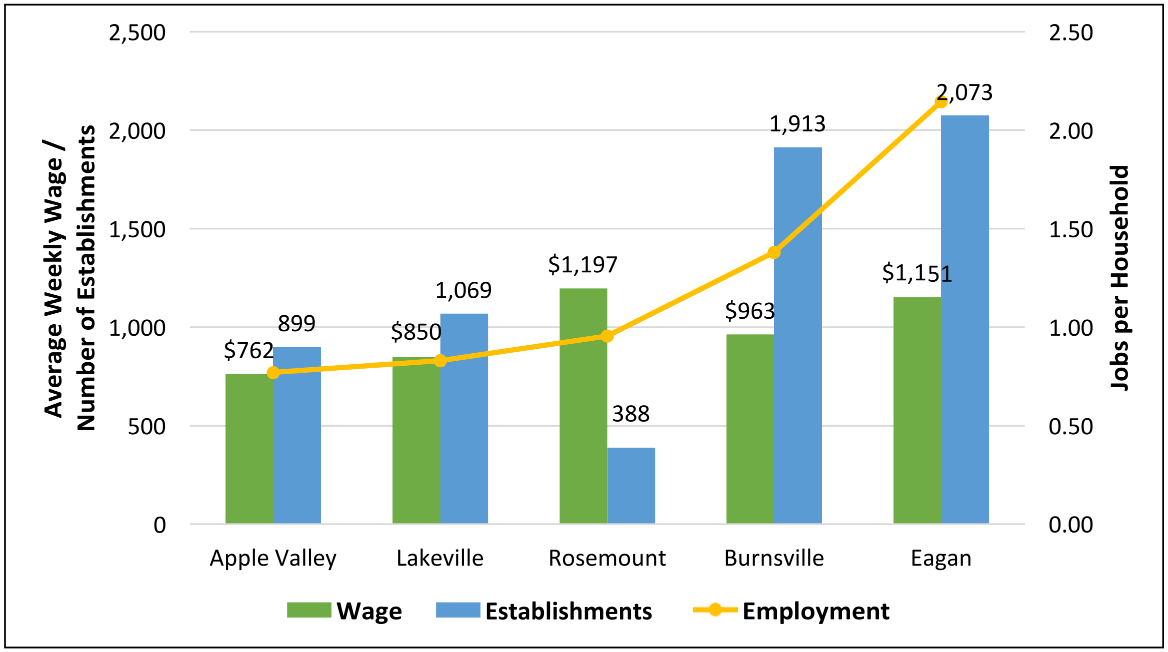
Figure 6.6 – Dakota County Wage and Employment Comparisons



Jobs/Housing Balance

A key consideration in the planning process is seeking a balance of jobs and housing in Apple Valley. This balance is both in terms of the number of jobs relative to the number of households, as well as the type of jobs relative to the education and interests of Apple Valley residents. Locating a wide range of housing close to employment may shorten commuting distances. High vehicle-miles traveled produces highway congestion and air pollution, reduces pavement life, and diminishes leisure time.

A standard measure of jobs-housing balance is the ratio of jobs to housing units. (This measure is similar as the ratio of jobs to households.) The American Planning Association recommends a ratio of 1.3 to 1.7. However, in metropolitan areas where jobs are more regionally allocated, cities demonstrate a range of jobs-housing ratios (See **Figure 6.6**). From a regional perspective, the high degree of variance indicates that some communities have less than the ideal number of jobs given their number of households, while others have higher employment. This is more a region- al issue than a local one – many communities have an imbalanced supply of housing and jobs. These imbalances should be addressed through comprehensive housing policy and transportation planning, as well as economic policy.

The Metropolitan Council projects 17,100 jobs and 24,900 households in 2040, for a jobs/household ratio of 0.69. This projection would be a reversal of current trends, which show improving jobs/housing balance. With the addition of a job center in the mixed business campus area, Apple Valley is targeting a higher jobs goal – 19,000 jobs – for 2040. This goal reflects the Vision for Apple Valley that seeks to create more local jobs and more jobs with wages capable of sustaining a family and fostering greater economic resilience.

Apple Valley seeks to expand job opportunities, prioritizing jobs which pay wages capable of sustaining a family.

Commuting Costs

The jobs/housing relationship directly impacts quality-of-life. After housing, transportation is the largest cost for most households. The Housing and Transportation (H + T) Index provides a snapshot of these effects for Apple Valley (**Figure 6.7**). On average, Apple Valley house- holds spend 27 percent of their income on housing and 20 percent of their income on transportation (for a total of 47 percent). For comparison, Lakeville households spend 53 percent of their income on housing and transportation, while Burnsville households spend only 43 percent of their income with shared interest in economic development and redevelopment.

- Work with property owners to address unique development challenges including the maintenance, revitalization, and redevelopment of existing buildings and parking lots.
- Take advantage of opportunities to use public improvements and private development to enhance the image and identity of Apple Valley.
- Foster private investment and economic activity that supports sustainability and resiliency objectives.
- Attract development of regional industry clusters to Apple Valley.
- Develop the mixed business campus, Orchard Place, to improve the jobs/housing balance.
- Encourage Orchard Place to demonstrate energy efficiency objectives by incorporating renewable/local energy sources, such as solar, wind biomass on-site or in partnership with Dakota Electric.

Economic Development Policies

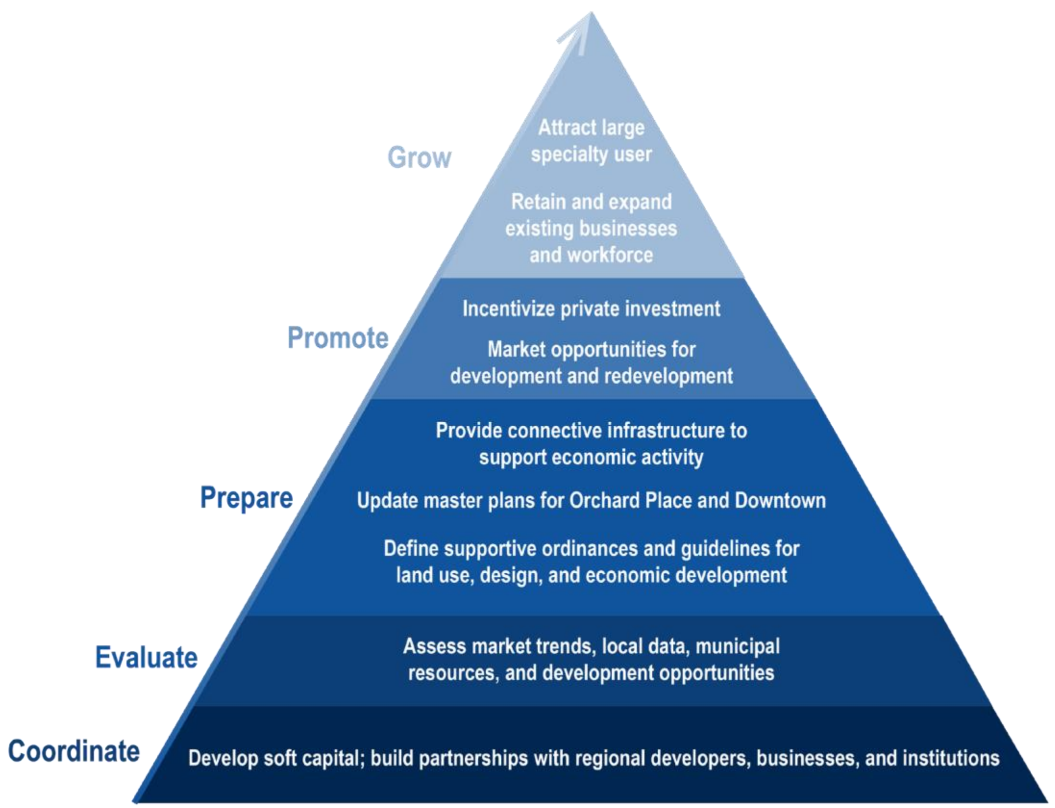
The City seeks to achieve its economic development goals through application of the following policies:

- Actively investigate and pursue opportunities to attract a medical center/campus district and other medical and health care businesses to Apple Valley.
- Engage with businesses that create jobs with incomes that can sustain a family.
- Develop business partners that share the objective of high-quality, sustainable, efficient development, expansion of the property tax base, match market desires and land use plans of Apple Valley.
- Periodically review and amend if necessary the Comprehensive Plan to ensure land resources leverage value and employment-producing.
- Encourage and facilitate infill commercial, industrial, and retail development on remaining vacant parcels to ensure the resource is fully utilized.
- Encourage and facilitate redevelopment of underutilized or distressed properties into viable commercial, industrial, or retail and horizontal and vertical mixed use developments by working with property owners and developers.
- Create a medical campus district to encourage and facilitate development of medically related uses such as health services, bioengineering and manufacturing, and transportation or shipping supportive facilities.
- Work with local businesses and industries in support of expansion strategies where the land resource is fully utilized.
- Work with local businesses, Dakota County, and the Minnesota Valley Transit Authority (MVTA) to provide transit services that support the economic development goals of Apple Valley.
- Encourage and promote the development of advanced, state-of-the-art telecommunication technology to and within Apple Valley.
- Work with service providers to ensure adequate supplies and reliable distribution systems for electricity and natural gas and increasingly emphasize renewables.
- Pursue ways to streamline the development approval process, while still maintaining high quality development standards.
- Review new and innovative economic development incentives for application in Apple Valley.

Implementation

Figure 6.8 shows the overall structure of the Economic Development Strategy. The top of the pyramid represents the highest achievements sought. The base of the pyramid represents the foundational work that is needed to succeed. The highest goal is to attract new business and industry to Orchard Place and Downtown. Apple Valley recognizes that the framework for sustainable growth emerges from within, often referred to as organic growth over time. Retaining existing businesses and workforce talent is vital to demonstrate local potential to prospective employers. Developing within established and emerging clusters will help solidify the economic base and leverage the strengths of the region.

Figure 6.8: Economic Development Strategy



Extending the Strategic Plan

This chapter introduced six core pillars for economic development to 2040. To summarize, they are:

- Attract large employers
- Unify the Downtown
- Reinvest in Downtown
- Develop connections within the Twin Cities Metro and beyond
- Support STEM-related businesses and workforce development
- Develop economic resilience

The following material expands on these themes.

1. Attract large employers primarily in the designated Mixed Business Campus area

The biggest economic challenge for Apple Valley is to increase the number of local jobs – specifically, to improve the jobs/household ratio. It is not uncommon for a metropolitan economy to produce clusters of employment that benefit some communities more than others, especially in suburban areas, resulting in a regional jobs/housing imbalance and complex commuting patterns. Because there are regional forces at work, Apple Valley will benefit through intergovernmental collaboration as much as through competition with other com- munities.

The economic potential of development proposals must be evaluated based on the number of jobs that businesses create and the wages they provide.

Potential economic development opportunities must be evaluated based on the number of jobs they create – both directly and indirectly – and the wages they provide. The amount of public incentives, if they are used to attract new employers or retain existing employers, should reflect these factors. The City will target employers which pay above area median income, especially businesses that are compatible with existing industry clusters or which represent emerging technologies.

In the near-term, the City will work to develop relationships with commercial, office, and industry partners in the community. Conducting periodic meetings with the largest employers will help the City identify opportunities and threats to its existing jobs base and develop local partnerships. This will help the City improve career development pathways, such as that used by Uponor, to meet industry needs. Another strategy is to expand local employment data, and the application of data, to monitor and communicate characteristics of the municipal workforce and local employers. The QCEW provides detailed data regarding the types of jobs that are located within a geography, but not the jobs which are held by the population of that geography. A survey of residents would give the City a clearer picture of local job resilience and workforce skills. It could also be used to demonstrate local demand for certain industries and cultivate jobs training programs.

Orchard Place

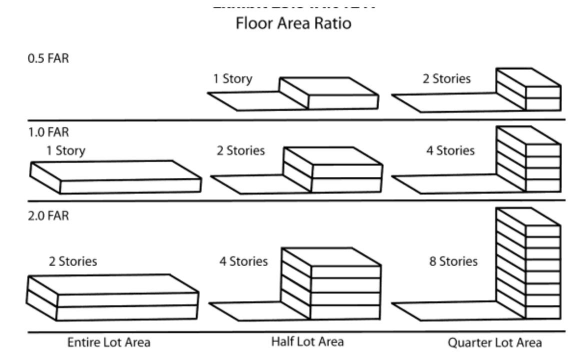
The long-term goal is to redevelop Orchard Place as a mixed-business employment center. The redevelopment of this 400-acre sand and gravel mining area will take several years. Strong systems of trails, transit, and parks offer amenity enhanced environment. The Orchard Place master plan captures this strategy by guiding acreage for open space, water features, pedestrian connections, and the supported network of great streets. Careful attention to preliminary design and promotion of the plan will attract larger specialty businesses to the site.

The Orchard Place concept plan guides approximately 400 acres for the Mixed Business Campus, supportive commercial rights-of-way, open space, and ponds. Based on historical development within the Metropolitan area, it is suggested that at least 40 acres of the Mixed Business Campus be considered for the medical center campus. The Orchard Place concept plan guides approximately 50 acres for the most iconic development to be located in the northeast corner of the site. Adjacent tracts are illustrated for potential medical-related uses; office, hotel, and commercial/industrial uses.

Utilizing FAR to guide development and model development intensity

One guiding principle for development intensity is floor area ratio (FAR). Floor-area ratio guides intensity by maximizing the amount of total floor space in all buildings on a given site. Within these parameters, developers maintain some flexibility to adjust building height and bulk and fully utilize available land. (**Figure 6.9**). Intensity increases with more building space and higher FAR.

Figure 6.9: FAR Graphic



FAR standards regulate density while giving developers greater design flexibility. The City's FAR guidelines help it project employment density, assess site impacts, and address traffic needs for future development.

Employment potential can also be correlated to FAR, since jobs are traditionally measured as the number of employees within a building area. The conceptual plan for Orchard Place includes a range of FAR goals for each land use. **Table 6.2** summarizes these goals.

Table 6.2: FAR Goals for Orchard Place	
Use	FAR Range
Corporate Campus	0.25 to 0.35
Medical	0.25 to 0.40
Office	0.25 to 0.35
Industrial	0.30 to 0.45
Commercial Retail	0.18 to 0.30
Hotel	0.35 to 0.50

As of March 2017, the concept plan for Orchard Place retains flexibility for further refinement. The precise acreage for each use and the intensity of development will be further evaluated in cooperation with the land owner and the project developer. In the meantime, these numbers are useful for conceptualizing a range of intensity scenarios, refining economic development objectives, and developing an understanding of likely traffic impacts and utility needs. If, for example, a 50- acre corporate campus were constructed to 0.35 FAR, there would be 17.5 acres of floor space, or approximately 762,300 square feet. A typical hospital might staff 2.6 employees per 1,000 square feet. Thus, a 50-acre hospital site might support a staff of roughly 1,980 employees. As actual development potential is determined, Apple Valley can adjust its FAR and/or acreage assumptions accordingly to promote the most efficient use of the Fischer site.

The Metropolitan Council projects 17,100 jobs in 2040, with only 1,300 additional jobs from 2020 to 2040. This forecast may prove to be an under- estimate of both need and opportunity. Instead, Apple Valley would like to increase employment to 19,000 jobs by 2040. It is estimated that the Mixed Business Campus yields about 75 per- cent of the growth in jobs. Upon completion of the Mixed Business Campus, about 25 percent of all jobs in the City would be located there. Implementing the FAR framework will help the City achieve the desired development intensity – and associated employment growth – for Orchard Place and other sites. If a portion of the site is developed at lower-than-average FAR, then the City knows that the remaining space must be developed at a higher intensity to produce the desired jobs outcome. The present marketplace readily builds at .25 to

.30 FAR. Building at higher intensities may require the application of financial incentives and/or modifications to City code.

2. Unify Downtown by taking advantage of future redevelopment opportunities, using Cedar Avenue and County Road 42 and transit system improvements as catalysts

Downtown is the engine of Apple Valley's economy. Improvements that unify Downtown, support greater development intensity, and enhance connectivity will improve economic potential. Future redevelopment opportunities can be supported by transit and other transportation improvements in the Cedar Avenue corridor and the County Road 42 corridor. The Cedar Avenue Transitway Implementation Plan guides improvements to the Red Line from 2010 to 2040, with five stages for development. Stage 1 was completed in 2013 when BRT service was launched, connecting Apple Valley to the Mall of America transit station hub. Stage 2 is programmed for 2015-2020 and calls for expansion of the Apple Valley transit station and bicycle and pedestrian improvements. Stage 3 is programmed for 2020-2025, and calls for a new station at Palomino Drive with potential Park and Ride expansion. Stages 4 and 5 are scheduled for completion by 2040, with extension to Lakeville.

The City is targeting land use and transportation improvements that unify the Downtown and mitigate the physical barriers presented by traffic volume and multiple lanes of traffic on Cedar Avenue and County Road 42. Enhanced pedestrian connections across these thorough- fares, coupled with stronger connections to transit, are sought. The addition of bus rapid transit to the transportation network has already supported several development projects in the Cedar Avenue transitway. However, significant opportunities remain, especially in the four major quadrants surrounding the intersection of Cedar Avenue and County Road 42 and the expansion of east/west transit services to the mixed business campus in cooperation with Dakota County. Momentum from transit-supportive development and the extension of the Red Line south to Lakeville will eventually influence these superblocks as well.

Lid Concept

A 2008 study of transit-oriented development in-