

# GREATER MSP®

SCALE

September 11, 2020



4,500 leaders

300 organizations

120 investors

22 professional staff

1 region



# BUSINESS INVESTMENT

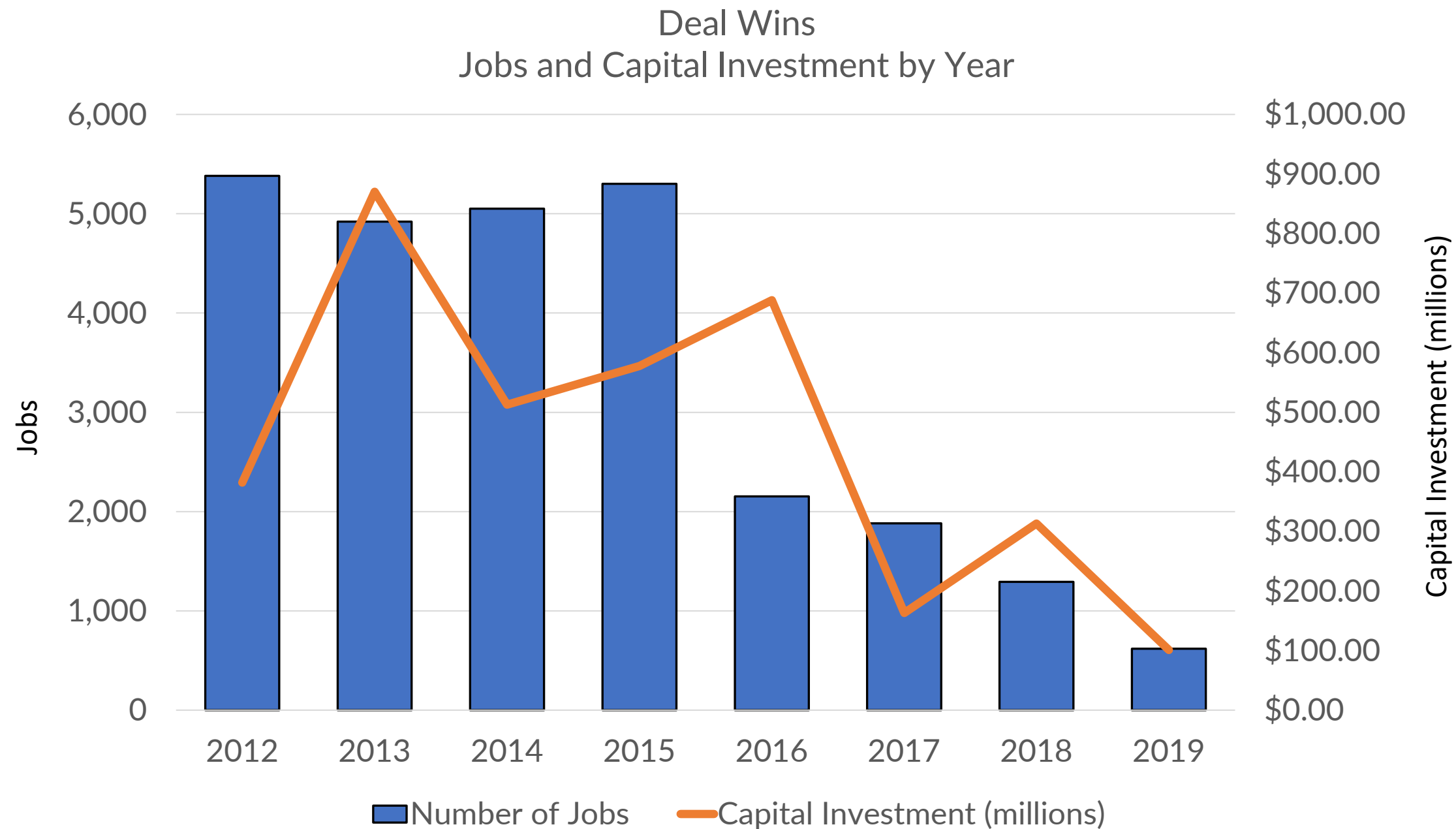
## The basics

- Expansion, attraction & retention of businesses
- Primary sector\* job creation & capital investment
- International & national in scope
- 4 full-time professional staff group at GREATER MSP
- 23 active deals with 3500 jobs & \$1.4 billion in play

**Deal Flow is as strong in Q3 2020 as it has been in 3 years**

*\*Primary sector = office, industrial, R&D, manufacturing, distribution investments, excludes retail & local service sector*

# THE PROBLEM WE SET OUT TO ADDRESS



## Why did wins drop off in 2016?

### Factors include:

- Limited workforce availability
- Federal political uncertainty
- Less urgency from some public partners
- Lack of sites & buildings
- Fewer projects with large job counts
- Incomplete success measurements

## Early ideas for stimulating job creation

- ☐ We need to recapture the **sense of urgency** for job creation coming out of the Great Recession that resulted in big wins.
- ☐ We also need to “**re-capitalize**” our **depleted asset base** in workforce and real estate so we have client solutions in real-time.
- ☐ And we need to adopt some **new strategies** that leverage our competitive advantage and meet emerging client demands.

# RESPONDING TO THE JOBS CHALLENGE

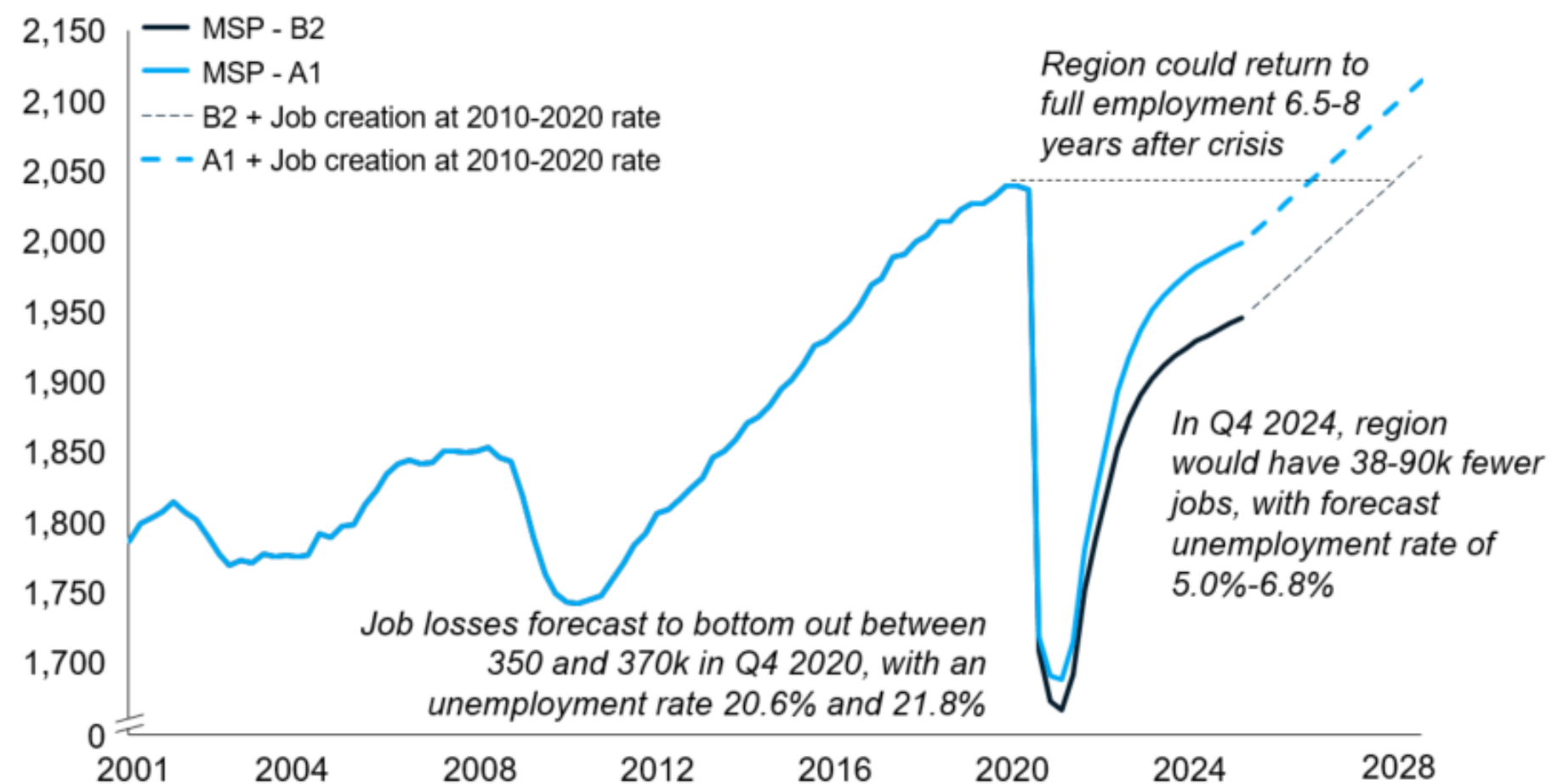
Portfolio of regional action



**Our region faces loss of 350k+ jobs & 6-8 years to return to pre-crisis employment**

**Total non-farm employment in Minneapolis-St Paul MSA**

Employees, Thousands



**We can maximize the levers we have...**

- ▶ **Job attraction, retention, expansion**
  - Supply-chain procurement strategies
  - Support fast growth companies
  - Transition dislocated workers to new jobs
  - Stabilize & grow small businesses

**...while we build new solutions.**

- Racially inclusive talent pipeline (*CONNEXT*)
- Major investments in BIPOC communities
- Next generation workforce development
- Housing & transportation infrastructure



# HOW BUSINESS INVESTMENT CHANGED IN 2020

*COVID19 period is altering our competitive position for business attraction, expansion & retention*

	JANUARY 2020	JULY 2020
Job growth urgency	challenge	opportunity
Workforce	challenge	opportunity
Real estate	challenge	challenge
Brand/Image	opportunity	challenge



MEMBERS	OBJECTIVES
<ul style="list-style-type: none"><li>• Mayor Mike Maguire   City of Eagan</li><li>• Ginny Hubbard Morris   Hubbard Broadcasting</li><li>• Ravi Norman   Norman Global Enterprises</li><li>• Laura Oberst   Wells Fargo</li><li>• Michael O’Leary   EY</li><li>• Commissioner Jon Ulrich   Scott County</li></ul>	<ul style="list-style-type: none"><li>❑ Refresh business investment strategies</li><li>❑ Identify barriers to job growth &amp; prioritize list for problem-solving</li><li>❑ Draft 3 year goal &amp; updated metrics</li></ul>

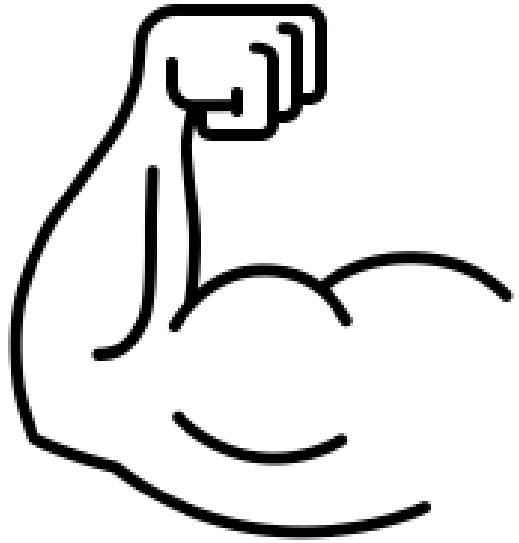


# INSIGHTS FROM THE TASK FORCE PROCESS

WHAT WE LEARNED TOGETHER OVER THE PAST 6 MONTHS

- ❑ Speed is the hidden competitive factor
- ❑ We aren't consistently doing deals as a partnership
- ❑ We can & must use this moment of crisis to improve
- ❑ Our region needs to anticipate so we're ready for opportunities





## Proven **Strengths** in Deal Process

- Skilled workforce
- Sector strengths (access to suppliers and customers)
- Mature and diverse economy
- Quality of life & livability (ease of commute, housing affordability for workers)
- Targeted incentive policies (e.g. state data center incentive)



## Real **Barriers** to Winning Deals in this Region

- Lack of available workforce – perceived or real
- Cities refuse to sign confidentiality agreements to compete for a deal
- Lack of real estate that meets needs (size, location, quality, development schedule)
- Cities refuse to accept state incentive funds to close the deal
- Client questions and problems don't get addressed, or addressed too slowly
- Competitiveness of state incentive programs (eligibility, approval process, contract terms)
- Business climate (labor, taxes, real estate) – perceived or real
- Low awareness and/or misperceptions of the region (i.e. the deals we never see)



# RECOMMENDATIONS

We consolidated the experience & insight on current and future change into a plan to refresh Business Investment strategy to maximize our region's job creation potential

