



FORD SITE

A 21st Century Community

Jobs Strategy Report



A report of the Ford Jobs &
Employment Strategy
Work Group, 2016

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Role of the Work Group

- ◆ **To identify best business and industry types** to target for job recruitment, based on the site's amenities and constraints, and in consideration of emerging employment leaders in key regional industry sectors
- ◆ **To consider legislative or financial strategies** to enhance job attraction to the site
- ◆ **Outcome:** Targeted job recruitment strategy and outreach plan

Community Participation:

In addition to the year-long work group discussions, the City enlisted community input on the Ford Jobs Strategy:

Public Meeting on Housing and Jobs - July 22, 2015

Open Saint Paul online engagement platform - July to August 2015

Two Pop Up Meetings - August 2015

More details at stpaul.gov/ford

Introduction



As Ford Motor Company's former Twin Cities Assembly Plant is redeveloped in the coming years, a 21st Century Community will emerge on the 135 acres of land situated along the Mississippi River. Key stakeholders have expressed their hope for the site - it will be a livable, mixed use neighborhood that looks to the future with clean technologies and high quality design for energy, buildings and infrastructure. The site will boast vibrant places and spaces, by supporting walking, biking and transit, and provide services, jobs, and activities that every generation can enjoy.

As planning continues to unfold, the City of Saint Paul is leading key urban design and planning activities to position the site for the future, specifically focused on *Zoning Research and Analysis; Energy and Sustainability; Transportation Planning; and Jobs, Employment and Housing*.

In September of 2014, the Jobs and Employment Strategy Work Group began evaluating potential employment at the site and how to reflect the changing patterns of the 21st century workforce. Partners including GREATER MSP, Saint Paul Area Chamber of Commerce, Highland Businesses Association, Department of Employment and Economic Development, Saint Paul Port Authority, and Saint Paul Building and Construction Trades Council, have been working to identify neighborhood-friendly job and industry types to target for recruitment based on site amenities and constraints, as identified in the Ford Site Green Manufacturing Reuse Study, and in consideration of emerging employment leaders in key regional industry sectors.

After a year of in-depth research, analysis, and discussions with strategic stakeholders and the public, this report serves as a compilation of this work and provides recommendations to policy makers and the development community, who can incorporate these strategies into land use decisions and marketing for the site.

High Level Goals for Jobs at the Ford Site

- ◆ Fit into the context of the redeveloped site and the immediate area, recognizing its amenities and constraints
- ◆ Attract local, regional, national and international employees with diverse backgrounds and skills
- ◆ Attract businesses that embrace the forward thinking vision for the site – where jobs, people and green space interact in a dynamic way

Executive Summary

Not often does a city have the chance to redevelop 135 acres of land on the banks of one of the world's major rivers and in the heart of a thriving neighborhood and commercial area. It is a rare opportunity and one that requires the utmost care and commitment. The vision is for this land to reemerge as a connected, livable and sustainable site that will serve as a world-wide model for a 21st Century Community.

The Jobs and Employment Strategy Work Group focused on the opportunity to bring the best businesses with the best jobs to the site. The group's recommendations include pursuing industry employers in Health and Medical, Research and Development (R&D), Custom Light Manufacturing, Institutional (i.e. Educational), Office, and Retail & Services. Quality employers in these industries will provide good jobs that are full-time, pay a family sustaining wage, provide a pathway for advancement, and ideally include a full benefits package. A variety of jobs, including light industry, are critical for creating opportunities to bridge the racial and educational gaps to other good jobs. Employment uses enhance urban prosperity, with industrial and office properties paying twice the tax rate as residential properties, thereby helping to subsidize city services to neighborhoods.

The competitive advantage for bringing employers and talent to this site is its location. The Ford Site is 5-7 miles from MSP's International Airport, the downtowns of both Saint Paul and Minneapolis and the Mall of America. It is also in the heart of a thriving business community along the Mississippi River, near Minnehaha Park and the Grand Rounds Scenic Byway system. The site is near dozens of educational and research institutions and has transit and nearby rail corridor access. Employers can draw from a pool of more than 280,500 employees within a 20-minute commute. We know this active, amenity-rich area will attract high-quality employers and employees. Our

goal is to see these family sustaining jobs secured by a diverse workforce representative of the people who live throughout the metropolitan area.

The task force recommends that the City of Saint Paul's Department of Planning and Economic be the lead agency for overall economic development services and coordination with a Partnership Team to include Ford Land and their broker CBRE, the future Master Developer, State of Minnesota—DEED, GREATER MSP, Saint Paul Port Authority, Saint Paul Area Chamber of Commerce, the Mayor's Office, the Ward 3 Council office and the Highland Business Association. The work plan will focus on: researching targeted industries and employers; developing and implementing marketing and communication strategies around industry, business, and workforce recruitment; cataloging financial and technical tools; engaging in strategic collaboration with the Partnership Team and sharing timely information with the greater community.

The partnership will leverage the Governor's and Mayor's Offices and their high level networks to assist with executive outreach to targeted businesses and to assist with any legislative processes. The team will measure the impact of employment and business recruitment success through job counts, average salaries and property tax base.

Nine years have passed since Ford Motor Company announced the plant closing, with the subsequent loss of about 1,800 jobs at this site. This was a tremendous loss. However, in its wake, the site has a unique opportunity as one of the most significant urban design opportunities in Saint Paul, the Twin Cities region and the country. The implementation of these recommendations will ensure we create new jobs at the site, of a greater variety than possible before, in a place reimagined by the community. A 21st Century Community is about to emerge.

Ford Site Considerations

Influences and Considerations for Redevelopment

Influences Affecting the Ford Site Redevelopment

Many influences and decision-making authorities affect the Ford Site redevelopment. The work group identified various organizations' roles and decision-making power in order to inform a collaborative jobs recruitment strategy.

Ford Land, the owner, will decide to whom they want to sell to their property. Key decisions they make around the sale of the land will influence the timeline for marketing the site. Marketing can be supported by the master developer, the City, State, the Department of Employment and Economic Development, Chambers of Commerce, the Saint Paul Port Authority, GREATER MSP and other partners.

The **market** decides which employers are interested in the site, based on location, site attributes and price.

The **State of Minnesota and the City** will set standards for business operations to manage traffic, noise and other impacts. They can also decide to provide incentives or other business tools for job creation.

The **City of Saint Paul** will set zoning that determines the type of allowed land uses and the form and design of the buildings.

Considerations for Redevelopment

The work group identified building, site and operational considerations to evaluate potential uses.

Building

In order to ensure the best building type for desired uses and jobs are developed to fit into the surrounding community, the work group suggested that the size of the building, the total floor area in comparison to the lot size and setback requirements all be considered in determining potential uses.

Site

When planning for employment sites, these factors should be evaluated:

Road Access

Minimum & Maximum Heights

Lot and Block Size

Permitted Job Density

Parking and Traffic Consideration

Nearby Amenities for Employees

Operations

To reduce conflicts for employers in a mixed-use neighborhood, the following should be considered:

Types of Businesses

Noise Levels

Operating Hours

Timeliness and Certainty in Zoning, Permitting and the Development Process

Site Assets & Constraints

When evaluating the best fit for specific businesses, industries and job types, the following site assets and constraints will be a factor when recruiting users to the redevelopment.

Assets

- Near many educational & research institutions, including the University of Minnesota
- 5-7 miles to MSP International airport, downtowns of Minneapolis and Saint Paul, and the Mall of America
- Site is in the midst of a thriving business community and highly desired neighborhood of Highland Park and Highland Village
- Proximity to Mississippi River, Minnehaha Park & the Grand Round
- Transit and rail corridor access
- On-site waste-water treatment facility and steam plant
- Stable power source in adjacent hydroelectric plant
- Potential for underground use of the tunnels
- Active, amenity-rich area that will attract high-quality employees
- Currently zoned I-1 (Light Industrial); re-zoning to mixed-use is likely

Constraints

- High land price relative to other available land in metro
- Not a ready-to-go site; the full build out will take 10-15 years
- Jobs well suited to the site, like high-tech research and development, often have heavy competition for recruitment
- Site surrounded by residential and neighborhood retail; not suited to heavy industrial uses
- Limited semi-truck transportation access, especially to/from freeways
- Additional 13 acres of Canadian Pacific Rail property may be considered part of the site, though the land is not owned or controlled by Ford

Location, Location, Location

On the Mississippi River, adjacent to the Grand Round and

5 miles to downtown Minneapolis

5 miles to MSP Airport

6 miles to downtown Saint Paul

7 miles to Mall of America

Economic & Market Context

Commuter Shed

According to the 2013 American Community Survey, the average daily U.S. commute is 26 minutes. Metro Transit, MSP’s regional transit provider estimates that the average trip time for all modes of transportation in Minneapolis-Saint Paul is 22 minutes and the average trip length for all modes is just under seven miles.

Using the MSP average trip distance and commute time in relation to the Ford Site, the people skills and wages of workers in the commuter shed are representative of the seven-county metro area: 50 percent of workers have some advanced degree, 83 percent are white, 58 percent are ages 30-54 and 50 percent make more than \$3,333 per month.

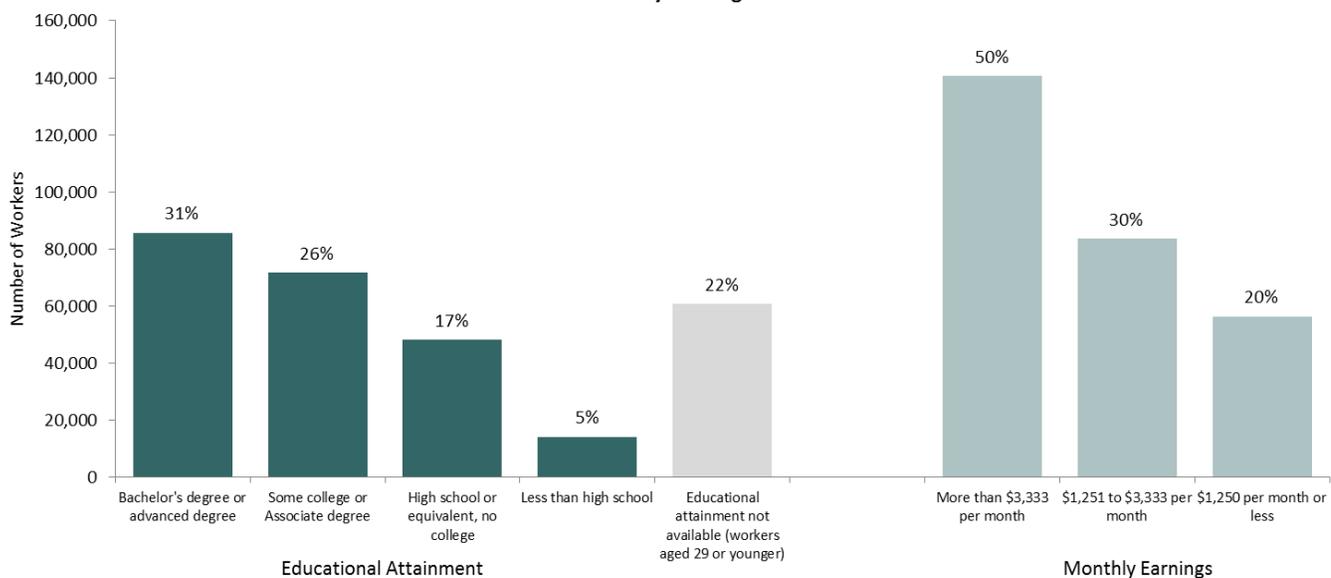
In addition to the MSP commute data, in 2011 the Brookings Institution estimated that only 30 percent of metropolitan jobs were reachable within 90 minutes via public transit and just 1/4 of low- and middle-skill industries are accessible by the same existing commuting infrastructure. We have an opportunity to change this reality.

Potential employers on the Ford Site can take full advantage of the proximity of skilled workers to the site and create opportunities for employment for people at all skill levels within a reasonable commute time, particularly for people of color, who are underrepresented as workers within this commuter area. Whether in health and medical, research and development, custom light manufacturing, educational, office or retail and service, the vision for employment is a diverse workforce at all skill levels.

280,167 workers live within a 7-mile, 22-minute commute from the Ford Site.

An Educated, High-Earning Workforce

Educational attainment and monthly earnings for workers within a 7-mile commute



Recent Worker Trends

Contractors, Temps, and Self-Employed

30% of workforce in 2006, **40%** by 2020 (estimated)

Job Mobility and Average Tenure

4.4 years for all workers, **2.5** years for Millennials in 2012

Rise of the ‘Makers Movement’ and the Creative Class

“The people who create, build, design, tinker, modify, hack, invent, or simply make something...they are moving the economy.” - *Forbes*, “Moving the Economy: The Future of the Maker Movement”, October 2011

Diverse Workforce as an Asset

17% of workers in commuter area are people of color

Other Trends to Consider

- Telecommuting, flexible work hours and shared working space means **less demand for square feet** for permanent desks and workstations in office buildings
- Millennials desire to live and work in **dense urban walkable places**
- **High amenities in the workplace** are critical to talent recruitment

Community comments on worker trends

“Don’t ... look at this opportunity as revenue generation – this is a ‘quality of life in the urban city’ opportunity.”

“Attract the creative class.”

“No homogeneity. Diversity always!”

“I think we need to invest in Highland area for seniors and younger people. Highland is a great family area.”

“Yes, we should be encouraging people to think of neighborhoods as places to live, work, and play... Build whole communities!”

“Provide incentives for small business (financial, loans, etc.) to avoid having it become completely large/national businesses.”

“Create pedestrian friendly commercial services and retail.”

Number and Quality of Jobs

Maximizing the Number of Jobs

In 2007, a consultant team hired by the City worked with the Ford Site Planning Task Force, stakeholders, and the public to identify a general vision and goals for the site and to create alternative development scenarios for a potentially redeveloped Ford site. There were five scenarios representing a wide range of distinctive reuse options developed to analyze the benefits and impacts of different land use and infrastructure choices.

Further exploring job potential for the site, a green manufacturing potential for the Ford Site was studied in 2009. The goal of returning quality jobs to the Ford site as part of redevelopment prompted this study to assess the potential of attracting green manufacturing. The Ford Site Green Manufacturing Reuse Study concluded that the Ford site is not strongly positioned for wholesale heavy industrial reuse in today's marketplace, particularly given constrained road access to interstates. However, the study identified a window of opportunity for smaller scale industries potentially suited to neighborhood infill sites like Ford in the central cities. The Ford Jobs and Employment Strategy Work Group concurred with these findings and based on the five original scenarios outlined in 2007, determined that the Saint Paul Port Authority's Jobs per Square Foot Formula for Mixed Use Office and Institutional uses would yield the most jobs at the site and complement the other many goals and measures considered for the site. Heavy industrial uses would not be an appropriate fit for the redevelopment.

Assumptions about how many jobs fit in a space:

Office = 3 jobs per 1,000 square feet

Industrial = 1 job per 1,000 square feet

Neighborhood Retail = 2+ jobs per 1,000 square feet (U.S. Green Building Council estimates 1 job per 588 square feet)

Pursuing Higher Job Density Per Square Foot

At its peak, the Ford Plant provided **1,800** mostly industrial jobs at the site. Our recommended workforce strategy is to create a variety of job types on site with good job density for the employment uses.



What is a “Good Job?”

The Work Group defined a “Good Job” as:

- Full-time, year-round (approx. 2080 hours/year)
- Pays a livable wage beginning at \$12.85 per hour/\$26,728 annually for an entry level position with basic health benefits and \$15.19 per hour/\$31,595 annually without benefits
- 2016 Federal Poverty Threshold for a family of 4 is \$24,300 annually
- Where employers are deep-rooted and community based
- Physically accessible to an employee base and job seekers that possess skills and education levels that match what the employer needs
- An even better job includes a full benefits package, money that is paid by the employer that contributes or covers the cost of not only health insurance, but also other insurance products, vacation, retirement, pre-tax savings plans and other extra options given to workers by an employer in addition to their regular pay
- At businesses with a variety of job classifications and wage levels, with pathways for advancement



In addition, the community said a “Good Job” includes...

- ◆ The ability to join a union
- ◆ A living wage
- ◆ A job workers can feel good about: ethically sound, environmentally safe, responsive to the community, supportive of the community
- ◆ Ability to live where you work
- ◆ Earned sick and family leave
- ◆ Provide child care near employment
- ◆ A safe location

Type & Mix of Jobs

Office, Institutional and Light Industrial Jobs

Work Group Assumptions on Office, Institutional, and Light Industrial Jobs

- Employers have specific needs for building design, operations, and performance
- The form of buildings and use of space varies widely, from low level warehouses with large lots for trucking to signature office buildings with underground parking
- Certain forms and operations will not be appropriate to this mixed-use, dense urban neighborhood
- Some building tenants will be focused on traffic, turning radius and the appearance of surrounding uses
- Industrial uses differ today than in previous decades. (i.e.10 people on an assembly line vs. 1 working a robot or 3D printer or a heavy manufacturer's site with a smoke stack)

Property Tax Balance between business/industrial and residential and the cost of City services:

- Based on ICIC Study commissioned by the Port Authority(2012), one-third of Saint Paul land is tax-exempt with iconic uses: Capitol, Cathedral, Ordway, Como Regional Park, Science Museum, etc. and one-third of our land is used for business and jobs, including industrial
- Residential taxpayers use more in city services than business (1.08-1.16 VS .60-.70 for every \$1 generated) so business taxpayers help pay the difference
- The cost to property owners for city services like street plowing, sweeping, sidewalks, lighting, trees, etc. —referred to as the “right-of-way rate”—is \$8.38 for businesses and \$3.41 for residential properties
- Business property tax rates are double that of residential

Why Light Industrial Matters

Clear path to good jobs for post high school with technical training and higher wages and benefits

—
Bridges racial and educational gaps to good jobs

—
Industrial and office property tax rates are double those for residential property and help subsidize city services to neighborhoods

Community Input:

When asked, “What is the right mix of jobs for the site?”, the community said...

A balanced mix of institutional, office, light industrial, retail and service.

Retail Jobs

Work Group Assumptions on Retail Jobs

- The mix and density of uses envisioned for the site will naturally attract retail and services
- Existing businesses in Highland Village may seek to relocate to new spaces at this site
- Retail and service jobs typically do not pay a living wage
- The City can regulate the general use, size and design of businesses that move in, but it cannot restrict companies or brands
- New development favors national retailers because of their ability to pay premium rates
- Cost of new space is typically higher per square foot than older space
- Local, independent businesses will have a hard time competing for spaces at the site due to risk-averse lending practices for new development and may not have the financial resources or bank financing relationships to compete for the space
- Retail and services support people and follow them where they go. The more people who live and work in the area, the more retailers and service providers will want to locate nearby



Types of Jobs

People want to see good to high-paying jobs, professional services, high-tech, research and development, clean manufacturing, and family - sustaining jobs.

“Diverse selection of job types. Full-time professional to part-time service-related. High-tech to bicycle repair.”

“Make a neighborhood where an entry-level worker can stay in the same area for more advanced jobs.”

“A maker zone--a shared area for crafters, IT etc. to work together.”

“Limit industrial use.”

Retail

Dense and diverse retail/services in walkable format. No new box stores!”

“Provide incentives for small business to avoid having it become completely large businesses.”

Building Types for Jobs

“Green build, sustainable materials, creative designs.”

“Need some focal points, as well as variation in form, texture, color.”

“Co-op office spaces to share”

Recruitment Strategies

Relationship between City entities and Master Developer

The Ford Jobs & Employment Strategy Work Group recommends that the City of Saint Paul be the lead agency coordinating overall economic development services and bringing together a core Partnership Team. Together, they should be responsible for bringing good jobs and employers to the site.

Once key decisions are made by Ford Land around the disposition of the property, informal marketing of the site can begin. When Ford Land moves to formally market and select a Master Developer for the site, the City's role will be to meet with the developer to review the framework and recommendations of the Jobs Work Group for business recruitment. The City will ensure that all parties of influence, including Ford decision makers and local policy-makers, are articulating and sharing the same framework and recommendations.

It is recommended that the Master Developer maintain direct communication with the Partnership Team and also offer a key point person from the developer firm to engage with the community. The City will assist in the recruitment of priority industry and job types for development on the site, and provide available economic development resources as needed, to assist in the master development process.

The purpose of the Partnership Team is to support the work of the developer, not to dictate to them.

Members of the Partnership Team should include representation from the following organizations: CBRE, the Master Developer, Ford, State of MN Department of Employment and Economic Development, GREATER MSP, Saint Paul Port Authority, Saint Paul Area Chamber of Commerce, City of Saint Paul - Mayor's Office and the Department of Planning and Economic Development, Ward 3, and the Highland Business Association.

Recommended Targeted Industries Bringing Good Jobs to the Site

- Health and Medical
- Research and Development (R&D)
- Custom, light manufacturing
- Institutional (Education, etc.)
- Office
- Retail & Services (follows naturally)



Recommended Activities

Further Analysis

Conduct further detailed analysis of the recommended target industries and the types of companies that provide high quality jobs. Targeted recruitment strategies and specific job goals can be built from this analysis.

Marketing Campaign

Develop a marketing and communications campaign around the recruitment strategy. Begin implementation.

Open Communication

Create and maintain strategic and open communications with the Partnership Team and the greater community.

Funding Considerations

Pursue policy and legislative processes to keep the possibilities for establishing a tax-increment financing district at the site. Document other available financial and technical tools available at the local, county and state level.

Leverage Legislative Networks

Leverage the Governor's Office and the Mayor's Office, and their high level networks, to assist with business recruitment, legislative processes and other activities.

Measure Impact

Measure the impact of employment and business recruitment success through job counts, average salaries for represented industries and property tax base.

Maximize Tax Paying Businesses

Work with CBRE, the Master Developer and the Partnership Team to attract tax-paying tenants/owners, with possible exceptions for strategic non-tax tenant that brings high quality jobs and strategic services to the site.

Limit Financial Incentives

Reserve the use of financial tools only if needed. Recruitment should not be led by incentives.

Business Recruitment Strategies

- Target businesses in identified industries that provide desired jobs
- Attend trade shows and association events where these businesses are present
- Target real estate and site selection professionals who work specifically with these industries
- Recommend legislative policy actions, if needed
- Recommend financial tools tied to good quality jobs: local, regional, and state funds; explore other possibilities

Implementation & Next Steps

Coordination and Leadership

City of Saint Paul will be the lead agency for overall economic development services and coordination

- City to meet with Master Developer
- City and Partnership Team to support the Master Developer, not dictate to them
- Partnership Team to include CBRE, Master Developer, Ford, DEED, GREATER MSP, Saint Paul Port Authority, Saint Paul Area Chamber of Commerce, Mayor’s Office, Ward 3 Office, Highland Business Association
- CBRE and Master Developer to work with Partnership Team to ensure tenants/owners are tax paying with possible exceptions for strategic non-tax tenant

Timeframe for Key Activities

Further Analysis
2016-2017

Marketing of Site for Employment
2016-2018

Business Recruitment
2017 to 2018 and beyond

Leverage Legislative and Executive Networks
2016-2017

Measure Impact of Recruitment
Late 2016 to 2018 and beyond

Measure Success through Jobs and Tax Base
2018 and beyond

As the lead agency, the City of Saint Paul will be supported by:

Activity	Supporting partners
Industry/Jobs Analysis	DEED, Chamber, GREATER MSP, Port Authority
Marketing, Communication, Messaging & Strategy	CBRE, Master Developer, GREATER MSP, Ward 3 Office, Chamber, Port Authority, DEED – Create a “Show Room”
Community Engagement	Ward 3 Office, Highland Business Association
Financial and Technical Tools	DEED, GREATER MSP, Port Authority, MN Building Trades
Coordination of Economic Development Services	GREATER MSP, Ward 3 Office, Chamber, Port Authority
Industry and Business Recruitment	CBRE, Master Developer, GREATER MSP, Ward 3 Office, Chamber, Port Authority
Coordination of City Departments	Department of Planning and Economic Development
Leverage Legislative & Executive Networks	DEED, GREATER MSP
Measuring Job & Tax Base Impact	GREATER MSP, Chamber