, an electronic feedback survey about the meetings was distributed via SurveyGizmo.com. Over all regions, 188 people responded out of 389 participants, for a response rate of 48 percent. The majority of respondents were attendees (91 percent) rather than hosts or DEED staff (9 percent). (DEED staff was not surveyed.)

*What was your overall satisfaction with the meeting, on a scale of 1 to 10 where 1 means Very Dissatisfied and 10 means Very Satisfied?*

- About 69 percent rated their satisfaction at 7 or higher.



*Please indicate your level of agreement with the following statements on a scale of strongly agree, agree, disagree, or strongly disagree.*



*How useful were the following parts of the meeting on a scale of very useful, useful or somewhat useful or not useful?*

Agenda Part	Percentage Rating Somewhat Useful, Useful or Very Useful
A. Overview of State-Regional Economic Competitiveness Initiative	94%
B. Overview of Regional Economic Data	96%

# Minnesota Regional Economic Competitiveness Initiative

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C. Regional Economic Development Priorities and Plans	95%
D. Facilitated Group Discussion	97%