

# APPENDIX B. EMPLOYMENT PROJECTIONS

## METHODOLOGY

Projecting demand for employment in the half-mile radii around the Southwest LRT Corridor stations required the following steps:

- **Projecting regional employment growth by sector.** The Metropolitan Council projects total employment through 2030 in the seven-county region, but not employment by industry. The Minnesota Department of Employment and Economic Development (DEED) publishes a projection of employment by industry for the region, but the most recent projection only goes through 2019. Beginning with the Metropolitan Council’s total employment projections, we distributed employment using the following assumptions:
  - Regional employment in 2010 was distributed as reported by DEED in 2009, the most recent year available.
  - Regional employment in 2020 will be distributed as projected by DEED for 2019.
  - Between 2020 and 2030, the shift among sectors will continue at half the rate that DEED projects for the 2009-2019 period.

Table B1 shows the resulting regional employment estimates, including total employment and the distribution of employment in each year (Column a), and projected change in employment by sector (b).

- **Estimating 2020 and 2030 capture rates by sector for the half-mile corridor.** Table B2 shows the percent of the seven-county Metro Area’s employment that was located in the half-mile corridor for each sector, based on data from the U.S. Census Bureau’s LEHD Origin-Destination Employment Statistics program (c). 2002 is the earliest year for which LEHD data is available, and 2009 is the latest. Based on the 2002 and 2009 capture rates, we estimated a range of 2020 and 2030 capture rates for new employment each sector (d), assuming that, with transit, the corridor will attract an increasing share of knowledge-based jobs as well as education and health services jobs, with some increase also occurring in retail and entertainment as the population increases. Because the region and the corridor are expected to experience net loss in PDR jobs, the PDR sector is considered separately from the other sectors. The increase in share for the “Eds/Meds” sector is particularly high because a particularly large project (a new United Health Care Group facility expected to add 6,700 jobs between 2010 and 2020) has already been approved for in the City West/Opus station areas.
- **Applying capture rates.** Next, the projected capture rates (Table B2, Column d) were applied to the projected change in regional employment (Table B1, Column b) to arrive at an estimate of how much of the region’s *new* employment might be captured in the corridor between 2010 and 2030 (Table B3, column e). This increment (plus an additional 1/10<sup>th</sup> of the increment, to account for 2009) was then added to existing employment in 2009 (the most recent year for which corridor-level data is available) to arrive at estimates of total corridor employment in 2020 and 2030. These final figures are shown in Table B3, column f.

- **Extrapolating for five-year increments and sub-corridor segments.** Finally, we extrapolated from the results to arrive at the five-year projections shown above in the tables in the text, assuming that employment demand will grow at a linear rate in the 2009-2020 and 2020-2030 periods. As with the household projections, we allocated employment among the sub-corridor segments based on the existing distribution of employment (with the exception that the 6,700 United Health Care Group jobs were allocated to the Southern segment).

**Table B1. Regional Employment Assumptions Used for TOD Employment Projection**

Sector	(a) Regional Employment Assumption						(b) Projected Change in Regional Employment	
	2010		2020		2030		2010-2020	2020-2030
	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total		
PDR	322,500	18%	310,600	16%	306,670	14%	-11,900	-3,930
Retail	166,840	9%	171,510	9%	176,580	8%	4,670	5,070
Knowledge	363,920	20%	404,570	20%	435,610	20%	40,650	31,040
Eds/Meds	364,980	20%	437,590	22%	489,610	23%	72,610	52,020
Entertainment	160,000	9%	176,870	9%	189,870	9%	16,870	13,000
Government	26,290	1%	28,830	1%	30,800	1%	2,540	1,970
Other	411,470	23%	460,040	23%	496,850	23%	48,570	36,810
Total	1,816,000	100%	1,990,000	100%	2,126,000	100%	174,000	136,000
Total Excluding PDR	1,493,500	82%	1,679,400	84%	1,819,330	86%	185,900	139,930

Sources: Metropolitan Council, 2010; Minnesota Department of Employment and Economic Development, 2011; Strategic Economics, 2011. Columns may not add due to rounding.

**Table B2. Half-Mile Corridor Capture Rate Assumptions Used for TOD Employment Projection**

Sector	(c) Actual Corridor Capture Rates (of Total Regional Employment)		(d) Projected Corridor Capture Rates (of New Employment)			
	2002	2009	Low Estimate		High Estimate	
			2020	2030	2020	2030
Retail	2.9%	3.4%	3.4%	4.0%	4.0%	4.5%
Knowledge	4.4%	3.8%	5.0%	7.0%	6.0%	8.0%
Eds/Meds	3.1%	2.6%	9.5%	7.0%	11.0%	9.5%
Entertainment	3.2%	3.0%	3.2%	3.5%	3.5%	4.0%
Government	1.0%	0.8%	1.0%	1.0%	1.0%	1.0%
Other	3.2%	3.8%	3.8%	3.8%	3.8%	3.8%
Total Excluding PDR	3.9%	3.6%				

Sources: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics, 2011; Strategic Economics, 2011.

**Table B3. Projected Employment in Half-Mile Corridor**

Sector	(e) New Employment Captured in Corridor				(f) Total Employment in Half-Mile Corridor				
	Low Estimate		High Estimate		Actual	Low Estimate		High Estimate	
	2010-2020	2020-2030	2010-2020	2020-2030	2009	2020	2030	2020	2030
Retail	160	200	190	230	4,958	5,130	5,340	5,160	5,390
Knowledge	2,030	2,170	2,440	2,480	14,824	17,060	19,230	17,510	19,990
Eds/Meds	6,900	3,640	7,990	4,940	8,935	16,520	20,160	17,720	22,660
Entertainment	540	450	590	520	4,046	4,640	5,090	4,700	5,220
Government	30	20	30	20	448	480	500	480	500
Other	1,850	1,400	1,850	1,400	7,573	9,600	11,000	9,600	11,000
Total Excluding PDR	11,500	7,890	13,080	9,590	40,784	53,430	61,320	55,170	64,760

Source: Strategic Economics, 2011.

Columns may not add due to rounding.