



2018 Comprehensive Guide Plan Steering Committee

Monday, Dec. 11, 2017

Minnetonka Community Center Community Room

6:00 – 8:00 p.m.

Agenda:

- | | |
|------------------|--|
| 6:00 – 6:15 p.m. | Dinner |
| 6:15 – 6:45 p.m. | Overview of city Economic Improvement Program |
| 6:45 – 8:00 p.m. | Economic Development Plan Draft (Humphrey School of Public Affairs students) |
| 8:00 p.m. | Adjourn |



Memorandum

To: Comprehensive Guide Plan Steering Committee

From: Loren Gordon, AICP, City Planner
Alisha Gray, EDFP, Economic Development and Housing Manager

Date: December 11, 2017

Subject: Comprehensive Guide Plan meeting #7 – December 11, 2017

This month's steering committee meeting will focus on economic competitiveness. This is an elective topic in the 2040 comprehensive plan and this will be the first time the city will include a chapter on economic competitiveness in the plan. City staff and students from the University of Minnesota Humphrey School of Public Affairs will attend and present an overview of current city efforts and observations of how the city can continue to be economically competitive in the region. Humphrey School students have prepared a draft Economic Development Plan (attached) they will present at the meeting. They would like feedback from the steering committee and city staff.

The Thrive MSP 2040 provides a number of resources on [economic competitiveness](#). The goal of this effort is to learn what drives the region's economy as well as gain a better understanding of Minnetonka's local economy.

Background

In 2012, the city of Minnetonka developed the Economic Improvement Program (EIP) to provide a detailed five-year plan of the city's economic development activities. The document is the city's plan for housing, economic development, redevelopment and transit programs that promote economic viability for the citizens and businesses of Minnetonka and covers the pillars of economic development, including:

- Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population to attract younger residents.
- Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.
- Projects which enhance resident mobility by pursuing opportunities and solutions to improve the transit service.
- Activities that promote vitality of the city through development and redevelopment.

The EIP provides the city with a programmatic detail for economic development activities that

can be enhanced through the lens of the comprehensive planning process.

The goal of this meeting is to learn what drives the region's economy as well as gain a better understanding of Minnetonka's local economy. The city of Minnetonka has partnered with students from the University of Minnesota and Marquette Advisors to assist with identifying the city's key employment industries, industry nodes, potential partnerships and strategies to ensure long-term vitality in the region.

Supplemental information

- Humphrey School of Public Affairs – Economic Development Plan Draft 2017 and Presentation Slides
- [June 12, 2017 – 2018 Adopted Economic Improvement Program](#)



CITY OF
MINNETONKA

ECONOMIC
DEVELOPMENT PLAN

DRAFT 2017



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Introduction

This chapter establishes the City of Minnetonka's role in economic development and will define goals, strategies, and major actions to strengthen and preserve economic development in the City. Minnetonka has a reputation as a vibrant and successful "great place to live" for residents. This chapter applies a framework that connects priorities of action from information on the latest demographic and economic trends to the future-oriented goals of the City.

What is Economic Development?

Economic development is about the quality of the jobs creating, the impact growth has on the environment, and the benefits to all Minnetonka residents. Successful economic development (1) establishes a minimum standard of living, that improves over time. (2) Ensures all residents benefit especially those who struggle the most, and (3) maintains the environmental quality of the City. It reduces inequalities between groups of people through the creation and retention of jobs, the creation and preservation of diverse housing options, and the integration of transit and infrastructure. The City of Minnetonka should use economic development to improve the economic well-being of the community and the long-term sustainability of the City.

How Economic Development Moves Minnetonka Forward

Minnetonka is a thriving community. The City's prime location, just eight miles west of Minneapolis, and proximity to the Twin Cities' business centers gives Minnetonka significant economic advantages. In addition, Minnetonka has strong suburban community ties, a well-regarded education system, and a connection with the woods and lakes unrivaled by nearby cities. Many of Minnetonka's strengths are derived from the City's flourishing businesses, distinct office developments, and attractive residential areas.

In looking towards the future, we know that the City of Minnetonka is experiencing demographic and economic changes, and these will continue to change over time. Therefore, it is to capitalize on the City's strengths and look to address its weaknesses through an economic development framework.

To ensure its success Minnetonka ought to proactively incorporate strategies in the four key areas of physical development, business development, human development and community development. The City ought to work with the community to secure its current partnerships with major employers, including United Health Group, Cargill, Boston Scientific, Carlson Companies, Opus, Syngenta, and Ridgedale Shopping Center, among others. Economic development planning is an on-going an iterative process. Therefore, we recommend Minnetonka repeat this process every 3 years to track changes in the community. This will assure strategies are successful over time and meet the needs of the community as it evolves.

While Minnetonka is considered successful, the City is not without its challenges. Many challenges are derived from a demographic imbalance that exists within the City. To maintain a healthy local economy, the City needs to address gaps in socioeconomic disparities particularly those that exist in education, employment and income.

Another challenge for Minnetonka is that a majority of residents do not work in the City, and a majority of the people who work in the City do not live there. While this chapter will suggest strategies that address the employment side of this issue, the Housing Chapter [insert Housing Chapter number] will further explore reasons behind this relationship and additional strategies to minimize this spatial mismatch.

This chapter will establish goals, and strategic actions to capitalize on the City's current strengths, and revitalize areas of weakness within the City. These goals and actions will encourage a strong Minnetonka for all and for a long time to come.

Economic Development Goals for a Prosperous Minnetonka:

GOAL 1: Ensure sustainable infrastructure throughout the entire City.

GOAL 2: Ensure living-wage job opportunities for all residents, especially those cohorts at the low end of the economic ladder.

GOAL 3: Preserve and enhance the high quality of life in the City.

GOAL 4: Support housing and economic opportunities that serve all economic levels.

Minnetonka Community Assessment

This community assessment is an analysis of Minnetonka that describes local economic and demographic trends over time. It identifies strengths and groups that needs help in the city. This information can be compared to county, metro or state data, to place Minnetonka in a regional context.

Minnetonka's population has remained relatively stable since 2000, having increased slightly since 2010. However, Figure 1 shows that the population is aging in place, with the population in the 20-54 age range decreasing and the population in the 55-85 age range increasing since 2010. This matches the statewide trend, but the population of Minnetonka is aging at a faster rate.

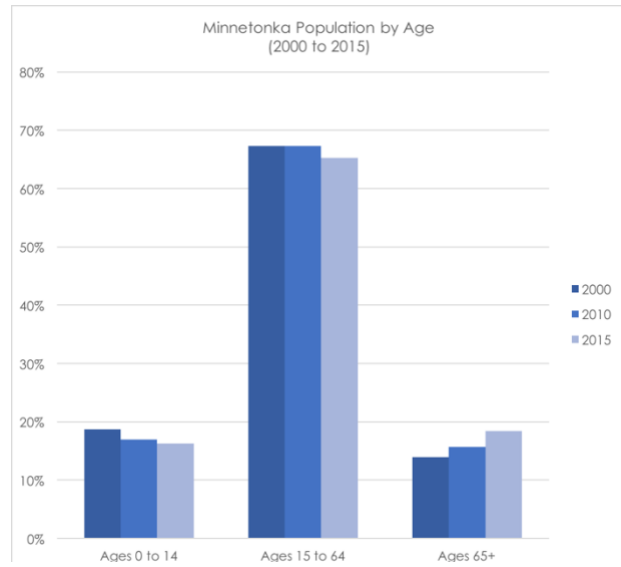


Figure 1: Minnetonka Population by Age

Minnetonka is very homogenous with regards to race. Table 1 shows that although the percentage of the population identifying as white slowly decreased since 2000, it is still 88% in 2015.

Table 1: Minnetonka Population Distribution by Race

Minnetonka Population Distribution by Race	2000	2010	2015
White	94.4%	91.1%	88.1%
Black or African American	1.5%	3.9%	4.0%
American Indian and Alaska Native	0.2%	0.5%	0.2%
Asian	2.3%	2.4%	4.1%
Native Hawaiian and Other Pacific Islander	0.0%	0.0%	0.0%
Some other race	0.6%	0.4%	1.0%
Two or more races	1.0%	1.8%	2.6%

The population is also more educated, with the percent of the population possessing a higher degree increasing significantly since 2010 (See Table 2)

Table 2: Percentage of Residents with a Bachelor's Degree or Higher

% of Residents with a Bachelor's Degree or Higher	2000	2010	2015
Associate's degree	6.3%	7.6%	8.3%
Bachelor's degree	34.7%	36.0%	35.3%
Graduate or professional degree	16.9%	16.9%	21.6%

Median household income in Minnetonka increased between 2000 and 2015. As of 2015, median household income is also significantly higher than the statewide median household (see Table 3). Per capita income follows the same trend (see Table 4).

Table 3: Median Household Income

Median Household Income	2000	2010	2015
Minnesota	\$47,111	\$57,243	\$61,492
Minneapolis-St. Paul-Bloomington, MN-WI		\$65,181	\$68,778
Hennepin County	\$51,711	\$61,328	\$65,834
Minnetonka	\$69,979	\$81,324	\$78,589

Table 4: Per Capita Income

Per Capita Income	2000	2010	2015
Minnesota	\$23,198	\$29,582	\$32,157
Minneapolis-St. Paul-Bloomington, MN-WI		\$32,852	\$35,069
Hennepin County	\$28,789	\$35,902	\$38,724
Minnetonka	\$40,410	\$47,198	\$49,320

In 2015, the poverty rate in Minnetonka was 5.4%, which was just under half of the statewide poverty rate of 11.3%. However, the poverty rate for Minnetonka's Black/African American population was significantly higher than the rest of the population at almost 20%.

Minnetonka's labor force has been shrinking from 2000 to 2015. The labor force participation rate is gradually decreasing, despite increases in the total aggregate wages (see Table 5). The number of workers who worked in Minnetonka in 2015 was less than a quarter of the total workforce in Minnetonka, although most workers are employed within Hennepin County.

Table 5: Minnetonka Labor Force

Minnetonka Labor Force	2000	2010	2015
In Labor Force	73.6%	70.7%	70.3%
Employed	71.9%	67.1%	66.8%
Unemployed	1.7%	3.6%	3.4%
Not in Labor Force	26.4%	29.3%	29.7%

Minnetonka has several industries of importance, according to the Economic Base Theory, which is a prominent theory for economic development. This theory divides businesses into two primary categories: Basic (businesses in the export market) and Non-basic (businesses in local market). Economic Base theory uses the location quotient method to quantify how concentrated particular industries or industry clusters are in within the region compared to the nation. This illuminates which business activities are unique to Minnetonka, and how they have been changing over time. The Information,

Finance and Insurance, and Real Estate and Rental Leasing industries take up a higher proportion of the jobs in Minnetonka compared to national norms, and their proportion of total jobs has been increasing. And although the Health Care and Social Assistance industry in Minnetonka has a lower proportion of total jobs compared to national norms, the proportion of total jobs is increasing and should be watched in the future. A full analysis of business activities in Minnetonka is available in the appendix (see Table A-24).

From this information, the strengths and opportunities for improvements can be identified. This can be used to focus economic development strategies and policies and measure progress towards economic development goals.

KEY STRENGTHS

1. **EDUCATION** - Minnetonka has a high level of educational achievement. In Minnetonka 35.3% of people 25 and older have a bachelor's degree and 21.6% have a professional or graduate degree in 2015. This is significantly higher than the levels of educational attainment in Hennepin County and Minnesota (see Figure A-1).
2. **MEDIAN INCOME** - Minnetonka has a high median income, \$78,589 in 2015; it is over \$10,000 higher than the metro median income and \$17,000 higher than the Minnesota median income in 2015 (see Table A-4).
3. **POPULATION IN POVERTY** - Minnetonka has a low level of poverty with only 5.4% of the population living below the poverty line in 2015. This is less than half the percentage of people living below the poverty line in Hennepin County and Minnesota (see Table A-19).
4. **INDUSTRY BASE** - Minnetonka has a healthy industry base of healthcare and social assistance which provided 4,641 jobs (10.8% of total jobs). The Finance and Insurance industry is responsible for 7,319 job, approximately 17.1% of total jobs (see Table A-24).

KEY OPPORTUNITIES FOR IMPROVEMENT

1. **AGING POPULATION** - In general, the population in Minnetonka is weighted more toward retirement age residents since the younger population (15-64 years) is decreasing and the older population (65+ years and over) is increasing from 2000-2015 (see Table A-2). Addressing this will provide new and different challenges for the community.
2. **INCOME DISTRIBUTION** - The distribution of income in Minnetonka has become more extreme. The populations in the top and bottom income ranges have increased between 2010 and 2015 (see Table A-6). This trend is opposite from the

state income distribution (see Table A-7). While this means that part of the population is doing better, another part of the population is doing worse financially.

3. **ECONOMIC DISPARITY** - There is an economic stratification between ethnic and demographic groups that is preventing some residents from enjoying the full success of the City. When all residents in Minnetonka are able to do well, it can foster entrepreneurial innovation and create new opportunities that expand the local labor pool and create cyclical successes for cohorts of residents (see Table A-12, A-13, A-20, A-21 and A-22).
4. **CONNECTION BETWEEN RESIDENTS AND LOCAL EMPLOYMENT OPPORTUNITIES** - Of workers 16 years of age and over in 2014 in Minnetonka, 0.9% worked outside Minnesota, and 11.3% worked outside Hennepin County, and 76.2% worked outside the city of Minnetonka. Most workers are employed in Hennepin County, but outside of the City of Minnetonka (see Table A-18).

Major Economic Development Goals and Strategies

Minnetonka currently has a series of existing policies, programs and activities related to Economic Development. By adopting a cohesive framework outlined in *Planning and Local Economic Development*, Minnetonka can excel at local economic development and create strategic actions which address all components of a healthy economy.

Minnetonka currently has a series of existing policies, programs and activities related to Economic Development. By adopting a cohesive framework Minnetonka can improve its economic development focus and create strategic actions which address all components of a healthy economy.

There are three general types of strategies: Physical development strategies are comprised of (1) public infrastructure (roads, trails, sidewalks, transit-bus, BRT and LRT), (2) housing (market rate and affordable), and (3) buildings where business takes place (office, industrial, retail etc.). Business Development strategies comprise actions intended to support the business operation and activities. Human Development strategies comprise labor (training, education, and other supports like day care). These three strategies combine into a fourth bucket: Community Development, which incorporates strategies of physical, business and human development for geographies of high poverty and need.

The four goals below use the economic development framework outlined above, and supplement where Minnetonka is already succeeding in building a healthy local economy:

GOAL 1: Ensure sustainable infrastructure throughout the entire City.

THE CITY SHALL:

1. Develop a multimodal transportation plan for the City that include pedestrian, biking, hiking, auto and transit modes of transportation connecting residential, jobs and recreational areas.
2. Analyze intersections and corridors to pinpoint problems and require modernizations and expansion opportunities.
3. Identify areas for walking and bike improvements, especially from residential areas to commercial and office centers.
4. Plan for improved physical and transit connections to Village Centers and the future Light-Rail station.
5. Seek regional, state, and federal funding opportunities for transportation projects to encourage a multimodal network.

GOAL 2: Ensure living-wage job opportunities for all residents, especially those cohorts at the low end of the economic ladder.

THE CITY SHALL

1. Strengthen connections between local businesses and those parts of the labor force looking for living-wage jobs.
2. Administer business retention and expansion for attracting new businesses to help the City's private sector be economically competitive through outreach, grants, and partnerships (Common Bond/Industrial Revenue Bond, Greater MSP, TwinWest Chamber of Commerce, Economic Gardening, PACE).
3. Analyze commuting patterns from residences within the City to places of work to determine opportunities for future transit routes and employment centers. Connect major business centers with multi modal transit.
4. Administer programs to enhance personal and business safety (Fire Sprinkler Retrofit, Special Service District, SAC/REC Deferral Program).
5. Support entrepreneurs by supporting the Open to Business program.
6. Adopt a financial assistance policy requiring recipients of financial assistance to place a greater emphasis on hiring Minnetonka residents before those living outside of Minnetonka.

7. Analyze the effectiveness local training and education supports and the needs of residents and business.
8. Identify opportunities to attract business that provide inputs to existing businesses.

GOAL 3: Preserve and enhance the high quality of life in the City.


THE CITY SHALL:

1. Identify barriers within Minnetonka which limit access to jobs for age and ethnicity groups that are underrepresented in the workforce.
2. Work with local high schools and community colleges to partner with high-wage and growing industries and industries that are experiencing labor shortages.
3. Support housing for all income levels to allow residents to live, work, and grow in Minnetonka.

GOAL 4: Support housing and economic opportunities that serve all economic levels.

THE CITY SHALL:

1. Maintain the current strengths of the City by encouraging local opportunities for development and create opportunities to support struggling businesses/populations.
2. Actively promote the vitality of designated Village Centers to integrate uses and connect people to commercial, residential, employment, and public activities.
3. Use programs and resources to address the need for high-quality housing for residents at all levels of income and life-stages.
4. Continue the Welcome to Minnetonka Loan Program, Small Projects Program, and Housing Improvement Areas Program to help maintain safe, healthy, and attractive building stock.
5. Continue to use CDBG funding, Welcome to Minnetonka Loan Program, and the Next Generation Program to increase the supply of affordable and senior housing options.

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6. Continue to utilize existing TIF districts and explore the creation of additional districts in key locations to support the growth of affordable, high-quality housing for residents of all incomes and ages.

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Appendix: Complete Minnetonka Community Assessment

DEMOGRAPHICS

POPULATION

Minnetonka had a population of 51,249 in 2015. Although the population has fluctuated in recent years, they have remained relatively stable between 2000 and 2015 (see Table A-1).

Population	2000	2010	2015	2010-2015	
Minnesota	4,919,479	5,241,914	5,419,171	177,257	3.4%
Minneapolis-St. Paul-Bloomington, MN-WI	-	3,229,181	3,458,790	229,609	7.1%
Hennepin County	1,116,200	1,136,522	1,197,776	61,254	5.4%
Minnetonka	51,301	49,567	51,249	1,682	3.4%

Table A-1: Population

AGE OF POPULATION

In general, the population's age distribution in Minnetonka is skewed towards older residents with the younger population (under 54 years) decreasing and the older population (55 years and over) increasing between 2000 and 2015 (see Table A-2). This trend is consistent with Minnesota's population distribution by age group. However, this change is happening at a faster rate in Minnetonka than it is in the state.

Age of Population	2000	2010	2015	2010-2015	
				# change	% change
Ages 0 to 14	9,599	8,441	8,362	(79)	-0.9%
Ages 15 to 64	34,537	33,388	33,490	102	0.3%
Ages 65+	7,165	7,738	9,397	1,659	21.4%

Table A-2: Age of Population

DIVERSITY

The majority of the population in Minnetonka is white. However, the city has been slowly becoming more diverse. In 2015, 88.1% of the population was white, down from 94.4% in 2000. The remaining population is split almost equally between blacks, Asians, and other races (see Table A-3).

Population Distribution by Race (2015)	Minnesota	MSA	Hennepin County	Minnetonka
White	84.8%	80.7%	74.3%	88.1%
Black or African American	5.5%	7.6%	12.2%	4.0%
American Indian and Alaska Native	1.0%	0.6%	0.7%	0.2%
Asian	4.4%	6.1%	6.8%	4.1%

Native Hawaiian and Other Pacific Islander	0.0%	0.0%	0.0%	0.0%
Some other race	1.5%	1.9%	2.5%	1.0%
Two or more races	2.7%	3.1%	3.5%	2.6%

Table A-3: Population Distribution by Race (2015)

EDUCATION

The percentage of the population in Minnetonka that attained a level of higher education has increased significantly between 2010 and 2015, especially for associate's degrees with a 16.2% increase and graduate or professional degrees with an increase of 35.1%. In total, 62.5% of the population had an associate, bachelor, professional or graduate degree in 2015. This rate is significantly higher than Minnesota's statewide rate of 44.5% for the same degrees. With increasing levels of higher education in the city, the percentage of educational attainment under the level of a high school diploma is decreasing (see Figure A-1).

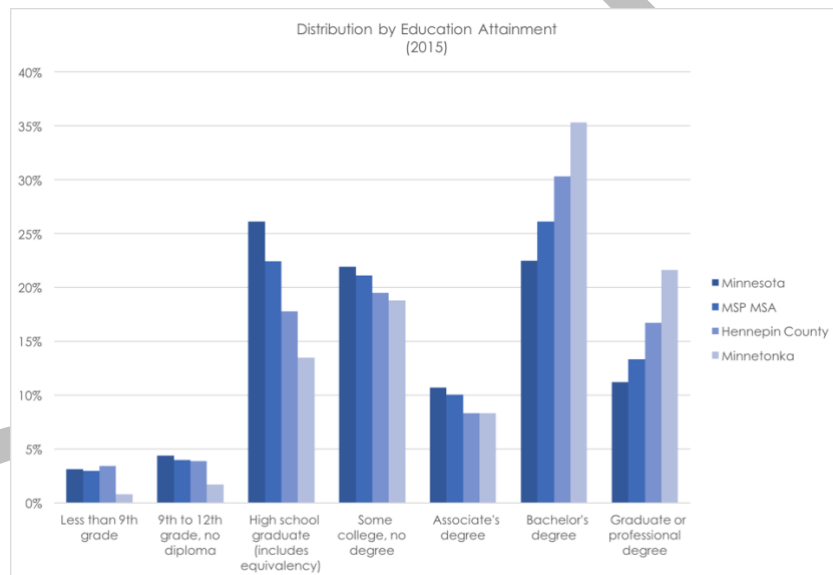


Figure A-1: Distribution by Education Attainment (2015)

Income and Wages

MEDIAN HOUSEHOLD INCOME AND PER CAPITA INCOME

The median household income in Minnetonka decreased by 3.4% between 2010 and 2015. As of 2015, the median household income is \$78,589. Despite the median income decreasing, it remains higher than the Minnesota's statewide, Minneapolis-Saint Paul-Bloomington MSA and Hennepin County's median incomes (see Table A-4). In contrast to the median income, the per capita income in Minnetonka has steadily increased since 2000, with an increase of 4.5% between 2010 and 2015. At \$49,320, the per capita

income in the city is over \$10,000 higher than the state, MSA and county (see Table A-5).

Median Household Income	2010	2015	2010-2015	
			# change	% change
Minnesota	\$57,243	\$61,492	\$4,249	7.4%
Minneapolis-St. Paul-Bloomington, MN-WI	\$65,181	\$68,778	\$3,597	5.5%
Hennepin County	\$61,328	\$65,834	\$4,506	7.3%
Minnetonka	\$81,324	\$78,589	(\$2,735)	-3.4%

Table A-4: Median Household Income

Per Capita Income	2010	2015	2010-2015	
			# change	% change
Minnesota	\$29,582	\$32,157	\$2,575	8.7%
Minneapolis-St. Paul-Bloomington, MN-WI	\$32,852	\$35,069	\$2,217	6.7%
Hennepin County	\$35,902	\$38,724	\$2,822	7.9%
Minnetonka	\$47,198	\$49,320	\$2,122	4.5%

Table A-5: Per Capita Income

HOUSEHOLD INCOME DISTRIBUTION

Income distributions in Minnetonka have become more extreme with the number of households at the low and high ends of the income spectrum increasing. Household incomes that are <\$10,000, between \$10,000 and \$34,999, \$100,000 and >\$200,000 have been increasing significantly between 2010 and 2015. While the percentages of these income groups have been increasing, middle income groups have been decreasing (see Table A-6). This trend is the reverse of the Minnesota's statewide trend. The state has seen the number of households with incomes of \$74,999 or below declining and incomes above \$75,000 increasing between 2010 and 2015 (see Table A-7).

Minnetonka Household Income Distribution	2000	2010	2015
<\$10,000	2.8%	2.5%	3.1%
\$10,000 to \$14,999	2.4%	2.2%	2.6%
\$15,000 to \$24,999	6.2%	5.5%	6.5%
\$25,000 to \$34,999	8.3%	6.6%	8.2%
\$35,000 to \$49,999	14.5%	11.3%	10.0%
\$50,000 to \$74,999	19.0%	17.4%	17.5%
\$75,000 to \$99,999	16.6%	14.0%	12.4%
\$100,000 to \$149,999	16.1%	20.6%	17.7%
\$150,000 to \$199,999	5.6%	8.8%	9.2%
\$200,000 or more	8.6%	11.0%	12.8%

Table A-6: Minnetonka Household Income Distribution

Household Income Distribution (2015)	Minnesota	MSP MSA	Hennepin County	Minnetonka
<\$10,000	5.4%	4.9%	6.0%	3.1%

\$10,000 to \$14,999	4.3%	3.5%	4.1%	2.6%
\$15,000 to \$24,999	9.0%	7.8%	8.4%	6.5%
\$25,000 to \$34,999	8.9%	7.9%	8.3%	8.2%
\$35,000 to \$49,999	13.0%	11.9%	12.0%	10.0%
\$50,000 to \$74,999	19.0%	18.2%	17.0%	17.5%
\$75,000 to \$99,999	14.1%	14.4%	13.0%	12.4%
\$100,000 to \$149,999	15.4%	17.6%	16.0%	17.7%
\$150,000 to \$199,999	5.7%	7.1%	6.9%	9.2%
\$200,000 or more	5.2%	6.8%	8.4%	12.8%

Table A-7: Household Income Distribution (2015)

HEALTH INSURANCE

Minnetonka has a relatively low level of the population uninsured and it has continued to improve. The population with no health insurance in the city has decreased slightly by 10.8% between 2012 and 2015. Overall, approximately 5% of the population in Minnetonka have no health insurance in 2015. This is slightly better than the statewide level at 7% (see Table A-8).

Population without Health Insurance	2012	2015
Minnesota	8.7%	7.0%
Minneapolis-St. Paul-Bloomington, MN-WI	8.6%	6.9%
Hennepin County	9.5%	7.8%
Minnetonka	5.9%	5.1%

Table A-8: Population without Health Insurance

Labor Force

LABOR FORCE PARTICIPATION

The population 16 years of age and older increased by 4.7%, but the total labor force only increased by 4.1% between 2010 to 2015. This led to an overall slight decrease in the labor force participation rate between 2010 and 2015 from 70.7% to 70.3%. The number of people not in the labor force also increased by 6.2% between 2010 and 2015 (see Table A-9 and A-10).

Minnetonka Labor Force	2000	2010	2015
Population 16 years and older	40,895	40,419	42,307
In Labor Force	73.6%	70.7%	70.3%
Civilian labor force	73.6%	70.7%	70.3%
Employed	71.9%	67.1%	66.8%
Unemployed	1.7%	3.6%	3.4%
Armed Forces	0.0%	0.0%	0.1%
Not in Labor Force	26.4%	29.3%	29.7%

Table A-9: Minnetonka Labor Force

Labor Force (2015)	Minnesota	MSA	Hennepin County	Minnetonka
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Population 16 years and older	4,281,141	2,710,649	957,644	42,307
In Labor Force	70.0%	72.2%	72.3%	70.3%
Civilian labor force	70.0%	72.2%	72.2%	70.3%
Employed	66.0%	68.0%	67.9%	66.8%
Unemployed	3.9%	4.2%	4.3%	3.4%
Armed Forces	0.0%	0.0%	0.0%	0.1%
Not in Labor Force	30.0%	27.8%	27.7%	29.7%

Table A-10: Labor Force (2015)

LABOR FORCE PARTICIPATION BY AGE

Between 2010 and 2015, the unemployment rate for the population 16 years of age and older increased slightly from 5.1% to 5.4%. During this same period, the unemployment rate grew the most amongst the 65-74 age group, increasing from 4.9% to 6.7%, while the unemployment rate for the 16-19 and 25-24 both decreased slightly (less than 3%). Overall, the unemployment rate is highest amongst the 16-19 and 20-24 age groups, which were both above 10% in both years (see Table A-11).

Age	2010			2015		
	In Labor Force	Employed	Unemployed	In Labor Force	Employed	Unemployed
16+	70.7%	67.1%	5.1%	70.0%	66.1%	5.4%
16 to 19	38.4%	33.1%	13.9%	40.9%	36.3%	11.2%
20 to 24	83.8%	75.1%	10.4%	83.3%	74.5%	10.7%
25 to 44	87.7%	83.7%	4.4%	89.1%	85.2%	4.2%
45 to 54	90.1%	86.1%	4.4%	88.2%	84.0%	4.8%
55 to 64	80.4%	76.9%	4.4%	80.4%	75.7%	5.9%
65 to 74	32.3%	30.8%	4.9%	32.2%	30.1%	6.7%
75+	6.5%	6.5%	0.0%	8.4%	8.4%	0.0%

Table A-11: Minnetonka Labor Force by Age

LABOR FORCE PARTICIPATION BY RACE/ETHNICITY

The unemployment rate for black population decreased significantly from 13.5% to 7.4% between 2010 and 2015. The largest increase in unemployment was amongst Asians, which increased from 0% to 6.7%. The unemployment rate for the white population decreased from 4.8% to 4.7% between 2010 and 2015 (see Table A-12 and A-13).

Minnetonka Labor Force by Race (2010)	Estimate	In Labor Force	Employed	Unemployed
Population 16 years and over	40,419	70.6%	67.0%	5.1%
White	37,568	70.3%	66.9%	4.8%
Black or African American	1,332	80.4%	69.5%	13.5%
American Indian and Alaska Native	169	56.2%	56.2%	0.0%

Asian	859	72.9%	72.9%	0.0%
Native Hawaiian and Other Pacific Islander	-	-	-	-
Some other race	115	77.4%	65.2%	15.7%
Two or more races	376	82.7%	77.9%	5.8%
Hispanic of Latino origin (of any race)	513	65.9%	63.2%	4.1%

Table A-12: Minnetonka Labor Force by Race (2010)

Minnetonka Labor Force by Race (2015)	Estimate	In Labor Force	Employed	Unemployed
Population 16 years and over	42,307	70.3%	66.8%	4.9%
White	38,307	69.4%	66.1%	4.7%
Black or African American	1,465	80.1%	74.2%	7.4%
American Indian and Alaska Native	67	56.7%	56.7%	0.0%
Asian	1,669	79.4%	74.1%	6.7%
Native Hawaiian and Other Pacific Islander	-	-	-	-
Some other race	309	81.2%	81.2%	0.0%
Two or more races	490	78.0%	72.2%	7.3%
Hispanic of Latino origin (of any race)	704	81.0%	80.1%	1.1%

Table A-13: Minnetonka Labor Force by Race (2015)

EMPLOYMENT BY OCCUPATION

Overall, the total number of jobs increased from 27,134 to 28,282, or 4.2%, between 2010 and 2015. The largest increase in total number of jobs by occupation between 2010 and 2015 was computer and mathematical occupations, which increased by 386 jobs (29.6%). The largest percentage increase in jobs by occupation was legal occupations, which increased by 30.7% (216 jobs). The largest decrease in total number of jobs by occupation was management occupations, which decreased by 176 jobs (-4.1%). The largest percentage decrease in jobs by occupation was farming, fishing, and forestry occupations, which decreased by 86.2% (-56 jobs). The occupation with the largest percentage of total jobs in 2010 was management occupations with 15.8%, and 2015 management occupations and sales and related occupations with 14.5% each. The occupation with the smallest percentage of total jobs in both 2010 and 2015 was farming, fishing, and forestry occupations, with 0.2% and 0.03%, respectively (see Table A-14).

Minnetonka Resident Employment by Occupation	2010	2015
Civilian employed population over 16 years of age	27,134	28,282
Management, business, science, and arts occupations:	52.1%	52.8%
Management, business, and financial	25.6%	23.7%

occupations:		
Management occupations	15.8%	14.5%
Business and financial operations occupations	9.7%	9.2%
Computer, engineering, and science occupations:	9.2%	9.4%
Computer and mathematical occupations	4.8%	6.0%
Architecture and engineering occupations	3.1%	2.6%
Life, physical, and social science occupations	1.3%	0.8%
Education, legal, community service, arts, and media occupations:	11.6%	13.3%
Community and social services occupations	1.5%	1.7%
Legal occupations	2.6%	3.2%
Education, training, and library occupations	4.8%	5.6%
Arts, design, entertainment, sports, and media occupations	2.7%	2.8%
Healthcare practitioner and technical occupations:	5.8%	6.4%
Health diagnosing and treating practitioners and other technical occupations	4.6%	4.9%
Health technologists and technicians	1.2%	1.4%
Service occupations:	10.3%	10.3%
Healthcare support occupations	1.7%	1.9%
Protective service occupations:	0.9%	0.8%
Firefighting and prevention, and other protective service workers including supervisors	0.6%	0.6%
Law enforcement workers including supervisors	0.3%	0.3%
Food preparation and serving related occupations	3.1%	2.8%
Building and grounds cleaning and maintenance occupations	1.4%	1.6%
Personal care and service occupations	3.3%	3.1%
Sales and office occupations:	27.3%	27.1%
Sales and related occupations	15.4%	14.5%
Office and administrative support occupations	11.9%	12.6%
Natural resources, construction, and maintenance occupations:	4.6%	4.0%
Farming, fishing, and forestry occupations	0.2%	0.0%
Construction and extraction occupations	2.9%	2.4%
Installation, maintenance, and repair occupations	1.5%	1.6%
Production, transportation, and material moving occupations:	5.7%	5.7%
Production occupations	2.4%	2.7%
Transportation occupations	2.2%	1.9%
Material moving occupations	1.1%	1.1%

Table A-14: Minnetonka Resident Employment by Occupation

EMPLOYMENT IN MINNETONKA BY INDUSTRY SECTOR

The largest increase in jobs by industry sector between 2010 and 2015 was educational services, health care, and social assistance, which saw an increase of 474 jobs (9%). The largest decrease in number of jobs, as well as largest percentage decrease in jobs, by industry sector was arts, entertainment, recreation, accommodation, and food services, which saw a decrease of 1 639 jobs (-49.4%). The largest percentage increase in jobs by industry sector was agriculture, forestry, fishing, hunting, and mining, which saw an increase of 92.1% (82 jobs) (see Table A-15 and Figure A-2).

Minnetonka Resident Employment by Industry Sector		2010	2015	2010-2015	
				# Change	% Change
	Civilian employed population 16 years and over	27,134	28,282	1,148	4.2%
1	Agriculture, forestry, fishing and hunting and mining	89	181	92	103.4%
2	Construction	1,293	961	(332)	-25.7%
3	Manufacturing	3,372	2,903	(469)	-13.9%
4	Wholesale Trade	1,200	1,210	10	0.8%
5	Retail Trade	3,613	3,629	16	0.4%
6	Transportation and warehousing, and utilities	1,039	915	(124)	-11.9%
7	Information	726	710	(16)	-2.2%
8	Finance and insurance, and real estate and rental and leasing	3,028	3,773	745	24.6%
9	Professional, scientific, and management, and administrative waste management services	4,162	4,889	727	17.5%
10	Educational services, and health care and social assistance	5,252	6,021	769	14.6%
11	Arts, entertainment, and recreation, and accommodation and food services	3,320	1,645	(1,675)	-50.5%
12	Other services, except public administration	1,198	996	(202)	-16.9%
13	Public administration	771	449	(322)	-41.8%
N/A	Agriculture, Forestry, Fishing and Hunting	-	-	-	-
N/A	Mining	-	-	-	-
N/A	Utilities	-	-	-	-

Table A-15: Minnetonka Resident Employment by Industry Sector

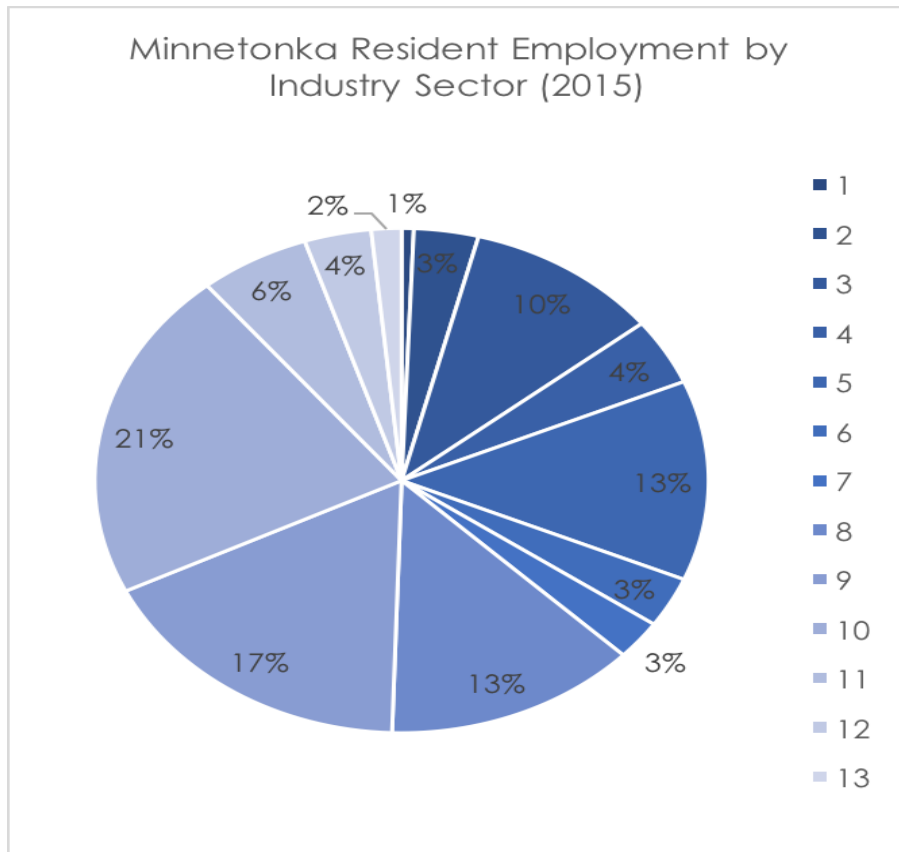


Figure A-2: Minnetonka Resident Employment by Industry Sector (2015)

AGGREGATE WAGES BY SECTOR

From 2000 to 2015, the increase in total aggregate wages for all industries was \$1,269,013,786, or 51.2%. The largest increase in total aggregate wages, as well as largest percentage increase, by industry sector was finance and insurance, which saw an increase of \$883,739,165, or 302.7%. Broken down into industry sub-sectors, the increase was driven by insurance carriers and related activities (436% increase). The largest decrease in total aggregate wages by industry sector was management of companies and enterprises, which saw a decrease of \$109,587,408 (-17.7%). The largest percentage decrease in total aggregate wages by industry sector was educational services, which saw a decrease of 27.6% (-\$3,238,850). The industry sector with the largest percentage of total aggregate wages changed from management of companies and enterprises in 2000 (25.0%) to finance and insurance in 2015 (31.4%) (see Table A-16).

Minnetonka Aggregate Wages by Industry Sector	2000	2010	2015	2010 - 2015	% Change
Total, All Industries	\$2,477,784,389	\$3,296,025,842	\$3,746,798,175	\$1,269,013,786	51.2%

Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-
Mining	-	-	-	-	-
Construction	\$89,172,507	-	\$72,890,902	(\$16,281,605)	-
Manufacturing	\$407,438,691	\$392,650,605	\$335,133,293	(\$72,305,398)	-17.7%
Utilities	-	-	-	-	-
Wholesale Trade	\$186,479,944	\$329,566,034	\$233,141,677	\$46,661,733	25.0%
Retail Trade	\$175,526,804	\$177,929,231	\$257,405,750	\$81,878,946	46.6%
Transportation and Warehousing	\$3,429,546	\$7,435,385	-	-	-
Information	\$101,465,749	-	\$230,206,936	\$128,741,187	126.9%
Finance and Insurance	\$291,938,711	\$721,402,253	\$1,175,677,876	\$883,739,165	302.7%
Real Estate and Rental and Leasing	\$41,050,050	\$55,783,348	\$152,550,581	\$111,500,531	271.6%
Professional, Scientific, and Technical Services	\$264,711,874	\$202,216,474	\$275,066,211	\$10,354,337	3.9%
Management of Companies and Enterprises	\$618,882,812	\$889,793,499	\$509,295,404	(\$109,587,408)	-17.7%
Administration and Support and Waste Management and Remediation Services	\$87,488,186	\$99,095,766	\$160,708,384	\$73,220,198	83.7%
Educational Services	\$11,730,639	\$36,234,347	\$8,491,789	(\$3,238,850)	-27.6%
Health Care and Social Assistance	\$100,074,840	\$144,868,436	\$164,312,421	\$64,237,581	64.2%
Arts, Entertainment and Recreation	\$6,113,061	\$11,910,914	\$11,174,414	\$5,061,353	82.8%
Accommodation and Food Services	\$56,301,583	\$46,520,137	\$58,814,140	\$2,512,557	4.5%
Other Services (except Public Administration)	\$35,719,550	\$68,266,002	\$96,490,547	\$60,770,997	170.1%

Table A-16: Minnetonka Aggregate Wages by Industry Sector

AVERAGE WEEKLY WAGE BY INDUSTRY SECTOR

From 2000-2015, the largest increase in average weekly wage by industry sector was finance and insurance, which saw an increase of \$1,759 (132.4%). Broken down by industry sub-sector, the insurance carriers and related activities saw an increase of \$2,003 (see Table A-17).

Minnetonka Average Weekly Wages by Industry Sector	2000	2010	2015	2000 - 2015	% Change
Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-

Mining	-	-	-	-	-
Construction	\$1,005	\$0	\$1,240	\$235	23.4%
Manufacturing	\$936	\$1,507	\$1,509	\$573	61.2%
Utilities	-	-	-	-	-
Wholesale Trade	\$1,373	\$1,924	\$2,111	\$738	53.8%
Retail Trade	\$425	\$566	\$796	\$371	87.3%
Transportation Warehousing	\$618	\$669	-	-	-
Information	\$1,112	#N/A	\$2,403	\$1,291	116.1%
Finance and Insurance	\$1,329	\$2,217	\$3,088	\$1,759	132.4%
Real Estate and Rental and Leasing	\$863	\$1,429	\$1,654	\$791	91.7%
Professional, Scientific, and Technical Services	\$1,257	\$1,533	\$1,748	\$491	39.1%
Management of Companies and Enterprises	\$1,920	\$4,596	\$2,960	\$1,040	54.2%
Administration and Support and Waste Management and Remediation Services	\$715	\$1,216	\$1,257	\$542	75.8%
Educational Services	\$562	\$688	\$607	\$45	8.0%
Health Care and Social Assistance	\$609	\$627	\$680	\$71	11.7%
Arts, Entertainment and Recreation	\$261	\$373	\$436	\$175	67.0%
Accommodation and Food Services	\$298	\$362	\$436	\$138	46.3%
Other Services (except Public Administration)	\$532	\$900	\$1,336	\$804	151.1%

Table A-17: Minnetonka Average Weekly Wages by Industry Sector

WHERE RESIDENTS IN MINNETONKA WORK

Of workers 16 years of age and over in 2014, 0.9% worked outside Minnesota, and 11.3% worked outside Hennepin County, and 76.2% worked outside the city of Minnetonka. Most workers work in Hennepin County, but outside of the city of Minnetonka (see Table A-18).

Where Residents in Minnetonka Work	2010	2015
Workers 16 years and over	26,652	27,826
Worked in state of residence	99.1%	98.9%
Worked in county of residence	87.9%	88.6%
Worked outside county of residence	11.2%	10.3%
Worked outside state of residence	0.9%	1.1%
Worked in place of residence	24.5%	24.1%
Worked outside place of residence	75.5%	75.9%

Table A-18: Where Residents in Minnetonka Work

Poverty

POVERTY STATUS

The population in Minnetonka living under the poverty level increased between 2012 and 2015. Specifically, 5.4% of the population in Minnetonka were living under poverty in 2015, an increase of 15.9% from 2012. Despite the increase in poverty, Minnetonka continues to have a poverty level substantially lower than Minnesota's statewide and Hennepin County's levels. The state and county poverty levels were over double the city's, with the state level of 11.3%, and the county's level at 12.5% (See Table A-19).

Poverty Status in the Last 12 Months	2012	2015
Minnesota	11.2%	11.3%
Minneapolis-St. Paul-Bloomington, MN-WI	10.3%	10.3%
Hennepin County	12.6%	12.5%
Minnetonka	4.8%	5.4%

Table A-19: Poverty Status in the Last 12 Months

POVERTY STATUS BY AGE

Like the rest of the state, the age group that had the highest percentage of people living in poverty in 2015 are 18 years of age and younger, with 6.3% in poverty. The age groups over 18 years of age have slightly lower levels of poverty. All age groups have substantially lower levels of poverty than Minnesota's statewide, Minneapolis-Saint Paul-Bloomington MSA, and Hennepin County levels. (see Table A-20).

Poverty by Age (2015)	Minnesota	MSA	Hennepin County	Minnetonka
Population for whom poverty status is determined	596,662	350,960	146,382	2,740
Under 18 years of age	14.5%	13.5%	16.8%	6.3%
18 to 64 years of age	10.9%	9.8%	11.8%	5.1%
65 years and over	7.6%	6.8%	7.8%	5.2%

Table A-20: Poverty by Age (2015)

POVERTY STATUS BY RACE/ETHNICITY

The black population in Minnetonka had the largest percentage of people living under the poverty level, with 19.8% living below poverty. This is substantially larger than the Asian population, with only 5.2% living under poverty, and the white population, with 4.3% living under poverty. While this is a drastic difference between racial groups, this trend is somewhat consistent with the state, MSA and county (see Table A-21).

Poverty by Race (2015)	Minnesota	MSA	Hennepin County	Minnetonka
Population for whom poverty status is determined	596,662	350,960	146,382	2,740

White	8.6%	6.9%	7.7%	4.3%
Black or African American	35.6%	33.7%	36.0%	19.8%
American Indian and Alaska Native	33.2%	28.9%	31.8%	0.0%
Asian	16.4%	16.3%	12.2%	5.2%
Native Hawaiian and Other Pacific Islander	21.1%	23.7%	31.0%	0.0%
Some other race	25.0%	25.0%	25.5%	2.4%
Two or more races	20.5%	18.5%	18.2%	22.8%
Hispanic of Latino origin (of any race)	23.5%	22.2%	22.4%	6.0%

Table A-21: Poverty by Race (2015)

POVERTY STATUS BY FAMILY STATUS

Female-led, single-parent households have a significantly higher poverty rate than other types of family households. The rate increased between 2000 and 2014, but decreased between 2010 and 2014. Female-led, single-parent households with children under 5 years of age have an even more significantly higher poverty rate than other types of family households (see A-22).

Poverty Status by Family Status (2015)	Minnesota	MSA	Hennepin County	Minnetonka
All Families	7.3%	6.8%	8.1%	5.6%
With related children under 18 years	12.2%	11.0%	13.8%	11.3%
With related children under 5 years	13.6%	11.2%	12.3%	15.9%
Married Couples	3.1%	2.8%	3.1%	2.1%
With related children under 18 years	4.5%	4.2%	4.7%	3.2%
With related children under 5 years	3.4%	3.0%	3.0%	0.0%
Families with female householder, no husband present	27.1%	24.4%	27.9%	43.8%
With related children under 18 years	35.1%	32.1%	37.3%	50.0%
With related children under 5 years	45.6%	41.3%	42.7%	77.8%
All People	11.3%	10.3%	12.5%	5.4%

Table A-22: Poverty Status by Family Status (2015)

Business Establishments

MINNETONKA BUSINESS ESTABLISHMENTS BY INDUSTRY SECTOR

The sector which saw the largest increase in business establishments is Healthcare and Social Assistance (145.0%), followed by Accommodation and Food Services (48.3%), Finance and Insurance (26.1%), Wholesale Trade (16.2%) and Information (14.3%) (see Table A-23).

Minnnetonka Business Establishments by Industry Sector	2000	2010	2015	2000 - 2015	% Change
Total All Industries	2476	2237	2045	(431)	-17.4%
Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-
Mining	-	-	-	-	-
Construction	167	0	102	(65)	-38.9%
Manufacturing	124	97	90	(34)	-27.4%
Utilities	-	-	-	-	-
Whole Sale Trade	312	227	195	(117)	-37.5%
Retail Trade	315	265	237	(78)	-24.8%
Transportation and Warehousing	14	15		(14)	-100.0%
Information	73		59	(14)	-19.2%
Finance and Insurance	203	228	202	(1)	-0.5%
Real Estate and Rental and Leasing	129	132	103	(26)	-20.2%
Professional, Scientific and Technical Services	444	402	337	(107)	-24.1%
Management of Companies and Enterprises	42	46	43	1	2.4%
Administrative and Support and Waste Management and Remediation Services	129	121	144	15	11.6%
Educational Services	34	28	28	(6)	-17.6%
Health Care and Social Assistance	147	158	172	25	17.0%
Arts, Entertainment, and Recreation	30	35	29	(1)	-3.3%
Accommodation and Food Services	118	106	103	(15)	-12.7%
Other Services	192	176	189	(3)	-1.6%

Table A-23: Minnetonka Business Establishments by Industry Sector

Industries of Importance

This analysis is to identify what industries have a larger presence in Minnetonka than the nation as a whole, which is measured using the Location Quotient. Shift share analysis helps determine what industries have seen growth or decline compared to the nation. This helps identify the industries that are most important to the economy of Minnetonka

Industries are classified into four categories:

- **STARS:** These are the industries that have a larger than normal presence in Minnetonka and have also seen an increase in the proportion of jobs. These are the community's biggest assets.
- **RISING STARS:** These industries have their share of jobs growing compared to national average over time, but still have a smaller proportion than the nation. These industries should be watched and encouraged. They have the potential to become stars.

- **CASH COWS:** These industries have a larger than normal proportion of jobs in Minnetonka, but their share of jobs is declining. These industries currently provide great benefits, but should not be counted on in the future.
- **DOGS:** These are industries that have a smaller presence in Minnetonka that has been shrinking compared to the nation. These industries are likely not a primary part of the community's economy.

Using two-digit data, which is less detailed, Minnetonka has three Star industry sectors: Information, Finance and Insurance, and Real Estate and Rental Leasing. With 17.1% of jobs in Minnetonka, Finance and Insurance is an important part of the economy. This high wage sector has more jobs than any other sector in Minnetonka.

There are two Rising Stars in Minnetonka that could become a large part of the economy. These industry sectors are Health Care and Social Assistance, and Other Services.

Minnetonka has two Cash Cows: Retail Trade, and Management of Companies and Enterprises. These both have larger proportion of jobs in Minnetonka than in the sector nationally, however they have been declining compared to national changes. It might be possible to support these industries, but it should be considered how much support would be necessary to keep them in the city (see Table A-24).

Job Industries in Minnetonka (2015)	Number of jobs	Proportion of jobs	Category
Agriculture, Forestry, Fishing and Hunting	-	-	-
Mining	-	-	-
Construction	1131	2.6%	Dog
Manufacturing	4267	10.0%	Dog
Utilities	-	-	-
Wholesale Trade	2125	5.0%	Dog
Retail Trade	6210	14.5%	Cash Cow
Transportation and Warehousing	0	0%	Dog
Information	1852	4.3%	Star
Finance and Insurance	7319	17.1%	Star
Real Estate and Rental Leasing	1776	4.1%	Star
Professional, Scientific, and Technical Services	3024	7.1%	Dog
Management of Companies and Enterprises	3308	7.7%	Cash Cow
Administrative and Support and Waste Management and Remediation Services	2472	5.8%	Dog
Educational Services	269	0.6%	Dog

Health Care and Social Assistance	4641	10.8%	Rising Star
Arts, Entertainment, and Recreation	493	1.2%	Dog
Accommodation and Food Services	2591	6.0%	Dog
Other Services (except Public Administration)	1384	3.2%	Rising Star

Table A-24: Job Industries in Minnetonka (2015)

DRAFT



Economic Development Framework

City of Minnetonka
December 11th, 2017

Outline

- Introductions
- Scope of Project
- Economic Development Theory
- Assessment (Strengths and Weakness)
- Goals
- Strategies
- Next Steps

Scope of Project

1. A community assessment describing Minnetonka's economic environment in relation to Hennepin County from 2000 through 2015
2. Prepare an economic development strategic framework that will organize current and proposed economic development strategic actions
3. Identify issues from the assessment as well as the documents provided, specifically from the Imagine Minnetonka document.
4. Prepare goals and strategies to respond to issues as well as general economic development activities. Including additional business development tools.
5. Prepare a draft of the Economic Development Chapter for the 2040 Comprehensive Plan from the information from 1-4.

What is Local Economic Development?

A framework approach from *Planning & Local Economic Development*

Local Economic Development Planning



STREETAR

Global Forces in Local Economies



Globalization

Globalization has been increasing rapidly since 2000, the **New Economy**:

Knowledge Dependent;
Global;
Entrepreneurial;
Rooted in Information Technology;
Driven by Innovation



Rising Inequality

Case for a Strong Middle Class:

1. Promotes the development of human capital / well educated population.
2. Creates a stable source of demand for goods and services.
3. Incubates the next generation of entrepreneurs.
4. Supports inclusive political and economic institutions.



Global Climate Change

Unsustainable Lifestyle

Consumption Patterns - US Consumes 25% of the World's Resources, produces excess trash and CO2 Emissions. (Leigh & Blakley, 2009)

economy that is less dependent on fossil fuels and more orient toward **low-energy and low-waste lifestyles**, without significant disruptions.

Local Economic Development Planning



Globalization + Rising Inequality + Global Climate Change Impact Local Economy

Local Leaders are uniquely prepared for addressing how contemporary challenges impact their community → they understand community's people, firms and institutions, and unique set of attributes

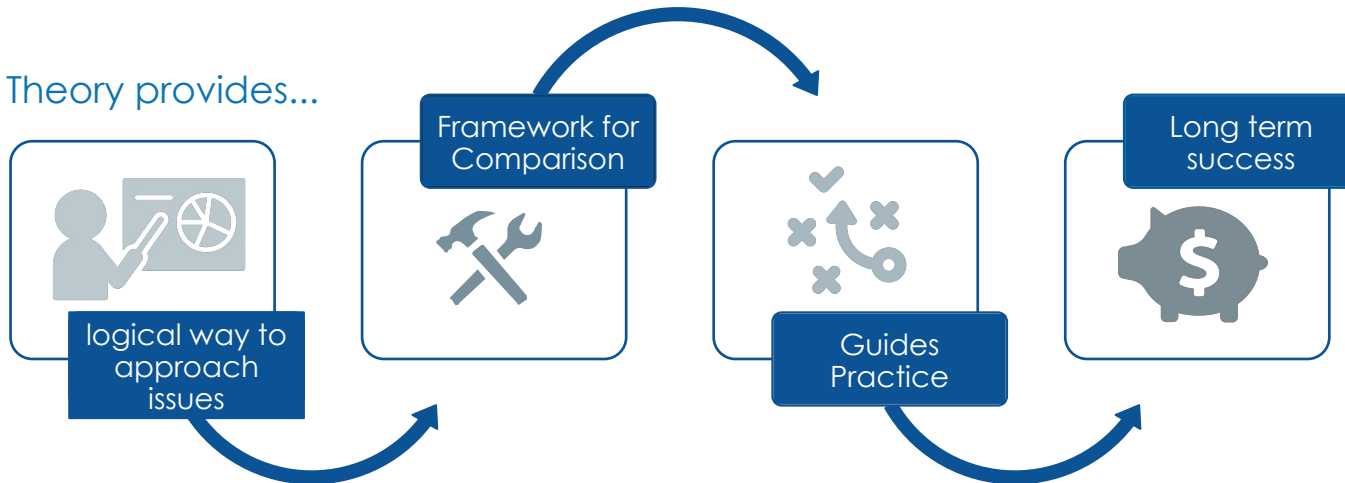
Theory drives economic development

“Theory offers the underlying principles that explain the relationships we observe and thereby motivates and informs our actions.” (Maliza and Fetzer, 1999)

Identify Theory and **Define** it. Theory informs all subsequent layers of the pyramid:



Theory provides...



Common Theory:
Economic Base Theory

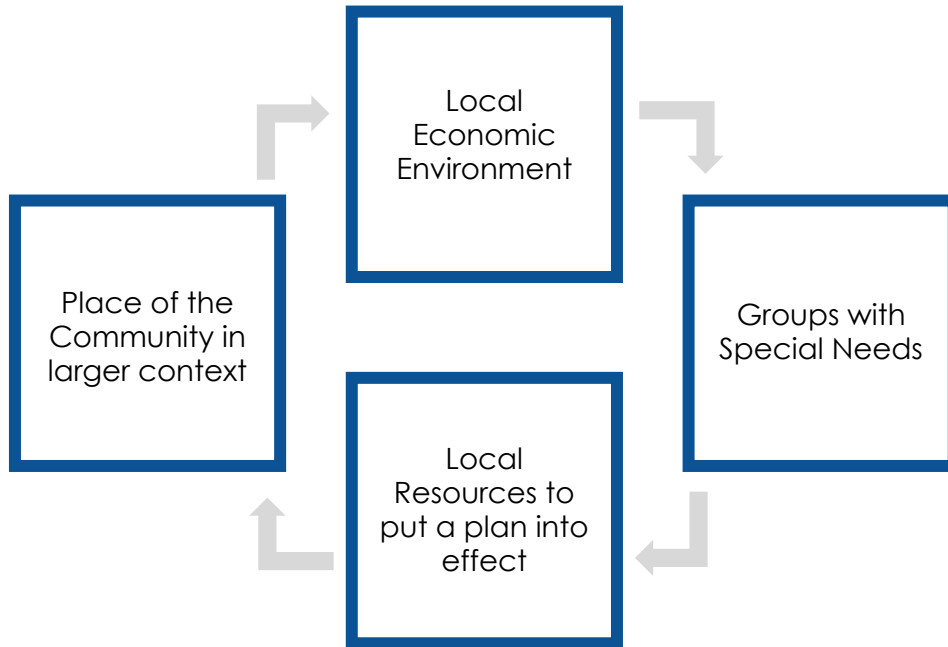
Definition: Growth in output, income and/or employment

Basic Sector Jobs
Non Basic Sector Jobs

Community Assessment & Issues Framework

“A community analysis is a description of the local economic context over time compared to itself and other comparable geographies for which it competes for resources” (Leigh & Blakley, 2009)

Assess these 4 Categories:

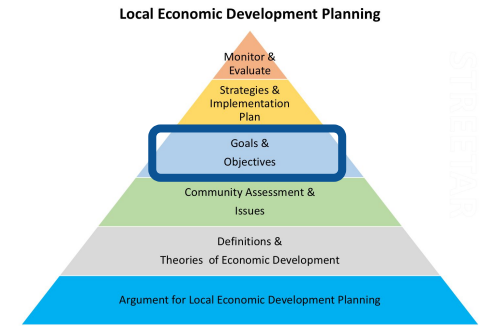
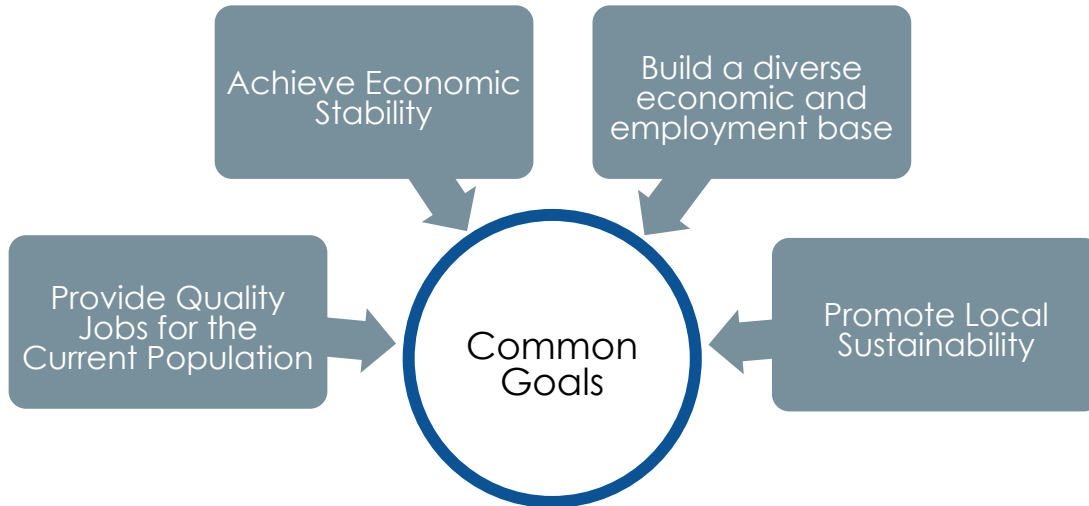


Common Theory:
Economic Base Theory

Assessment:
NAICS Code Employment
Basic firm's health
Ability to locate and expand

Setting Goals and Objectives

- Must start with the bottom layers of the pyramid and work up
 - Socio economic base assessment and development capacity analysis
- Explicitly State Goals → out call specific sectors & groups

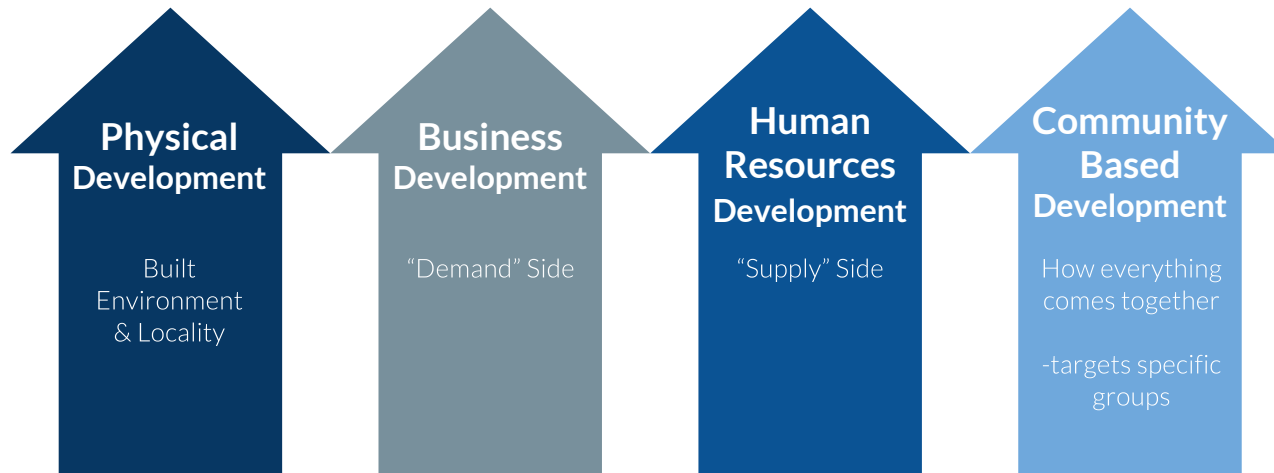


Common Theory:
Economic Base Theory

Sample Goal:
Increase the number of basic sector jobs by 2% over the next 5 years.

Strategies & Implementation Plan

Strategy: “Planned actions for specific economic development goals of a community derived from the available opportunities and threats – economic as well as social.” (Blakely & Green Leigh, 2017)



Common Theory:
Economic Base Theory

Sample Strategy:
TIF, Micro-enterprise programs, job training, local employment programs, land trusts, community-based development organizations



Economic Development Plan Proposal

City of Minnetonka
December 11th, 2017

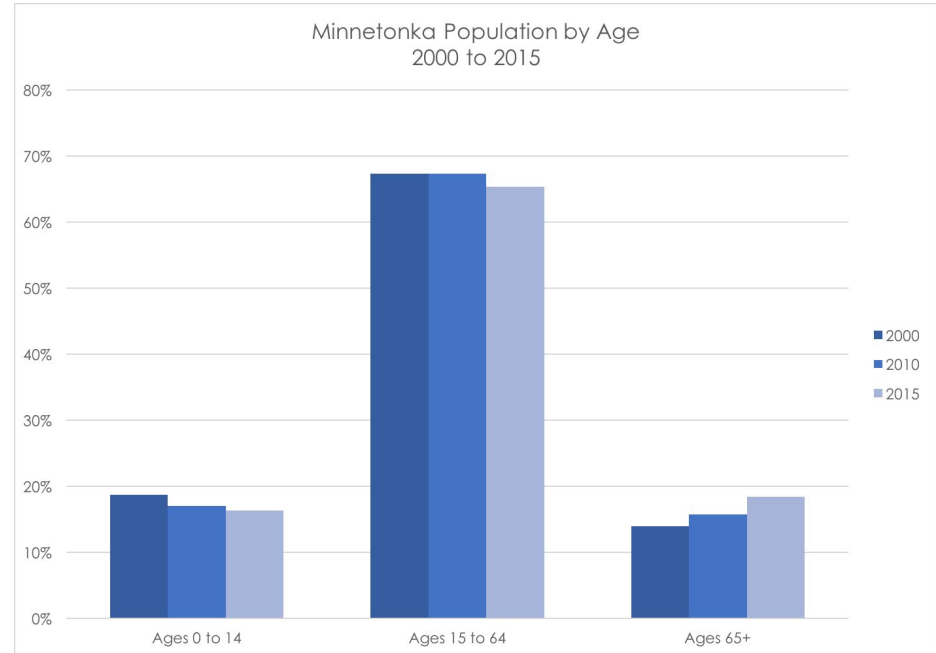
Assessment - Purpose & Methodology

- Helps us understand the economy in a local context
- Place community in the larger state or regional context
- Identify strengths and groups that needs help
- Obtained 2000, 2010, 2015 data from American Factfinder
- Categories analyzed:
 - Demographics
 - Income & wages
 - Labor force
 - Poverty
 - Business establishments
 - Location quotient
 - Shift-share analysis

Assessment - Overview

(pg 4)

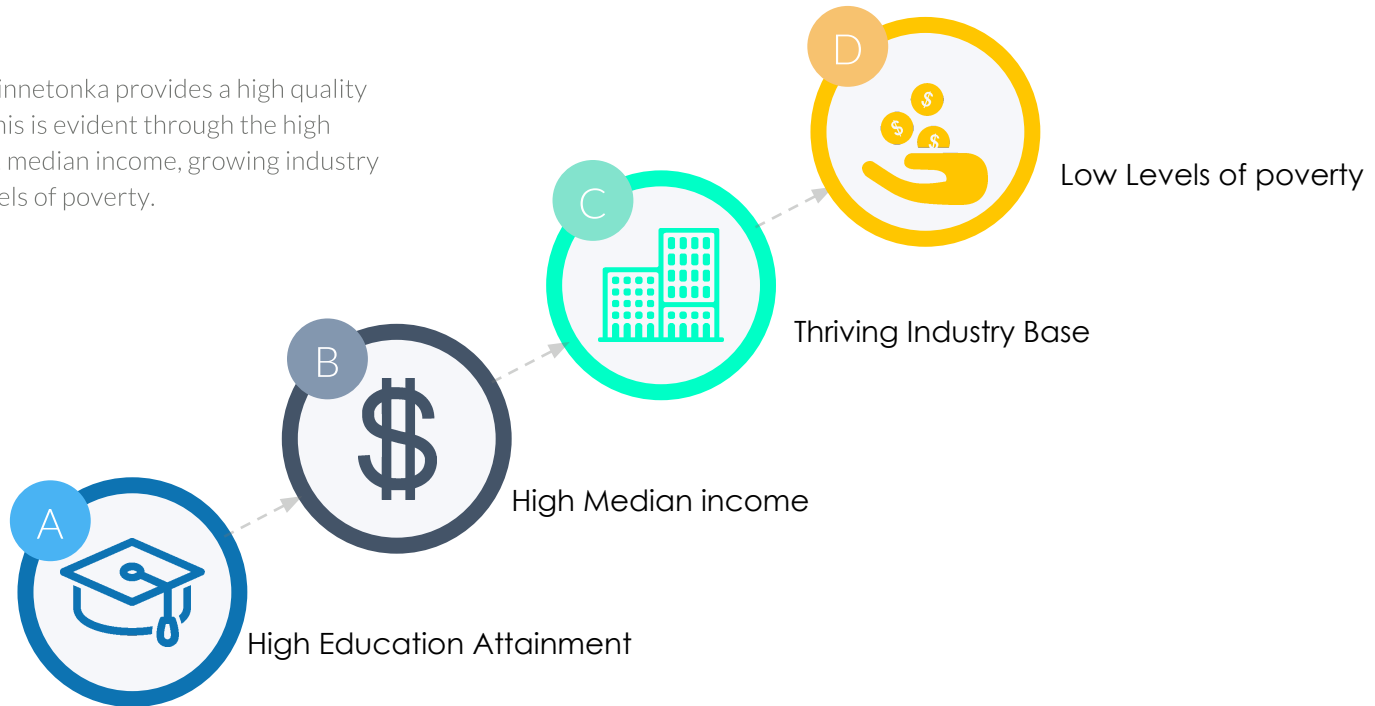
- Relatively stable population (~50,000)
- Aging population
- Homogeneous with regards to race
- Educated population
- High median and per capita income
- Low poverty rate
- Shrinking labor force
- Most workers do not work in Minnetonka



Key Strengths

(pg 6)

Overall, the City of Minnetonka provides a high quality of life for residents. This is evident through the high education attainment, median income, growing industry bases, and the low levels of poverty.



Key Opportunities

(pg 6)

Economic development planning in Minnetonka should target these key areas of improvement. Although poverty levels are generally low, there exists high levels of income and economic disparity through socioeconomic cohorts.



What Programs already Exist

<p>Physical Development Programs: Commuter Services Transit Improvements Strategic Marketing Future HRA Levy Projects</p>	<p>Business Development Programs: GreaterMSP MIF/JFC Projects Open to Business Economic Development Infrastructure Fund TwinWest Chamber of Commerce Economic Gardening</p>
<p>Human Development Programs: Fair Housing Affordable Housing via TIF Pooling Welcome to Minnetonka Loan Program Employer-Assisted Housing Next Generation Program</p>	<p>Community Development Programs: CDBG Administration Small Projects Program Homes Within Reach Housing Improvement Areas Minnetonka Home Enhancement</p>

Goals to Pursue (pg 7)



GOAL 1: Ensure sustainable infrastructure throughout the entire City.

GOAL 2: Ensure living-wage job opportunities for all residents, especially those cohorts at the low end of the economic ladder.

GOAL 3: Preserve and enhance the high quality of life in the City.

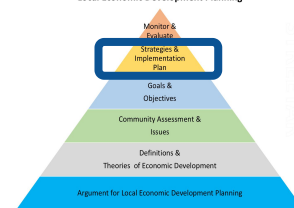
GOAL 4: Support housing and economic opportunities that serve all economic levels.



Strategies to Pursue(pg 8)

GOAL 1: Ensure sustainable infrastructure throughout the entire City.

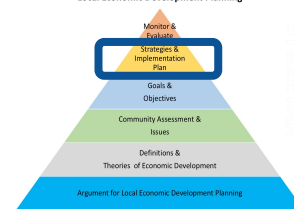
1. Develop a multimodal transportation plan for the City that include pedestrian, biking, hiking, auto and transit modes of transportation connecting residential, jobs and recreational areas.
2. Analyze intersections and corridors to pinpoint problems and require modernizations and expansion opportunities.
3. Identify areas for walking and bike improvements, especially from residential areas to commercial and office centers.
4. Plan for improved physical and transit connections to Village Centers and the future Light-Rail station.
5. Seek regional, state, and federal funding opportunities for transportation projects to encourage a multimodal network.



Strategies to Pursue (pgs 8-9)

GOAL 2: Ensure living-wage job opportunities for all residents, especially those cohorts at the low end of the economic ladder.

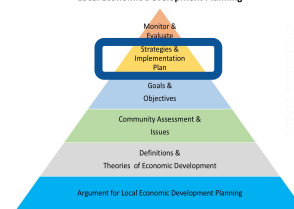
1. Strengthen connections between local businesses and those parts of the labor force looking for living-wage jobs.
2. Administer business retention and expansion for attracting new businesses to help the City's private sector be economically competitive through outreach, grants, and partnerships (Common Bond/Industrial Revenue Bond, Greater MSP, TwinWest Chamber of Commerce, Economic Gardening, PACE).
3. Analyze commuting patterns from residences within the City to places of work to determine opportunities for future transit routes and employment centers. Connect major business centers with multi modal transit.
4. Administer programs to enhance personal and business safety (Fire Sprinkler Retrofit, Special Service District, SAC/REC Deferral Program).
5. Support entrepreneurs by supporting the Open to Business program.
6. Adopt a financial assistance policy requiring recipients of financial assistance to place a greater emphasis on hiring Minnetonka residents before those living outside of Minnetonka.
7. Analyze the effectiveness local training and education supports and the needs of residents and business.
8. Identify opportunities to attract business that provide inputs to existing businesses.



Strategies to Pursue(pg-9)

GOAL 3: Preserve and enhance the high quality of life in the City.

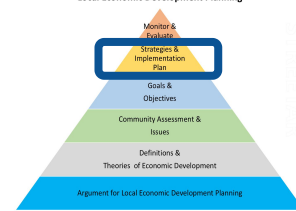
1. Identify barriers within Minnetonka which limit access to jobs for age and ethnicity groups that are underrepresented in the workforce.
2. Work with local high schools and community colleges to partner with high-wage and growing industries and industries that are experiencing labor shortages.
3. Support housing for all income levels to allow residents to live, work, and grow in Minnetonka.



Strategies to Pursue(pg-9)

GOAL 4: Support housing and economic opportunities that serve all economic levels.

1. Maintain the current strengths of the City by encouraging local opportunities for development and create opportunities to support struggling businesses/populations.
2. Actively promote the vitality of designated Village Centers to integrate uses and connect people to commercial, residential, employment, and public activities.
3. Use programs and resources to address the need for high-quality housing for residents at all levels of income and life-stages.
4. Continue the Welcome to Minnetonka Loan Program, Small Projects Program, and Housing Improvement Areas Program to help maintain safe, healthy, and attractive building stock.
5. Continue to use CDBG funding, Welcome to Minnetonka Loan Program, and the Next Generation Program to increase the supply of affordable and senior housing options.
6. Continue to utilize existing TIF districts and explore the creation of additional districts in key locations to support growth of affordable, high-quality housing for residents of all incomes and ages.

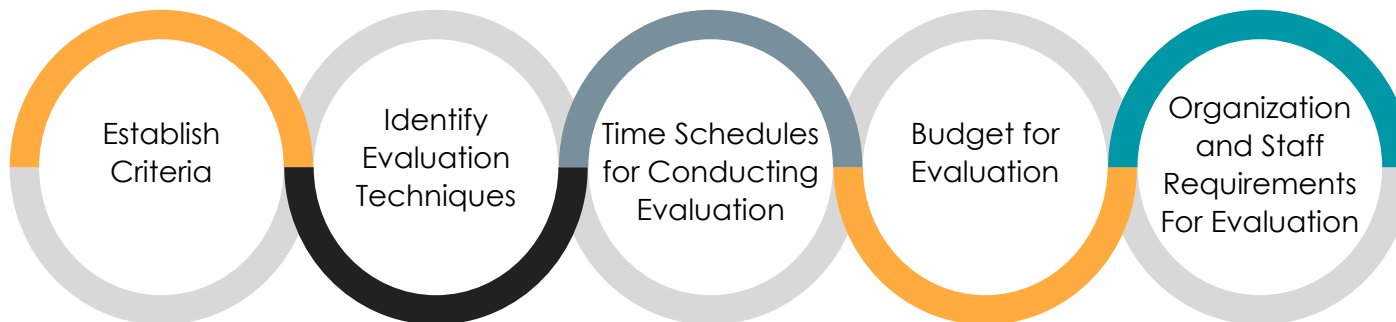


High-Priority Strategies

- Develop a multimodal transportation plan for the City that include pedestrian, biking, hiking, auto and transit modes of transportation connecting residential, jobs and recreational areas.
- Administer business retention and expansion for attracting new businesses to help the City's private sector be economically competitive through outreach, grants, and partnerships.
- Identify barriers within Minnetonka which limit access to jobs for age and ethnicity groups that are underrepresented in the workforce.
- Use programs and resources to address the need for high-quality housing for residents at all levels of income and life-stages.

Next Steps for the City: Monitor and Evaluate

- Implement High Priority Strategies
- Consider how can the City monitor and evaluate strategies as they are implemented
- Monitor and Evaluate



Recap

Using a Framework is essential for long term success

- Provides Justification
- Greater Understanding of Local Economy
- Guides Practice and Tools
- Informs Strategy
- Metrics Matter



A photograph of a field of yellow flowers, likely Black-eyed Susans, with green stalks and leaves. The scene is bathed in a warm, golden light, suggesting a sunset or sunrise. The text "Thank You Questions?" is overlaid in the upper center.

Thank You
Questions?