

ECONOMIC DEVELOPMENT

I. ECONOMIC DEVELOPMENT OVERVIEW

Economic health is an important component of a thriving community. A strong commercial and industrial base provides jobs to a community's residents, contributes to a city's tax base and is a source of community vitality. This can best be explained when one compares a downtown area consisting of vacant and/or boarded up buildings with one that has a thriving business sector. The vacant and boarded up buildings appear lifeless and drab, while a busy downtown community is lively, strong and thriving.

Located along Highway 19, in Rice County, Lonsdale's economy has changed over the past twenty years and is anticipated to change over the next twenty years. The expansion of the first and second ring suburbs and associated road improvements have resulted in a more mobile society; allowing Lonsdale to become a home to those working in other communities, especially the Twin Cities Metropolitan Area. This chapter will discuss trends in economic development, the Central Business District, Highway Commercial and Industrial Development, economic development agencies and establish goals for the future growth and redevelopment of Lonsdale's commercial and industrial sectors.

II. ECONOMIC TRENDS

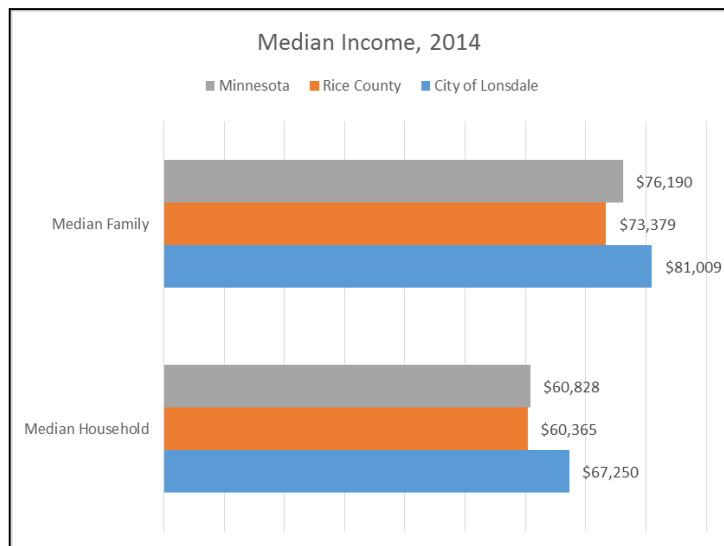
Economic trends can be important indicators as to the economic health of the community. Following is a summary of several economic indicators including income/wages, labor force and commercial and industrial construction.

Income and Wages.

The 2010 Census reports a median *family* income in Lonsdale of \$72,841 and a 2014 median *family* income of \$81,009. These are higher than the median *family* incomes reported for Rice County as well as the state of Minnesota.

The median *household* income in Lonsdale was \$67,863 in 2010, compared to a 2014 median *household* income of \$67,250.¹ The median *household* incomes were higher than those reported within the county and state.

Of the 2,079 civilian employed residents, who were 16 and older in Lonsdale, the median earnings were \$42,342 per year, with the male



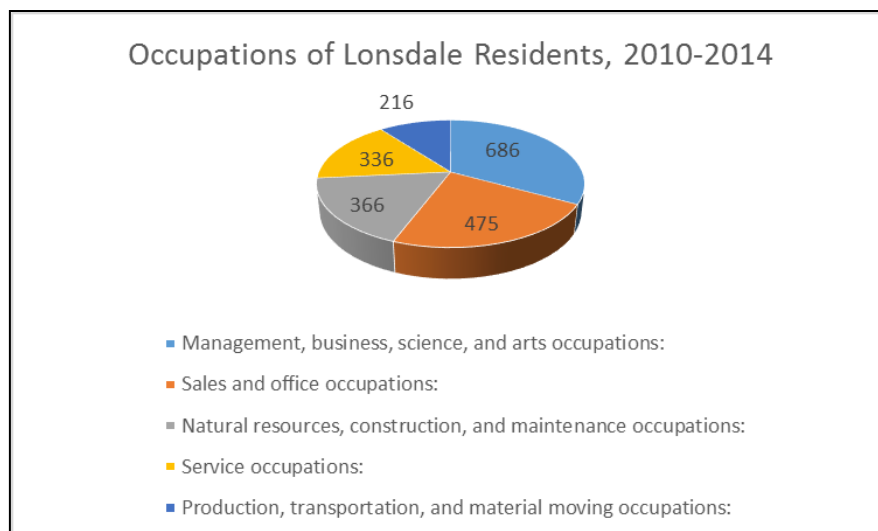
¹ Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

median earnings at \$51,724 per year and female median earnings at \$27,054 per year. The following table and chart illustrate the number of residents 16 and older employed within each of the broad employment categories and the median earnings within each.

Table 6-1 Median Earnings by Occupation
U.S. Census Bureau, 2010-2014 American Community Survey Estimates 5-Year

	Lonsdale city, Minnesota			
	Total estimate	Median earnings (dollars) estimate	Median earnings (dollars) for male estimate	Median earnings (dollars) for female estimate
Civilian employed population 16 years and over	2,079	\$ 42,342	\$ 51,724	\$ 27,054
Management, business, science, and arts occupations:	686	\$ 51,081	\$ 56,151	\$ 48,075
Sales and office occupations:	475	\$ 22,452	\$ 39,792	\$ 12,299
Natural resources, construction, and maintenance occupations:	366	\$ 54,412	\$ 54,412	-
Service occupations:	336	\$ 16,848	\$ 28,807	\$ 14,338
Production, transportation, and material moving occupations:	216	\$ 48,200	\$ 52,833	\$ 43,514

The largest sector of Lonsdale residents hold occupations in the management, business, science and arts occupations, followed by the sales and office occupations. The top five occupational categories of residents of Lonsdale are identified below.



Local Trends.

Lonsdale has experienced positive trends in the growth of business establishments, jobs and wages over the past 5 ½ years. According to statistics provided by the MN Department of Employment and Economic Development's Economic Census, as of the second quarter of 2015, a total of 76 business establishments were located within Lonsdale, providing 427 jobs. The number of business establishments increased 5.5% over the past 5 1/2 years, while employment increased 35.5% from 2010 to the second quarter of 2015. Annual wages paid to employees increased from \$7.8 million in 2010 to over \$10.4 million in 2014, a 34.4% increase. The wages in the first two quarters of 2015 also increased from 2014, suggesting a continued trend.

**TABLE 6-2
NUMBER OF BUSINESS ESTABLISHMENTS IN LONSDALE 2010-2016
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Year	Q1	Q2	Q3	Q4	Annual
2016	69	NA	NA	NA	NA
2015	71	73	68	69	70
2014	73	73	74	73	73
2013	73	73	74	75	74
2012	69	69	70	72	70
2011	70	70	71	73	71
2010	72	72	71	71	72

Source: MN Department of Employment and Economic Development

**TABLE 6-3
EMPLOYMENT IN LONSDALE 2010-2016
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Year	Q1	Q2	Q3	Q4	Annual
2016	439	NA	NA	NA	NA
2015	384	429	437	442	423
2014	382	411	441	424	415
2013	340	356	386	366	362
2012	334	343	372	374	356
2011	297	339	385	381	351
2010	290	321	331	318	315

Source: MN Department of Employment and Economic Development

**TABLE 6-4
WAGES PAID BY LONSDALE BUSINESS ESTABLISHMENTS 2010-2016
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Year	Q1	Q2	Q3	Q4	Annual
2016	\$2,786,458	NA	NA	NA	NA
2015	\$2,349,598	\$2,781,095	\$3,015,301	\$3,249,855	\$11,395,849
2014	\$2,336,262	\$2,470,310	\$2,825,381	\$2,841,823	\$10,473,776
2013	\$2,069,845	\$2,102,151	\$2,443,161	\$2,352,597	\$8,967,754
2012	\$1,998,805	\$1,986,476	\$2,393,502	\$2,968,259	\$9,347,042
2011	\$1,796,089	\$1,997,805	\$2,535,550	\$2,409,601	\$8,739,045
2010	\$1,669,993	\$1,949,345	\$2,065,345	\$2,082,768	\$7,767,451

Source: MN Department of Employment and Economic Development

Major Employers within the City.

The major employers in the City of Lonsdale are identified in Table 6-5 which follows.

**TABLE 6-5
MAJOR EMPLOYERS IN LONSDALE, 2015**

Employers	No. of Employees
Lonsdale Packaging	60-90
Villages of Lonsdale	52
Tri-City United School District 2905	47
Fred's MarketPlace	36
City of Lonsdale	36
Casey's General Store	24
R & L Woodcraft	22
Generations HBC	15
Midwest Cryogenics (over 100 employees @ off-site location after merger)	12
Telamco	11
Lonsdale Family Dental	10
Lonsdale Tool & Manufacturing	9

Source: City of Lonsdale, 2015

Employment Forecast.

Table 6-6 illustrates employment forecasts within the various industries and projected growth from 2010 to 2020, as reported by the MN Department of Employment and Economic Development. Employment is anticipated to increase by 13% within the state with the highest percentage gains in employment in the construction, education and health services and trade and transportation industries. The slowest growing industries for employment include self-employed in the agricultural industry, information and public administration.

When recruiting businesses or assisting local businesses it is important to consider projected growth within the various industries, along with the skills and training (current employment) of residents.

**TABLE 6-6
EMPLOYMENT FORECASTS MINNESOTA 2010-2020**

<u>NAICS Code</u>	<u>Industry</u>	<u>Estimated Employment 2010</u>	<u>Projected Employment 2020</u>	<u>Percent Change 2010 - 2020</u>	<u>Numeric Change 2010 - 2020</u>
000000	Total, All Industries	2,830,000	3,198,000	13.0%	368,000
7010	Agricultural Self-employed	43,506	42,000	-3.5%	-1,506
1011	Natural Resources and Mining	31,107	32,720	5.2%	1,613
1012	Construction	87,647	122,050	39.3%	34,403
1013	Manufacturing	292,082	306,280	4.9%	14,198
1021	Trade, Transportation and Utilities	490,694	542,969	10.7%	52,275
1022	Information	54,171	54,305	0.2%	134
1023	Financial Activities	171,329	186,070	8.6%	14,741
1024	Professional and Business Services	315,113	367,570	16.6%	52,457
1025	Education and Health Services	445,424	586,500	31.7%	141,076
1026	Leisure and Hospitality	249,008	268,710	7.9%	19,702
1027	Other Services	122,853	132,820	8.1%	9,967
1028	Public Administration	379,151	384,500	1.4%	5,349

Source: MN Department of Employment and Economic Development

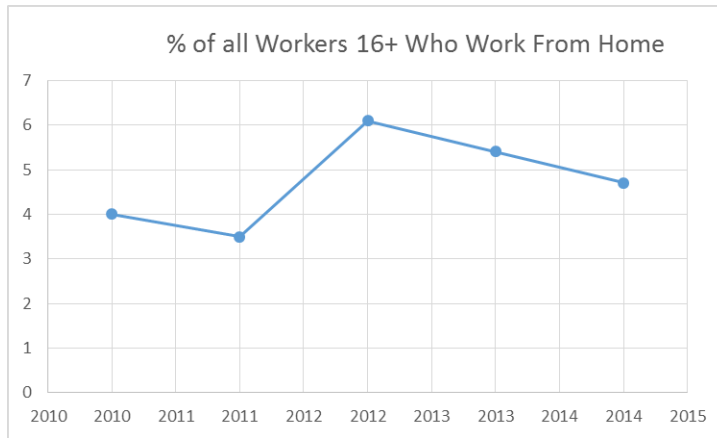
Commuting Time.

According to the U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, there were 2,079 workers in Lonsdale in 2014. Of these 85.8% drove a vehicle to work alone, 7.3% carpooled to work, 2.1% walked and 4.7% worked from home. The mean travel time was 35.2 minutes. This compares to 22.5 minutes for workers in Rice County, where 13% of the residents report working from home, and 23 mean travel minutes in Minnesota.

Through the expansion of existing businesses and recruitment of additional businesses, it is a goal to provide additional local employment opportunities to reduce commuting time, keep residents in the community to work, shop and participate in local activities.

Home Occupations

The U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates report between 3.5% and 6.1% of Lonsdale residents "work from home". This equates to between 74 and 95 workers. The city's Zoning Ordinance, Section 153.073 includes limited regulations for home occupations. Home-based business which are low intensity such as offices often have no impact on a neighborhood; however, those with excessive traffic, noise or unsightliness may have a negative impact on a residential neighborhood. It is recommended the City update its Home Occupation section of its Zoning Ordinance to ensure compatibility of home occupational uses in the future.



Source: U.S. Census, 2010

III. CENTRAL BUSINESS DISTRICT/DOWNTOWN

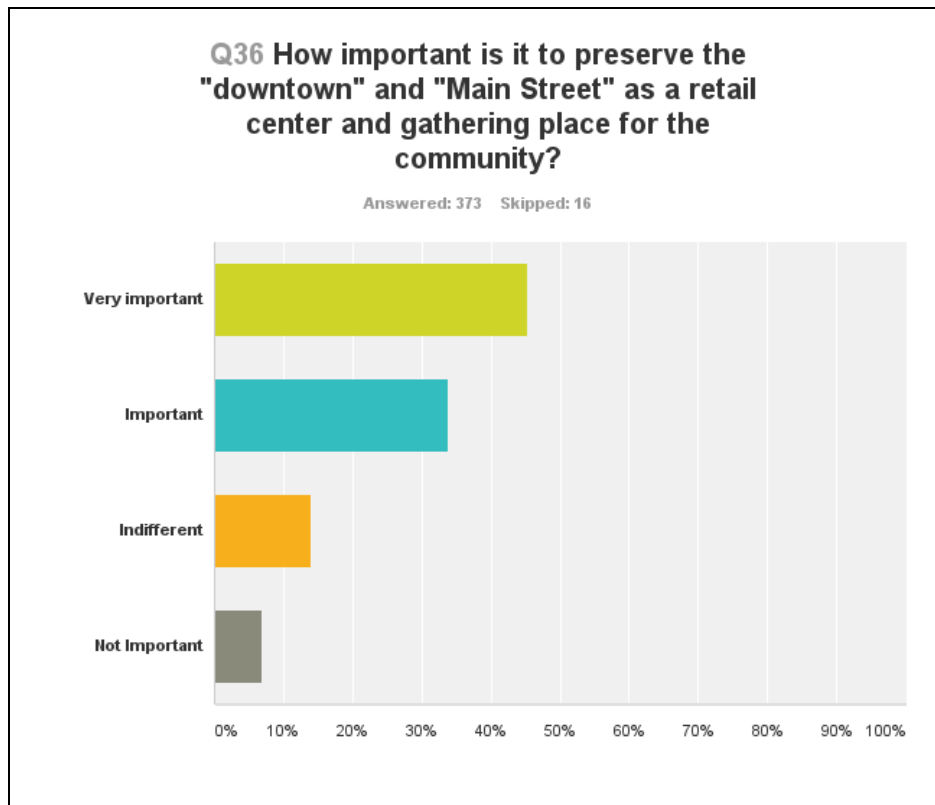
Lonsdale's downtown is an asset to the community representing a connection with the past, a community focal point and a unique entity than many cities without downtowns are now trying to emulate. As the City has grown, the City's old commercial downtown has declined both physically and economically in response in part to changing market demands, aging structures, outward growth of the City's population and lack of public and private investment. Over the years, the EDA has expressed interest in revitalizing downtown through the creation of the 2007 Streetscape Plan and the 2012 Streetscape Option. Historically, Main Street was a mixed use district comprised of commercial retail area with first floor commercial and in many instances residential or office uses above with service and parking in the rear or sides of the buildings. This is typical of traditional downtowns. In some cases, the general decline of the area has led to an equal deterioration of the second floor housing.

The downtown includes a variety of retail and service businesses including but not limited to food establishments, banking, dance studio, plumbing and heating, hardware, antiques, meat market, chiropractic and auto parts. Retaining these businesses and adding to the retail center is recommended.

Based on Community Survey and Visioning Session input, economic development, and specifically the downtown, is a high priority for Lonsdale residents and businesses. It is the Vision for the community that,

"Lonsdale, in 2040, is a city of 7,550 and is recognized as a "forever home, with a small-town feel and boundless opportunities."

It is noted that in order to accomplish this vision, the City will encourage growth in population, commerce and industry, while focusing on the quality of life by adding activities for all ages, revitalizing the downtown, working with the school districts to determine the feasibility of the current K-4 school being expended or another school in the community and providing additional housing opportunities.



Importance of Downtown. Consistent with comments received at the Visioning Session, nearly 45% of the 398 survey respondents noted it is "Very Important" to preserve the downtown and "Main Street" as a retail center and gathering place for the community. Another 34% rated it as "Important". Approximately 7% felt it was not important, while 14% were indifferent.

In a joint EDA and Chamber of Commerce meeting, the following "Strengths of the Downtown" were identified:

- Wide street
- Downtown serves as an identity for the community
- Downtown serves as a gathering place
- Community Events
- Off Main Street –Hwy 19
- Veteran's Memorial Park
- Downtown has a stoplight
- There are a few well-established businesses
- Easy parking
- Sidewalk access
- The history

Challenges for the downtown included:

- Updating the streetscape
- Disrepair of buildings/age of buildings
- Need for more businesses downtown/empty buildings
- Small size of the downtown

Building on Strengths & Addressing the Challenges

Design Elements: According to Rice County records, many of the commercial buildings in the Central Business District were constructed between 1912 and the 1930's. A façade program which encourages design features from that era would assist in building on the history of the downtown.

Several downtown buildings were also constructed in the 1940's and 50's, with the most recent construction, a chiropractic office, in 2000. Existing buildings in the downtown area are one to two stories high. New development within this district should complement what currently exists in terms of scale, pedestrian areas, architectural character, setbacks to the street, use of decorative lighting, etc. The downtown area should evolve into a mix of market appropriate uses that offer goods and services to residents and attract visitors.



The photo above illustrates a building which utilized Small Cities Development Grant rehabilitation loan funds in 2009. In addition, some streetscape elements have been incorporated into the downtown. A program to continue these efforts is recommended.

The stated "Purpose" of the B-3, or Central Business District, per Chapter 153, Zoning Ordinance, is "The B-3 District is intended to sustain the Historic Central Business District and to augment and increase its viability and prosperity by allowing the development and redevelopment of a variety of uses and activities, made compatible through the enforcement of design standards. The downtown is intended to serve the entire city and be a diversified commercial center that offers the full range of comparison goods, sales and services; cultural and civic opportunities, financial and professional offices, and public uses. Although this district relies on automobile traffic, the needs of pedestrians and bicyclists are deemed equally important. Pedestrian and bicycle routes, landscaping, and appropriate amenities are important components of this district."²

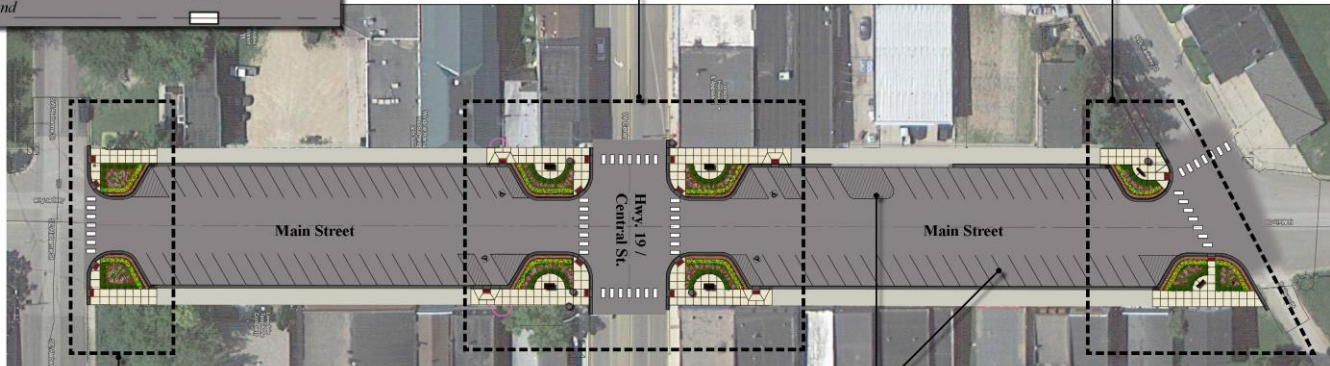
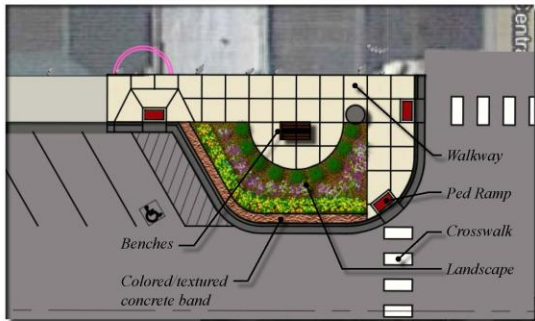
² City of Lonsdale Zoning Ordinance

The City completed a 2007 Streetscape Master Plan and a 2012 Streetscape Option. These planning documents provide options for sidewalk and parking enhancements, landscaping, benches and options for lighted bollards and kiosks. The cost, in 2012, ranged from \$128,100 to \$250,000 depending on the options selected.

Bumpout Enlargement:
 Landscaped bumpouts are raised up at walkway level and bordered by new curb and gutter with bench seating areas in select locations. A 24" wide colored & textured concrete band is located along the top of the curb to border the landscaped area (see Textured Concrete Examples).



Textured Concrete Examples



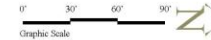
Bumpout Improvements:
 Main Street and Hwy 19 intersection bumpouts to be included in the Base Bid for construction and are designed to make use of existing crosswalk locations. Refer to enlargement for additional information.

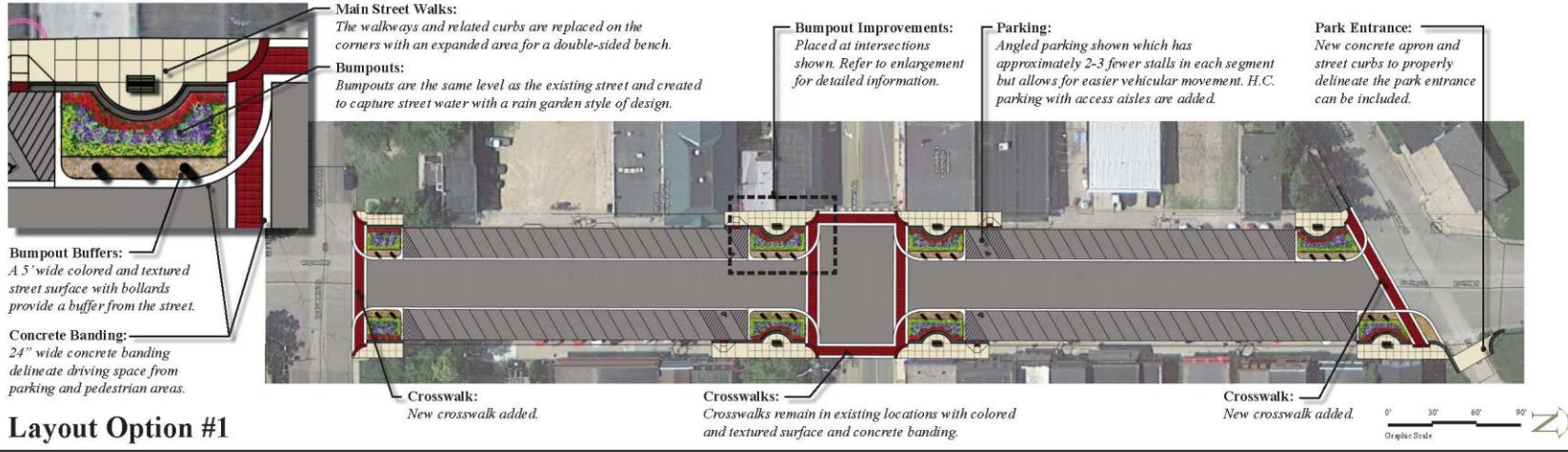
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 End intersections to be bid as an Add Alternate.

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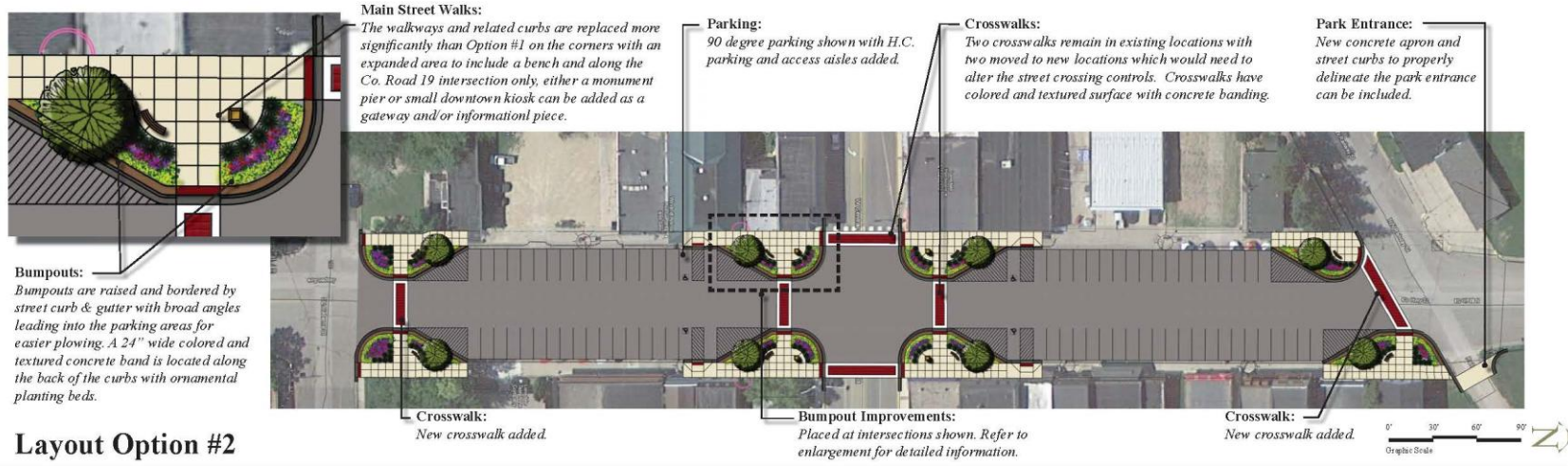
Parking:
 Angled parking to be striped as indicated with H.C. parking and access aisles added. Blocked out area allows existing alley access to remain.

Final Layout Plan





Layout Option #1



Layout Option #2

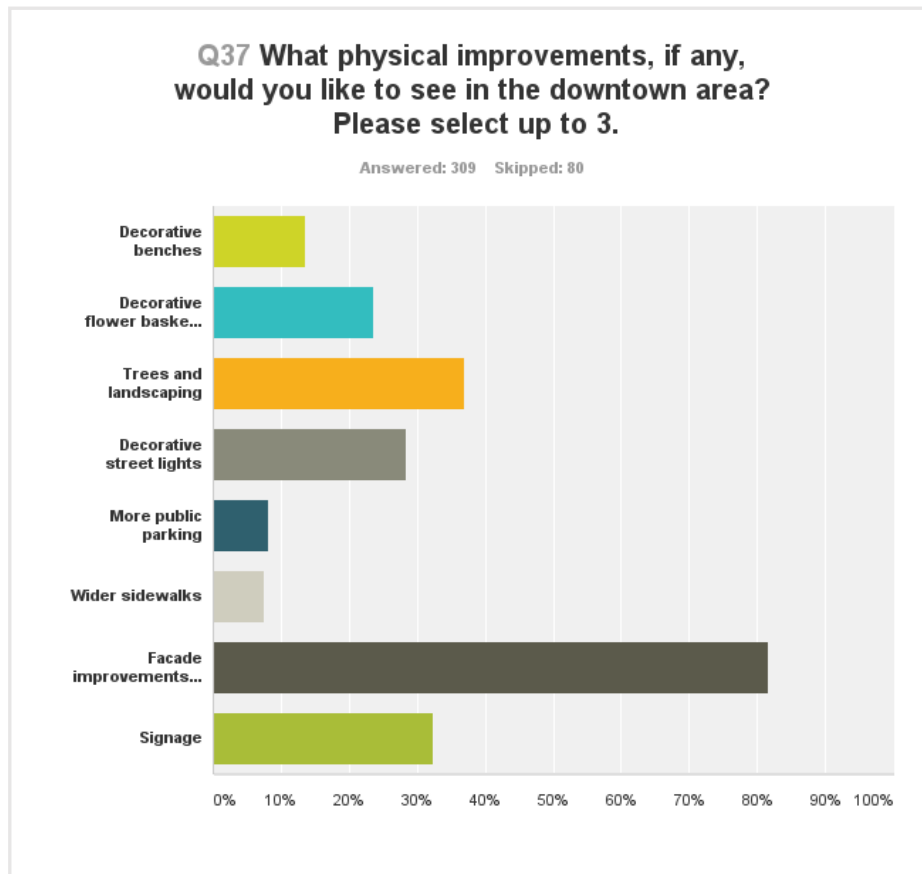


Historic Downtown



Downtown 2013

Downtown Improvements Recommended. As a part of the survey, residents were asked what physical improvements, if any, they would like to see in the downtown. The top five responses, as illustrated on the following chart, were façade improvements, trees and landscaping, signage, decorative street lights and decorative flower baskets. It is recommended these elements be taken into consideration when planning the implementation of the Streetscape Master Plan and Streetscape Option.



There are numerous strategies that can be utilized to revitalize Main Street and the downtown area including:

1. Review and implementation of the 2007 Streetscape Master Plan;
2. Review and implementation of the 2012 Streetscape Option;
3. Provide adequate street lighting;
4. Encourage high quality architecture through the Zoning Ordinance and/or Design Standards;
5. Develop and enforce strict development standards for new building construction, streetscape, landscaping and signage;
6. Research funding options (i.e. Small Cities Grant or local low/no interest loan fund/matching grant) to encourage façade improvements;
7. Encourage building placement to reinforce streetscapes and open space within the Downtown;
8. Preserve those components of Lonsdale that define its small town character and pedestrian scale;
9. Public investment in infrastructure such as utilities, new street lighting, benches and landscaping;
10. Carefully define allowed uses in the district that are distinct from those in the B-2, Highway Business district, which are dependent on a large volume of traffic;
11. Promote human scaled development with controls on massing and building heights;
12. Allow only pedestrian orientated streetscape and façade treatments;
13. Promote a pedestrian friendly sidewalk with street furniture and landscaping; and
14. Consider the purchase of buildings and those adjacent to them as they come up for sale for possible redevelopment projects.

IV. HIGHWAY & SERVICE BUSINESS & LIMITED COMMERCIAL DISTRICTS

The city's B-2 or Highway and Business Service District, "accommodates uses that provide a wide range of goods and services for the entire community. Businesses in this district are dependent on a large volume of traffic, thus need to be highly visible and accessible and prefer to locate in close proximity to major roadways. It is the intent of this district to promote development that maximizes the full development potential in areas adjacent to large traffic volume roadways. Zoning standards are intended to promote compatibility in form, function, and style."

There are several areas that are zoned B-2, along Highway 19/Lonsdale Boulevard. The primary B-2 District is on the south side of Highway 19, near 15th Avenue. The City experienced new commercial development along Highway 19 in 2005-2007. The 32 acres of highway commercial, located east on Highway 19, consists of the Rolling Ridge Market Place (Fred's Market Place, Lonsdale Liquor, Subway, Snap Fitness and



Herrmann Drug) and Willow Creek Commons (Lonsdale Car and Pet Wash, the Family Health Medical Clinic of Lonsdale and Dollar General). With its population growth, Lonsdale will continue to becoming a greater economic factor with a growing work force. As the population of Lonsdale increases, so will the commercial and business service opportunities.

The City's Zoning Ordinance and Map also contain a B-1 or Limited Commercial Zoning District. "The B-1 district is intended to allow areas for the development of limited business such as professional offices, clinics, and other similar uses that are compatible with residential neighborhoods. The district may be used as a transitional or buffer district between residential and commercial uses. The office uses allowed in this district are those in which there is limited contact with the public and no manufacturing and exterior display, or selling of merchandise to the general public is allowed. Although not in compliance with the designated uses for the B-1 District, documented legal nonconforming uses with a CUP, located on parcels that have been rezoned or permitted prior to this adoption, shall be given reasonable consideration when a request is made to amend the CUP, to permit viable operation of the use (such as single-family homes, car wash, feed mill and bank)".³

Strengths and Challenges in the Highway Commercial District

The EDA and Chamber of Commerce met in a joint session in January, 2016. The following were identified as Strengths of the Highway Commercial District:

Strengths

- Traffic counts
- Room for growth
- Highway exposure
- Affordable land for building
- Access to I-35
- Availability of lots

Challenges to face in the Highway Commercial District included:

- Traffic control at 8th
- Homes along Highway 19
- Cost of land
- Outer edge concentrations
- Attracting new businesses

Types of Business Desired. In order to address a need to attract more businesses and develop available lots, survey participants were asked what types of retail or service businesses they would like to see in Lonsdale. Following is a summary of the most requested business categories.

³ City of Lonsdale Zoning Ordinance, Chapter 153 City Code.

**TABLE 6-7
TYPES OF BUSINESSES DESIRED- LONSDALE COMMUNITY SURVEY 2015**

# of Responses	Type of Business Desired
338	Food and Beverage
132	Retail Stores
66	Entertainment Related
54	Services
2	Manufacturing/Industry
2	Utility Related

The most requests were within the *Food and Beverage* category included requests for general restaurants (114), coffee shops (95), family-style restaurants (30), fast food (28), a bakery (27), pizza places (24), sports bars (14), wine, breweries and smoothie shops.

The most common requested *retail stores* included clothing (24), large retail or discount stores (15), grocery (14), gift shops (12), florists (11), pharmacy/drug store (8), boutiques (7), book store (5) and auto parts (5). Many other retail stores were noted one or two times.

Services requested included personal services such as a hair salon (9), nail salon (9), pet stores, washes and doggy day care (10), bank (4), daycare (4) among other services.

Entertainment related businesses requested included a bowling alley (14), pool/waterpark/splash pad (7), community center (7), movie theater (6), Red Box (6), hotel, teen center /dance (4) among others.

Identification of the types of businesses requested which would complement the Central Business District and B-1 and B-2 Districts and targeting these to fill available spaces will assist in enhancing the commercial districts, while meeting consumer needs.

V. INDUSTRIAL

Lonsdale's industrial uses presently make up a small portion of the City's land use. Approximately 7 % or 103 acres of the developed area of the City is used for industrial purposes. Industrial land at present is concentrated on the east and south sides of town, south of State Highway 19 and east of Main St. S. (Industrial Dr. SE, Industrial Park Dr. SE, Delaware St. SE and Florida St. SE). The existing industrial use is primarily low intensity office warehousing, contractor yards, packaging and low intensity manufacturing. In 2005, the City developed a five (5) lot industrial park of twenty (20) acres that was built on the former wastewater treatment ponds adjacent to an existing industrial area. As of 2015, one (1) lot remains for sale totaling over seven (7) acres of which, four (4) are buildable. This lot may be retained by the City for expansion of its wastewater treatment plant.

In 2014, the City completed construction of the Lonsdale Business Park on the east side of town adjacent to State Highway 19 and Garfield Ave. In June of 2012, the City submitted a Business Development Capital Project Grant Application to the Minnesota Department of Employment and Economic Development (DEED) and in September 2012, the City was awarded \$1,500,000.00 in grant funds for the street and utility construction of the business park. The business park is approximately 75 acres, which consists of forty-four (44) acres for development

and thirty-one (31) dedicated for parkland. The Comprehensive Plan Land Use Map was amended to guide the property for Commercial/Industrial and has been rezoned to Medium Industrial (I-2) and Commercial-Industrial (C-I). The Business Park has been certified as a Shovel Ready Development Site by the Minnesota Department of Employment and Economic Development. The park is marketed as the only Shovel Ready Site along I-35, between Iowa and the Twin Cities.



The City pursued the business park project to:

1. Increase the City's tax base;
2. Provide livable wage employment opportunities; and
3. Accommodate businesses interested in locating in Lonsdale with the need to construct a building and become operational in a short period of time.

Strengths and Challenges to Lonsdale's Industrial Development

The EDA and Chamber of Commerce recognize the strengths of Lonsdale's industrial sector as well as the challenges for future development. A summary follows:

Strengths:

- Diverse businesses
- Quality structures which are aesthetically pleasing
- Competitively priced land
- Strong work ethic of employees

Challenges for future industrial development include:

- Marketing (billboard)
- Enticing potential buyers
- Recovering cost of the land development
- Consistent building standards

Rice County Economic Development Planning

In 2005, Rice County began planning for a 1,080 acre commercial/industrial development that parallels Interstate 35, with Trunk Highway 19 to the north, County Road 46 to the west and Interstate 35 to the east. At County Road 1, the area includes all four corners of Interstate 35/County Road 1. Although the details of the proposed development are unknown, there are some likely effects on the long-term development of Lonsdale.

Potential effects include:

1. Greater competition for commercial and industrial development;
2. Greater pressure on the residential housing market in Lonsdale; and
3. More jobs in the general region.

Due to the fact that not much has been done pertaining to this development since 2005, it is difficult to predict what the long-term effects will be. Lonsdale should be actively involved in the planning process and should do its best to mitigate the negative effects of this development to the City. Furthermore, this Comprehensive Plan is envisioned as a flexible document and as existing conditions change, changes to the Comprehensive Plan will be necessary and are recommended.

VI. ECONOMIC DEVELOPMENT AGENCIES

ECONOMIC DEVELOPMENT AUTHORITY (EDA)

The City established the Lonsdale Economic Development Authority for the purpose of coordinating and administering economic development and redevelopment in and for the City. The Lonsdale EDA currently has seven (7) members, which consists of five (5) business/community members and two (2) City Council members. The EDA offers a low interest loan program to local businesses. The stated goals of the EDA are as follows:

1. Increase job opportunities / promote job creation
2. Support the retention and growth of existing businesses
3. Marketing

REGIONAL DEVELOPMENT EFFORTS

A commercial/industrial development located between I-35 and County Road 46 (east/west) and the intersection of Highway 19 and County Road 1 (north/south) is planned. To date, the property has only been zoned Highway Commercial.

Rice County has Economic Development staff and an Economic Development Authority (EDA). Rice County has financial assistance programs that include: (1) a Revolving Loan Fund and (2) Tax Abatement. There is a need and opportunity for regional cooperation in order to pool resources in an effort to attract business and to find mutually beneficial relationships between commercial centers.

Region 9 Development Commission is based in Mankato. Region 9 has worked with cities, counties and schools in Southwest MN since 1972, offering programs in economic development, business development, etc.

The Southern Minnesota Initiative Foundation. The Southern MN Initiative Foundation serves 20 counties in south central and south east Minnesota. The Foundation provides technical assistance, loans and grants to encourage "asset based community development" (SMIF).

MN Department of Employment and Economic Development. The State of Minnesota offers various grants and programs to assist with infrastructure, façade improvements, job creation and business park development.

Rice County Small Business Development Center (SBDC). The purpose of the SBDC is to provide free and confidential help for small businesses. It operates as a satellite office of the SE MN Regional Office of the MN SBDC in Rochester.

VII. ECONOMIC DEVELOPMENT GOALS

A. DOWNTOWN

Goal: Preserve Downtown Lonsdale as a Focal Point. Lonsdale's Central Business District should be promoted as a community center for retail, community events and social gatherings.

Strategies:

1. **Preserve the Historical Character of the Downtown.** Work with local businesses to update design guidelines which incorporate historic architectural elements from 1912-1950.
2. **Facilitate Façade Improvements.**
 - Pursue a Small Cities Development Program grant for housing and economic rehabilitation in the downtown area if significant interest exists from the business community.
 - Consider local programs such as Matching Grant or No Interest Loans to assist and encourage façade improvements for projects with high quality architecture.
 - Promote the rehabilitation and redevelopment of existing commercial facilities by providing financial programs and assistance and promote public-private partnerships to provide façade and other private improvements and to act as a catalyst for additional private development.
3. **Investigate Signage Improvements.** Identify locations for a downtown Kiosk, as well as directional or way-finder signage.
4. **Implement Streetscape Plans.** Review and Implement the 2007 Streetscape Master plan and 2012 Streetscape Options. Upgrade public infrastructure: i.e., landscaping, lights, sidewalks, explore alternatives to support businesses through improved infrastructure, accessibility and visibility.
5. **Enhance Landscaping Treatments.** Landscaping treatments can be used to enhance the pedestrian experience, compliment architectural features and/or screen utility areas. The use of flower boxes, planters and hanging flower baskets by individual businesses should be encouraged.
6. **Encourage the use of side alleys and underutilized parking areas for commercial plaza activities.**
7. **Continually evaluate the amount of parking on Main Street** to determine is public or private parking lots should be considered.
8. **Continue/improve the “Lonsdale First!” Campaign.** Educate the public on the benefits of shopping local and impact it has on the local economy. Educate residents on the businesses which are available in the community.
9. **Collaboration among Businesses.** Encourage joint marketing and promotional events among local businesses (i.e. Ladies Night, Festivals, etc.).

B. HIGHWAY COMMERCIAL (B-2 DISTRICT)

Goal: Continue to expand the Highway Commercial corridor as an attractive gateway into the community, with businesses that exhibit needs of highway access and visibility and compliment the Downtown District.

Strategies:

1. **Parking and Access.** Commercial and service center shall be developed as cohesive, highly interrelated and coordinated units with adequate off-street parking, and appropriate regulated points of access. Access to highway commercial areas should be planned from collector and local streets to minimize the impact and access points to Highway 19.
2. **Design Standards.** The City should work with business and land owners in the Highway Commercial District to establish design standards to promote quality construction in the highly visible highway corridor, while taking the cost of development into consideration.
3. **Evaluate proper zoning** throughout the City including the option to rezone properties on Highway 19 for commercial use as per the Comprehensive Land Use Plan.
4. **Continually evaluate transportation routes** and look to upgrade access as applicable.
5. **Expand commercial and service offerings.** Work with existing businesses to possibly expand to offer goods and services requested by residents as well as target market to businesses identified by the community as needed and desired.

C. INDUSTRIAL DEVELOPMENT

Goal: Increase Job Opportunities / Promote Job Creation

Strategies:

1. **Traffic and Access.** Access to industrial lots should be provided via collector roads whenever possible. Traffic generated by industrial activity should be discouraged from penetrating residential neighborhoods.
2. **Coordination.** Continue to coordinate economic development activities by working with economic development related organizations such as the Lonsdale Area Chamber of Commerce, Lonsdale Economic Development Authority, Rice County, MN DEED and nonprofit organizations.
3. **Business Retention and Expansion.** Expansion of existing businesses accounts for 80% of business growth, while incoming new businesses comprise 11% of business growth and Business Start-up make up 9% of business growth.⁴ The EDA will strive to work with local businesses to retain their facilities in the community as well as assist them with growth needs.⁴ Continue to support or expand local commercial and industrial business retention and expansion initiatives.
4. **Promotion and Financial Assistance.** The Economic Development Authority should actively promote industrial developments that maximize the return on city investments in public facilities and services, provide quality employment opportunities and compliment existing services. The City should consider economic incentives for industries that will contribute

^{4 4} Source: Blane, Canada, Ltd. "Beyond the Basics – Advanced Business Retention"

substantially to the City's tax and employment bases without substantial negative impacts on the City's infrastructure system.

5. **Impact on Utilities.** Consideration should be given to facility demands (i.e., traffic generation, sewer and water demands, etc) of any proposed industrial development, to ensure the City has the capacity to serve the proposed project(s).
6. **Recognize the fundamental link between housing and economic development** and work to match housing availability with community employment.
7. **Workforce Training.** Facilitate the conversation of increased workforce training options between educational institutions and employers.

D. GENERAL ECONOMIC DEVELOPMENT GOALS

Lonsdale recognizes the importance of economic development for the overall health of the City. The following are the goals and strategies to address these issues. These express the community's aspirations related to economic development and new economic growth in the City of Lonsdale. These are not listed in order of importance, priority or sequence for implementation.

Goal: Attract Commercial / Industrial Development and Retain Existing Business

1. Market Lonsdale

- a. Develop a Brand for Lonsdale and market the community as a place for business development, tourism and for new residents.
- b. Improve the City's website overall but specifically the EDA's webpage.
- c. Utilize media such as: television, social media, radio stations, etc.
- d. Continually monitor and improve Lonsdale's App.

2. **Provide additional local employment opportunities.** Through the expansion of existing businesses and recruitment of additional businesses, it is a goal to provide additional local employment opportunities to reduce commuting time, keep residents in the community to work, shop and participate in local activities.

3. Work to **preserve landmarks** that make Lonsdale what it is today.

4. Continually **promote patronage/support** of local businesses.

5. **Create a strategic marketing plan** that focuses on each of the three identified business areas:
 - a. Lonsdale Business Park;
 - b. Existing Business Parks; and
 - c. Downtown
-

Prioritizing Short and Long Term Economic Development Goals

EDA and Chamber members ranked the above goals and strategies and identified the following priorities for short and long term goals. Budgeting for the activities and establishing committees to address the following is recommended for implementation.

Prioritization of Short Term Goals:

1. Create a strategic marketing plan which focuses on (a) the Lonsdale Business Park, (b) Existing Business Parks and (c) Downtown. (8 votes)
2. Develop a Brand for Lonsdale and market the community as a place for business development, tourism and new residents. (5 votes)
3. Develop a program to encourage and promote patronage and support of local businesses. (5 votes)
4. Provide financial assistance to industrial businesses, where there is a return on the investment to the city. (4 votes)
5. Focus on business retention and expansion efforts. (3 votes)
6. Investigate signage improvements for the downtown. (2 votes)
7. Research Matching Grant or No Interest Loans for Downtown building improvements. (2 votes)
8. Continually monitor and improve Lonsdale's App. (2 votes)

Prioritization of Long Term Goals:

1. Market Industrial Park lots through the "Shovel Ready" program, Trade shows, etc. (4 votes)
2. Implement Streetscape Plan for the downtown. (3 votes)
3. Work with existing businesses to expand their goods and services to meet consumer requests. (3 votes)
4. Preserve landmarks that make Lonsdale what it is today. (3 votes)
5. Evaluate transportation routes and upgrade as applicable. (2 votes)
6. Matching grants or No interest loans for the central business district. (2 votes)