UNIVERSITY OF MINNESOTA | EXTENSION

Lonsdale Connecting Businesses and Community Program

Research Report
January, 2021

Lonsdale Connecting Businesses and Community Program

RESEARCH REPORT

January 2021

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Sponsors:

Lonsdale EDA, City of Lonsdale, and the University of Minnesota Extension

NOTE: The data, analysis, and findings described in this report are specific to the geography, time frame, and project requirements of Lonsdale, Minnesota. Findings are not transferable to other jurisdictions. Extension neither approves nor endorses the use or application of findings and other contents in this report by other jurisdictions.

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CHAPTER 1: OVERVIEW AND HOW TO USE THIS REPORT

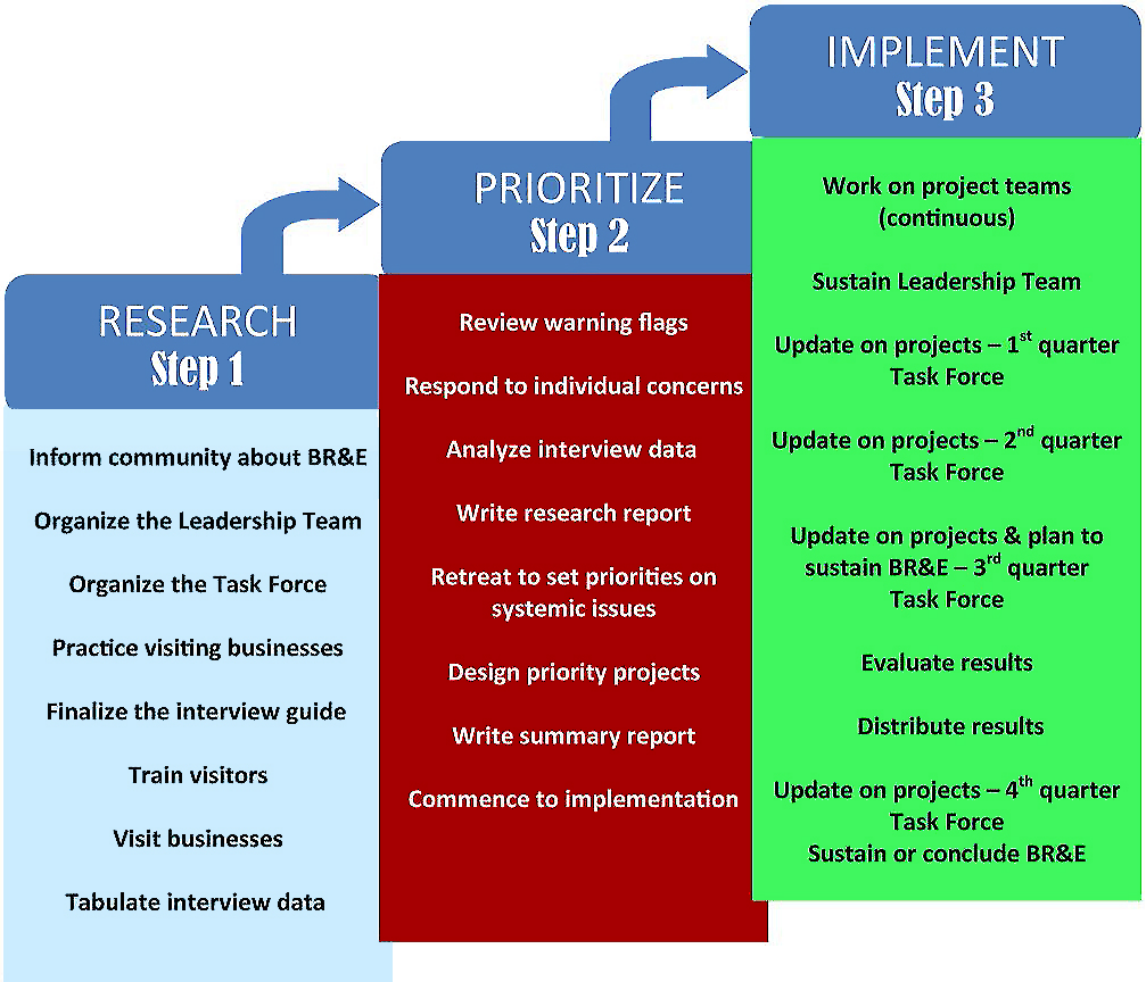
Overview of the Connecting Businesses and Community Program (CBC) Program in Lonsdale

In spring of 2019, economic development leaders and other community members from the city of Lonsdale convened to discuss the use of a Connecting Businesses and Community Program (CBC) in the community. A leadership team and a full task force were assembled to work alongside the University of Minnesota Extension team to conduct research on business needs and opportunities in the area. Lonsdale businesses were either eSurveyed (i.e. via the internet) or personally interviewed by members of the CBC leadership team, task force, and other volunteers.

The report presents findings of their effort. The Lonsdale CBC Program has several objectives.

1. To demonstrate support for local businesses
2. To help solve immediate business concerns.
3. To increase local businesses' ability to compete in the global economy
4. To establish and implement a strategic plan for economic development.
5. To build community capacity to sustain growth and development.
6. To update contact information of businesses
7. To learn about Labor force questions/concerns
8. To learn who are the respective businesses customers
9. To help with plans for expansion/relocation/succession
10. To be made aware of general community concerns
11. To hear your overall thoughts of community relative to business

The chart below depicts the full process of the Connecting Businesses and Community Program.


RESEARCH
Step 1
Inform community about BR&E
Organize the Leadership Team
Organize the Task Force
Practice visiting businesses
Finalize the interview guide
Train visitors
Visit businesses
Tabulate interview data
PRIORITIZE
Step 2
Review warning flags
Respond to individual concerns
Analyze interview data
Write research report
Retreat to set priorities on systemic issues
Design priority projects
Write summary report
Commence to implementation
IMPLEMENT
Step 3
Work on project teams (continuous)
Sustain Leadership Team
Update on projects – 1st quarter Task Force
Update on projects – 2nd quarter Task Force
Update on projects & plan to sustain BR&E – 3rd quarter Task Force
Evaluate results
Distribute results
Update on projects – 4th quarter Task Force
Sustain or conclude BR&E

How to Use this Report

This report provides findings from the CBC research in the community, suggests some themes and related project ideas based upon the research findings, and guides the community in making the next steps. With discussion resulting from this report and the task force retreat scheduled for January 2021, the CBC Task Force can decide on which priority projects to implement to maximize success in Lonsdale

Chapter 2 presents the findings from all aspects of this multi-pronged examination of the Lonsdale community and its business needs. The results from this chapter can be widely distributed at meetings or through the press to raise support for selected strategies.

Following the findings, we propose possible strategies and project ideas that address the main findings from the study. The strategies and project ideas in Chapter 3 will be input for making action plans at the CBC retreat. However, these ideas may also be useful for future reference and later phases of action.

Chapter 4 shows the actual interview guide used by the visitors to businesses and the results of the survey data aggregated from all the visits plus the data collected from the eSurvey responses.

A full overview of the CBC process, people involved, and program are all provided in Chapter 5. Lastly, supporting materials for moving the priority projects into action and a summary of the demographic and economic characteristics of the region are provided in the appendix.

CHAPTER 2: FINDINGS

This chapter presents survey results from the 22 businesses visited by the Lonsdale CBC Task Force from February to September 2020. The chapter begins by describing the businesses visited and their characteristics. General survey results are then highlighted and discussed. A description of the community's examination of strengths, weaknesses, opportunities, and threats (SWOT analysis) is presented.

Characteristics of Businesses Surveyed

There were 22 businesses in the Lonsdale CBC program that were surveyed via in-person interviews. In addition, because these questions were in a separate eSurvey, questions 35 to 39b had a maximum of 44 respondents (except Q36, Section F, which was inadvertently left out of the survey, N=22). The total number of business respondents is estimated to be 39-44 because the anonymous eSurvey may have been taken by some of the people who were also personally interviewed. This successfully met the CBC goal of 22 businesses involved in the project. However, the bulk of the analysis in this report is based on the 22 businesses who were personally interviewed. A typical community in the UMN Extension CBC Program will see 35-50 business interviews completed. Therefore, Lonsdale's survey response is somewhat less robust than the average community. On the other hand, no previous community had to deal with anything like the COVID-19 pandemic.

The next section provides a breakdown of the characteristics of the businesses surveyed.

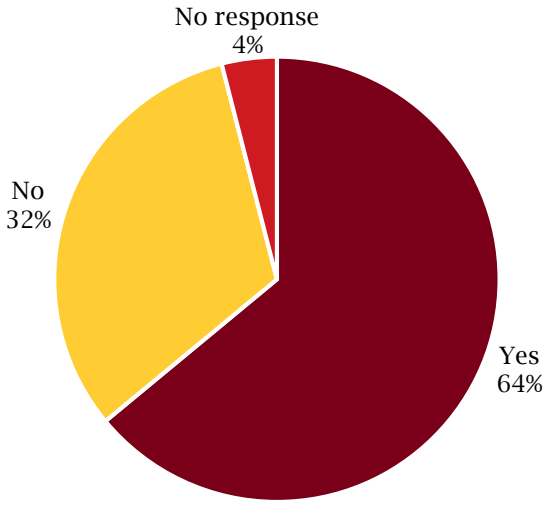


Figure 2-1. Is your business locally owned?

Out of the 22 businesses surveyed, about 65% of businesses were locally owned. Roughly one-third of surveyed businesses (36%) reported having another location outside of Lonsdale. When asked about year established, responses ranged from 1908 to 2017. The average age of the businesses included in the survey was 35 years.

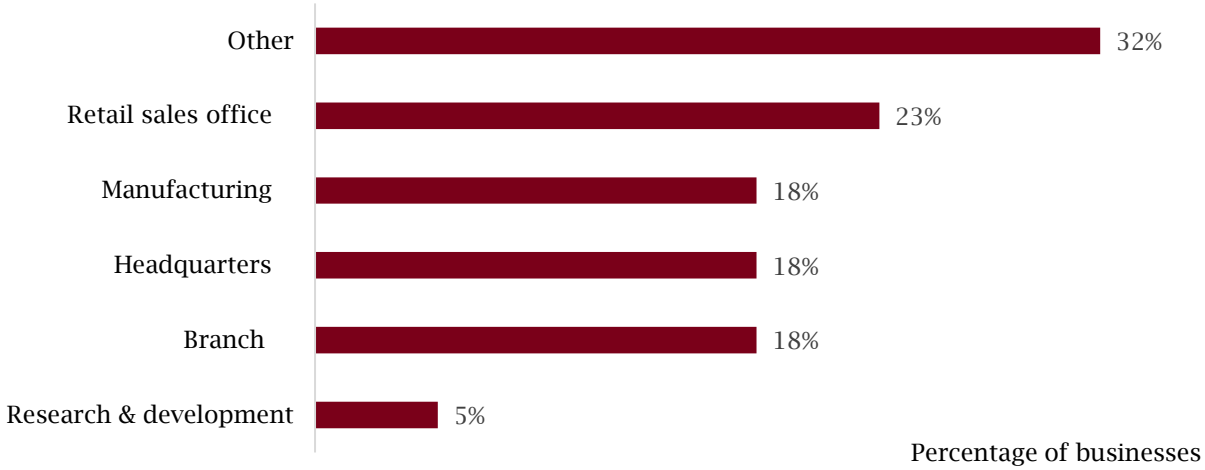


Figure 2-2. What type of facility is this?

Of the surveyed businesses, nearly one-third consider their facility to be "other." Other common facility types include retail sales offices (23%), manufacturing (18%), headquarters (18%), and branches (18%).

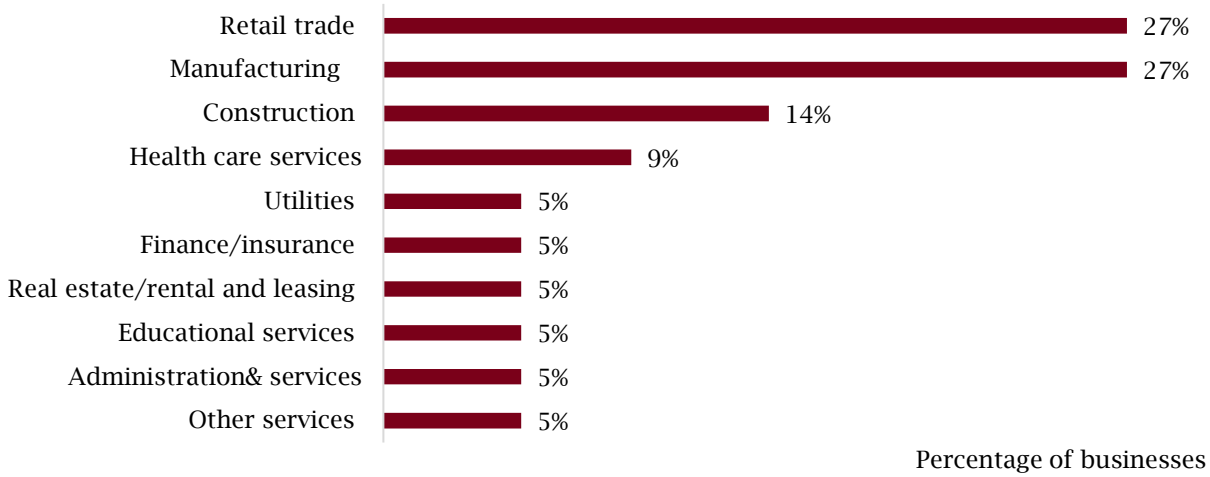


Figure 2-3. Which NAICS categories best describes your business?

Survey participants were also asked to identify which NAICS (North American Industry Classification System) category best describes their business. It is important to note that the sum of all categories shown in Figure 2-3 is equal to 107%, as firms can identify one or more NAICS code. Some of the most common categories selected by Lonsdale businesses relate to the retail (27%), manufacturing (27%), and construction (14%) industries, which is consistent with the results shown in Figure 2-2. Of the surveyed businesses, 27% classify themselves in retail, 27% in manufacturing, and 14% in construction. While it is important to note that the distribution of survey respondents is not a perfect representation of the businesses in the community, the results suggest that the retail and manufacturing are very important to Lonsdale's economy.

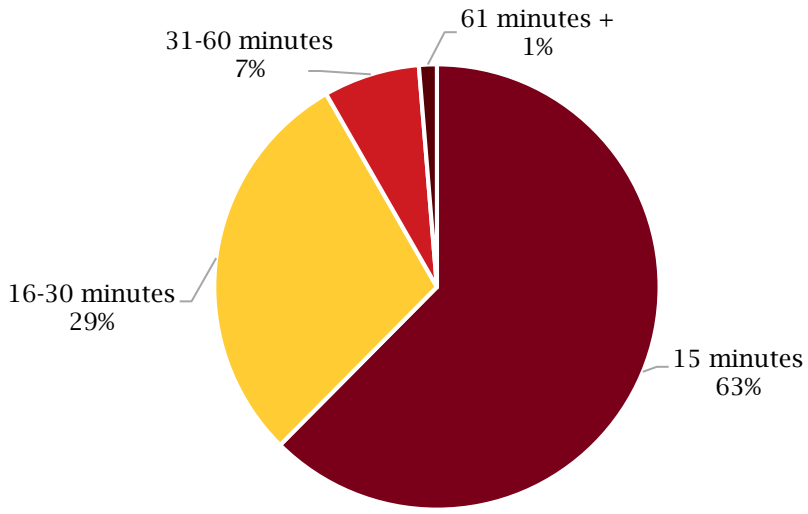


Figure 2-4. Please estimate the commute time for your employees

Figure 2-4 shows the average commute time for employees who work in the Lonsdale area. Over 60% of employees have a very short commute, traveling less than 15 minutes to work. In fact, businesses estimate that 92% of workers travel less than 30 minutes to their jobs in Lonsdale. This suggests that Lonsdale businesses are drawing from a highly localized labor force where most employees live in or immediately surrounding the city of Lonsdale.

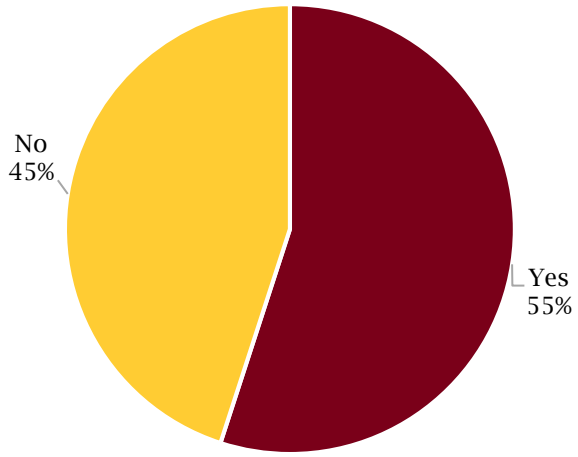


Figure 2-5. Do you have a written business plan?

Surveyed businesses were asked to indicate whether they had written business and transition plans. Of the surveyed businesses in Lonsdale, 55% reported having a written businesses plan (see Figure 2-5) and 45% did not.

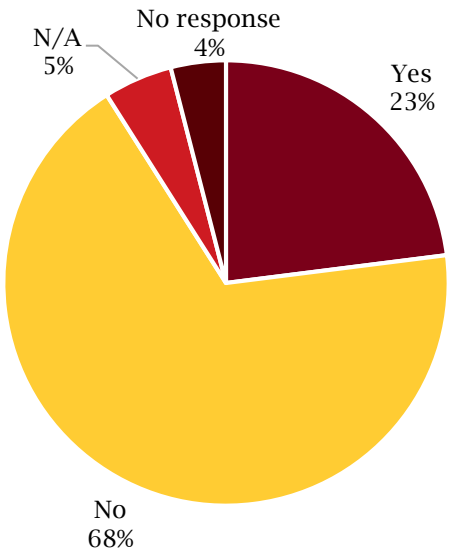


Figure 2-6. Do you have a written transition plan for ownership, leadership, or both?

A much smaller portion of surveyed businesses reported having a written transition plan. Figure 2-6 summarizes the businesses' response to the question. Of those surveyed, 68% of respondents did not have a written transition plan while 23% did. The lack of transition plans in Lonsdale businesses could prove problematic in the future.

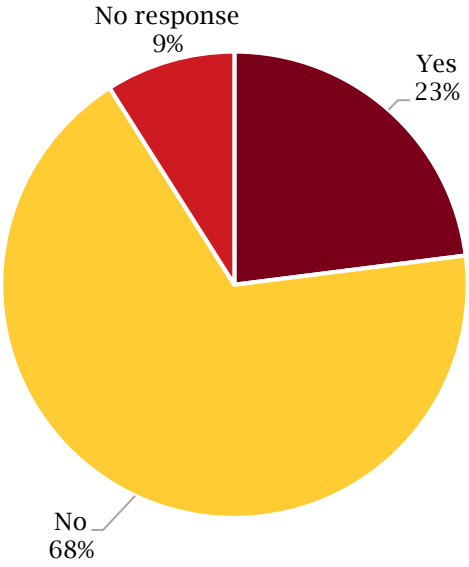


Figure 2-7. Is your business currently exporting internationally?

When asked if they were currently exporting internationally, 23% of surveyed businesses reported that they were exporting their products internationally (see Figure 2-7). This value is significantly higher than what is typical for other CBC communities, where only 13% reported exporting their products.

Recent and Projected Changes for Businesses Surveyed

Many of the survey questions ask businesses about the changes they have made in recent years as well as changes that they are expecting to make in the near future. This section of the report summarizes the responses from the surveyed businesses in Lonsdale.

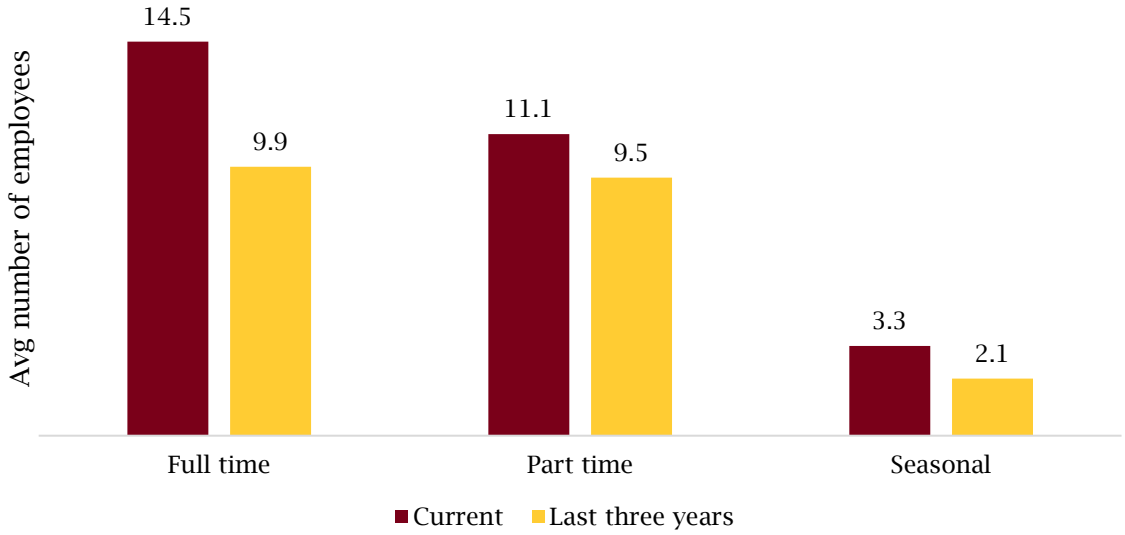


Figure 2-8. Employment, three years ago compared to today, totals

Lonsdale businesses were asked to estimate the number of workers employed at their location, both currently and three years prior. As shown in Figure 2-7, Lonsdale businesses tend to be small, with fewer than 15 full-time employees on average, and appear to employ more full-time workers than part-time or seasonal. In total, Lonsdale businesses employed fewer than 30 workers (sum of full-time, part-time, and seasonal). This average is significantly lower than the average for the UMN CBC benchmarks data from 1994-2019.[1] Among previous CBC communities, the average number of workers was 45. Over the last three years Lonsdale businesses have seen an increase in the number of full-time, part-time, and seasonal employees.

Note that at the time of this report the COVID-19 pandemic is still raging in Minnesota and beyond. Some business sectors are restricted by governmental order. It is not known what employment or other impacts have happened to Lonsdale businesses because of the pandemic.

Table 2-1. What is the average hourly starting wage paid to employees in each category?

Occupation	Average	Median
Professional/Managerial (managers, accountants, HR professionals)	$21.79	$18.82
Information Technology	n/a	n/a
Engineers, Scientists and Technicians	$32.48	$31.00
Arts, Design and other Creative Occupations	$24.83	$26.50
Healthcare Related	$14.25	$14.25
Office and Administrative (secretaries, office clerks, receptionists)	$16.76	$16.00

[1] Note that the program used to be called the BR&E Strategies Program, but the UMN Extension has rebranded it as the Connecting Businesses and Community Program in 2019. Therefore, when referring to the averages for previous communities that have participated in the UMN program, the authors refer to the communities as "previous CBC communities."

Unskilled Workers (food prep., retail sales, housekeeping)	$12.22	$12.00
Agricultural	n/a	n/a
Construction	$20.00	$20.00
Repair and Skilled Maintenance (not janitorial)	$30.00	$30.00
Unskilled Manufacturing (assembly, production helpers)	$16.50	$16.00
Skilled Manufacturing (welders, machinists)	$22.60	$25.00
Transportation	$16.00	$16.00

Table 2-1 shows Lonsdale businesses' average hourly starting wage paid to employees in each category. The highest wages were paid to engineers, professional/managerial workers, and repair and skilled maintenance employees, while the lowest wages were paid to unskilled workers, healthcare related workers, and transportation employees. It is notable that, with the exception of professional/managerial and healthcare occupations, Lonsdale's starting wages were higher, on average, than the benchmarks for previous CBC communities.

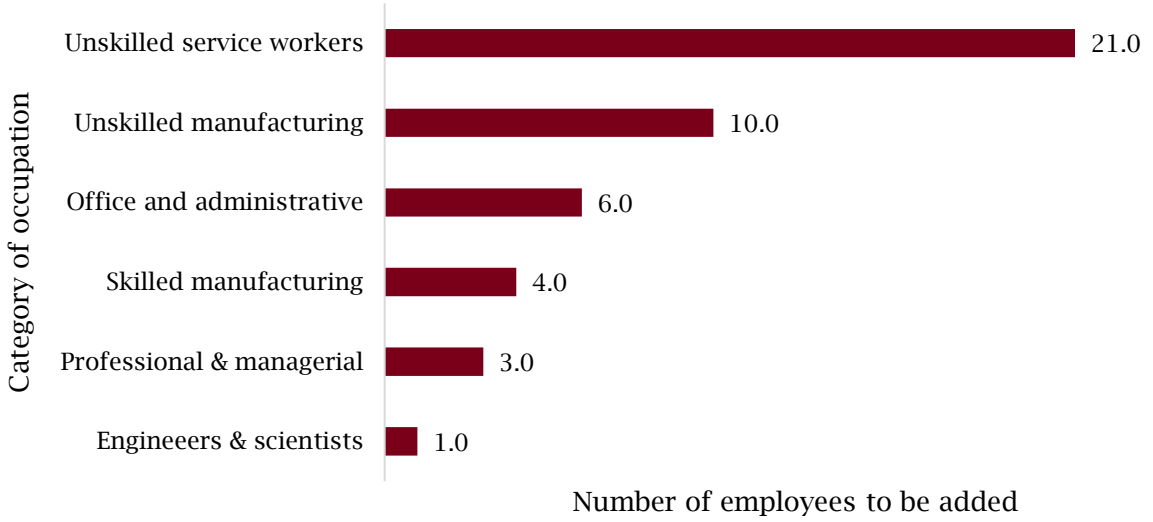


Figure 2-9. How many employees will be added over the next three years?

A related question asks businesses to indicate whether they expect the number of employees in various occupations to increase, decrease, or stay the same. Figure 2-8 shows the sum of the businesses' responses. The most significant increases appear to be in the two categories of unskilled service workers and unskilled manufacturing. Lonsdale businesses are expecting to add 21 and 10 workers in these categories, respectively, over the next three years.

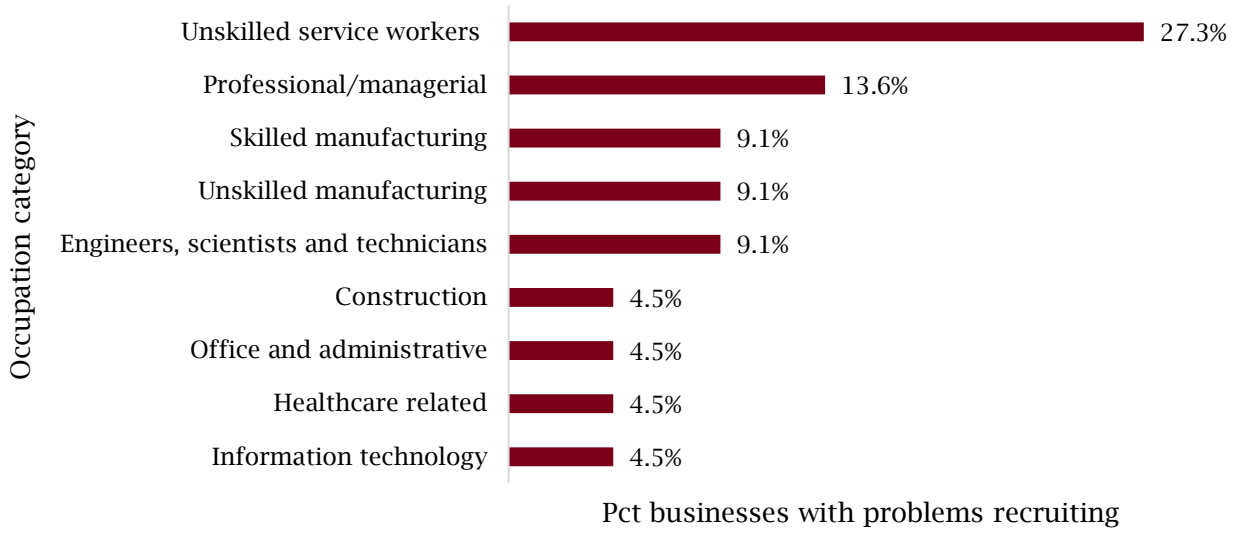


Figure 2-10. Occupations in which Lonsdale businesses report problems recruiting

Many of the occupations that Lonsdale businesses expect to add in the next three years are also those they have the most trouble recruiting. Of those businesses surveyed, 27% report difficulties recruiting unskilled service workers, followed by professional and managerial workers (14%), repair and skilled manufacturing workers (9%), unskilled manufacturing (9%), and engineers, scientists, and technicians.

In some areas, Lonsdale's recruitment challenges are greater than is typical for other CBC communities. For example, among 36 CBC communities reporting during the time period of 1994 to 2019, 21% reported problems recruiting unskilled service workers, and 8% reported problems recruiting engineers, scientists, and technicians. However, Lonsdale appears to have fewer problems recruiting professional/managerial and skilled manufacturing workers than is typical for other CBC communities (36% and 21% of businesses of these communities reported difficulties recruiting professional/managerial and skilled manufacturing, respectively).

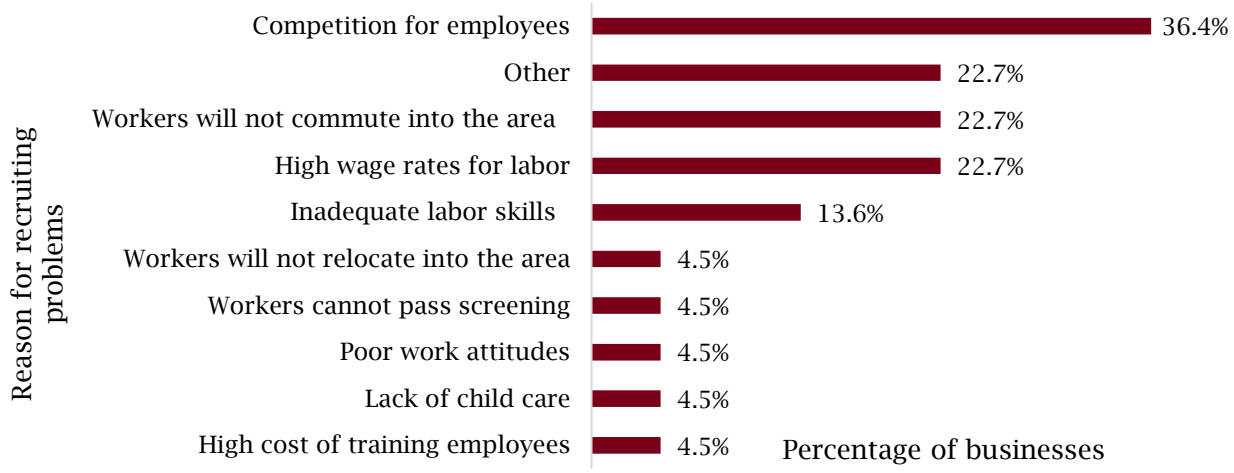


Figure 2-11. What are the three most important reasons for your recruiting problems?

Lonsdale businesses report competition for employees, high wage rates, and commuting challenges as some of their top recruitment challenges (see Figure 2-11 on the previous page). Interestingly, 22.7% of surveyed businesses selected some other reason for their recruitment problems. Some of the most common "other" responses included location/workers won't commute and the current economic conditions.

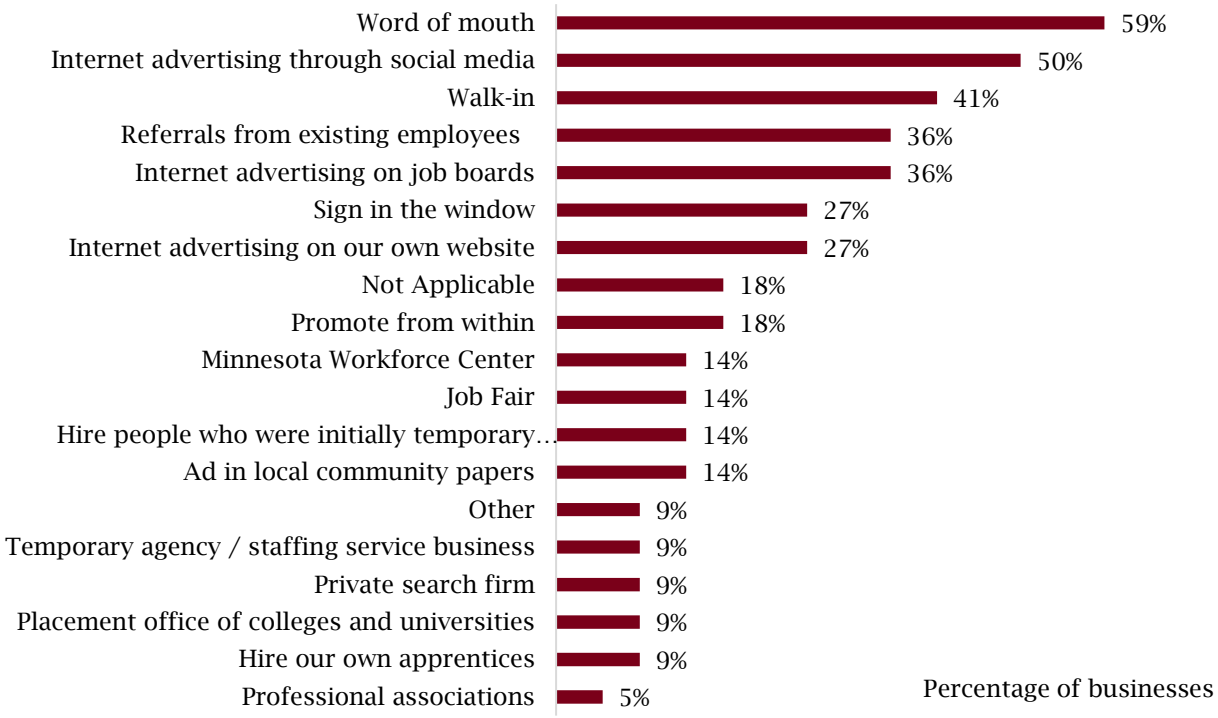


Figure 2-12. What resources are you using to locate new employees?

Lonsdale businesses use a wide variety of methods to locate new employees, including social media (50% of businesses), walk-ins (41%), referrals from existing employees (36%), and internet job boards (36%). The most popular recruitment method, however, is word of mouth, with 59% of surveyed businesses indicating that they recruit employees this way. This proportion is significantly higher than the benchmark for other CBC communities at 52%.[2] Another area where Lonsdale deviates from previous CBC communities is in its promotion from within. Roughly one in three businesses from past CBC communities (32%) reported that they recruit employees by promoting from within, while only 18% of Lonsdale businesses use this method. Compared to other CBC communities, Lonsdale businesses were less likely to use apprentices (13% of previous CBC communities used this method), temporary employees (17%), CareerForce (17%), a placement office (18%), professional associations (11%), temp agencies (11%), and unions (1%) than what is typical for other CBC communities.

[2] The University of Minnesota Extension maintains a benchmark database of CBC data. These data included CBC surveys from 1993-2016. http://www.extension.umn.edu/community/business-retention/research-development/benchmarks/

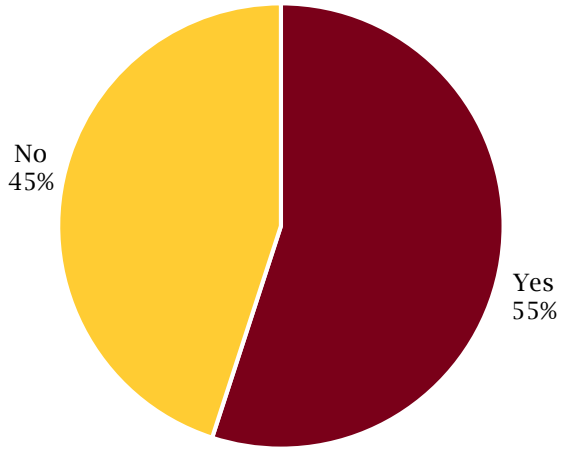


Figure 2-13. Do you need training for workers or managers?

More than half of all Lonsdale businesses report needing training for their workers or managers, as shown in Figure 2-12. The largest need for training was seen in managerial skills with 41% of the businesses having staff needing these skills (see figure 2-13). The largest needs in the "other skills" category include healthcare, licensing, construction, and education. In total, over 200 workers need additional training in Lonsdale.

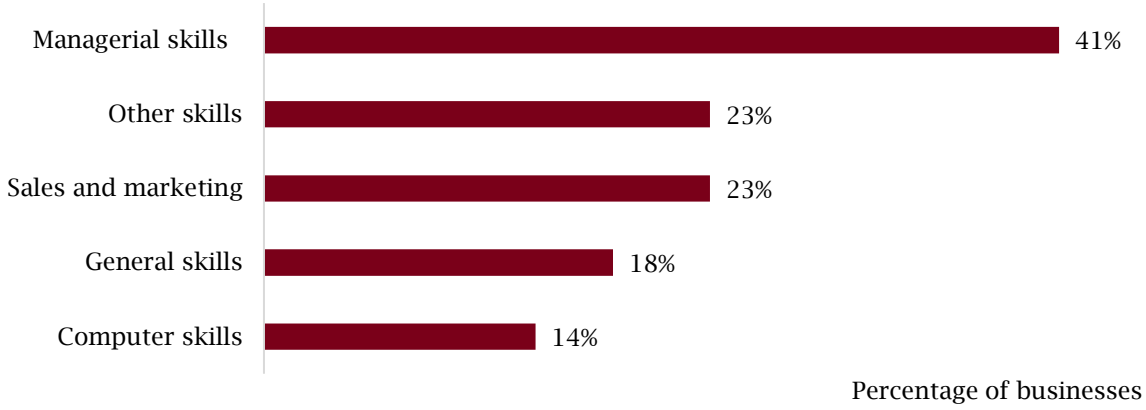


Figure 2-14. What types of training do you need for your employees?

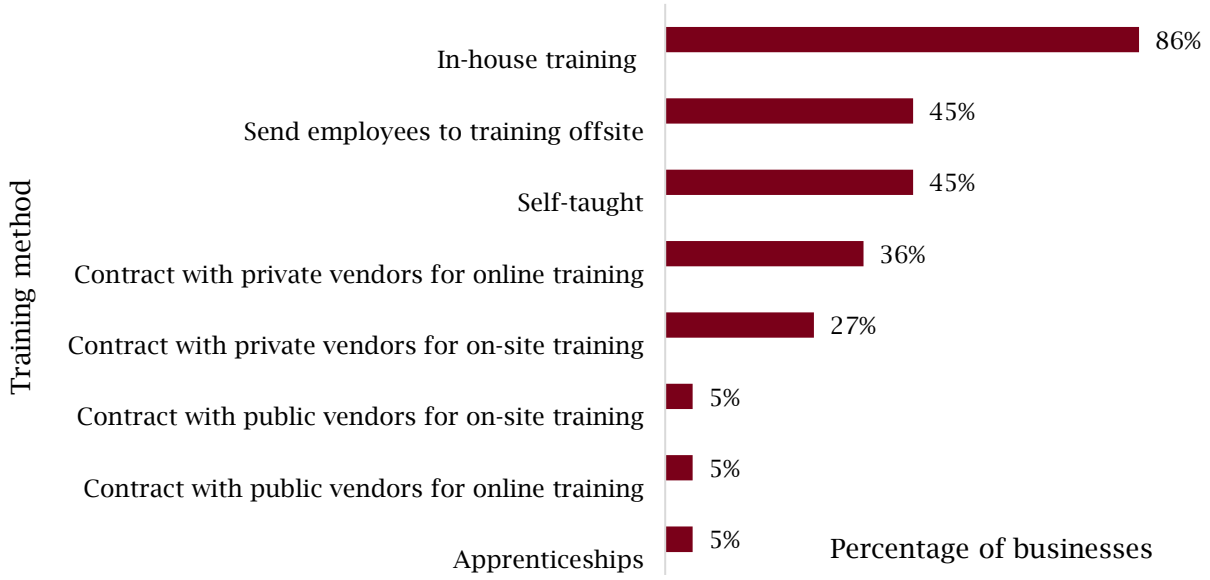


Figure 2-15. How do you currently train your employees?

A large majority of Lonsdale businesses (86%) train their employees in house. While this value may seem large, it is similar to the average for previous CBC communities (75%). Other training methods among Lonsdale businesses include offsite trainings, self-taught (manuals, videos), and private vendors. Compared to previous CBC communities, Lonsdale businesses are more likely to contract with private vendors (22% of businesses in previous CBC communities contracted with private vendors either online or onsite) but less likely to send employees to training off-site (42%) or use apprenticeships (10%).

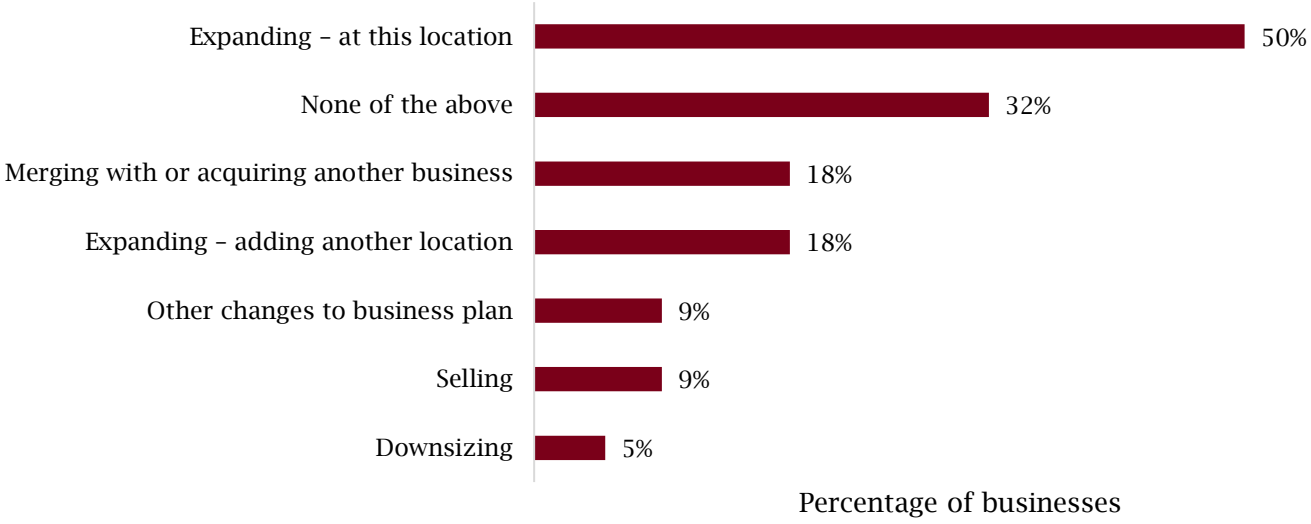


Figure 2-16. Are you currently considering any of the following future plans?

When asked about future plans, half of Lonsdale businesses reported expanding at the current location. Of the other options, the most common plans were either taking no actions (32%), merging with another business (18%), or expanding at another location (18%). These results are very positive

compared to benchmarks from previous CBC communities. For example, only 14% of Lonsdale businesses were considering a negative change (i.e. selling, moving, downsizing, or closing). This is quite a bit lower than the average for previous CBC communities where about 26% of businesses on average were considering a negative change. And the percentage of Lonsdale businesses that are considering expanding at their current location is significantly higher than the average for previous CBC communities (21%).

A follow up question asked businesses, "Does your company currently own or rent/lease sufficient property to allow for expansion if necessary?" While the majority of businesses (57%) stated that they did, a sizable minority, 32% of Lonsdale businesses stated "no" or "maybe." In addition, five comments in the open-ended responses mentioned a need for additional land or buildings in the community, particularly in the business park.

Satisfaction Among Businesses Surveyed

The surveyed businesses were asked to share their views of Lonsdale as a place to do business, as well as a place to live.

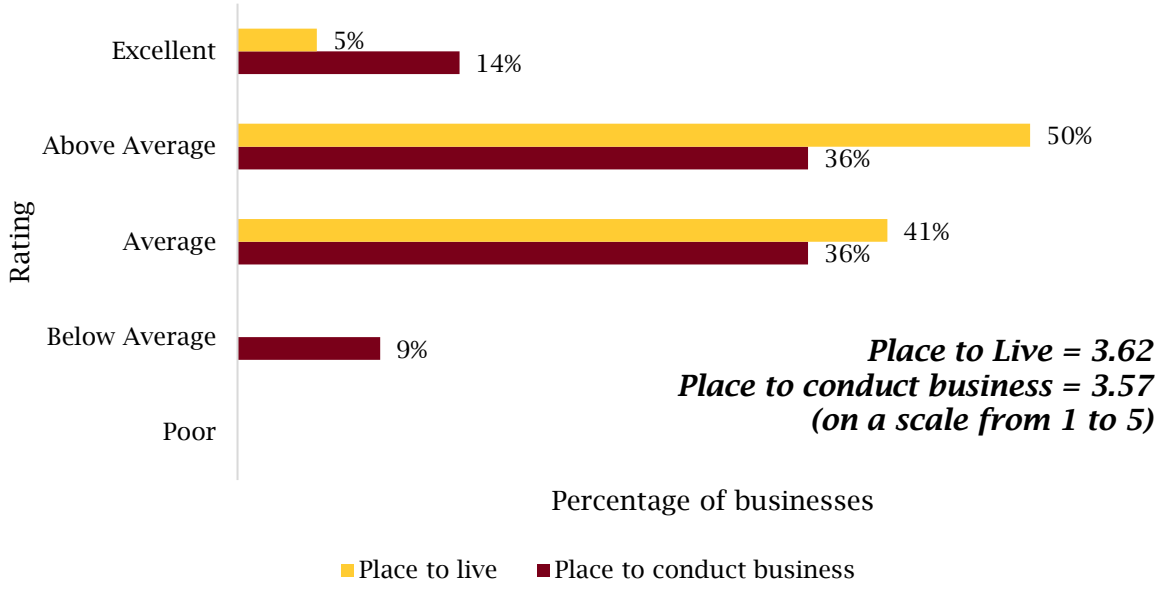


Figure 2-17. Rate Lonsdale as a place to live and conduct business

Overall, participants in the Lonsdale CBC have a positive view of their community as a place to live and a place to do business. As a place to live, 55% of respondents say Lonsdale is either excellent or above average. As a place to do businesses, about 50% of respondents say that Lonsdale is above average or excellent. The mean rating for Lonsdale is 3.62 out of 5.0 as a place to live and 3.57 as a place to do business as shown in Figure 2-17. These values are, however, lower than the mean ratings for previous CBC communities of 4.1 and 3.8, respectively.

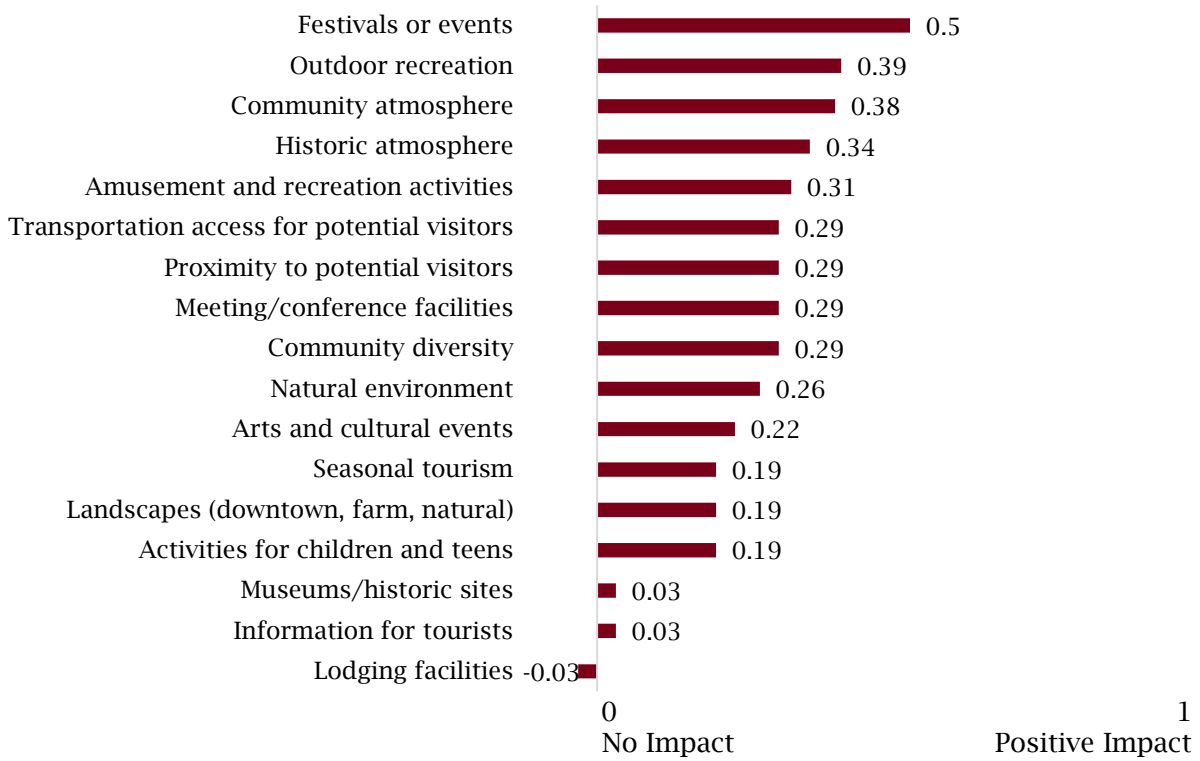


Figure 2-18. Impact of tourism-related community features on businesses

Figure 2-18 above, shows the reported impact of tourism-related features on the businesses in Lonsdale. A respondent reporting a "2" means that the respondent believes the community feature has a very positive impact on business. If a respondent reports a "0," then the tourism feature has no impact on the business. A score of "-2" suggests the person believe the feature has a very negative aspect on businesses in the community. The community features with the greatest positive impact upon Lonsdale businesses are festivals and events, outdoor recreation, community atmosphere, and historic atmosphere. However, even Lonsdale's most highly rated features had lower than average scores compared to previous CBC communities where the average score for festivals was 0.7, the average score for outdoor recreation was 0.7, and the average score for community atmosphere was 0.9. These findings suggest that tourism features in Lonsdale may not be among the city's strengths. It is notable that Lonsdale actually had a slight negative average score for lodging facilities of -0.03, which suggests that businesses feel that Lonsdale's lack of lodging is a slight detriment to the community.

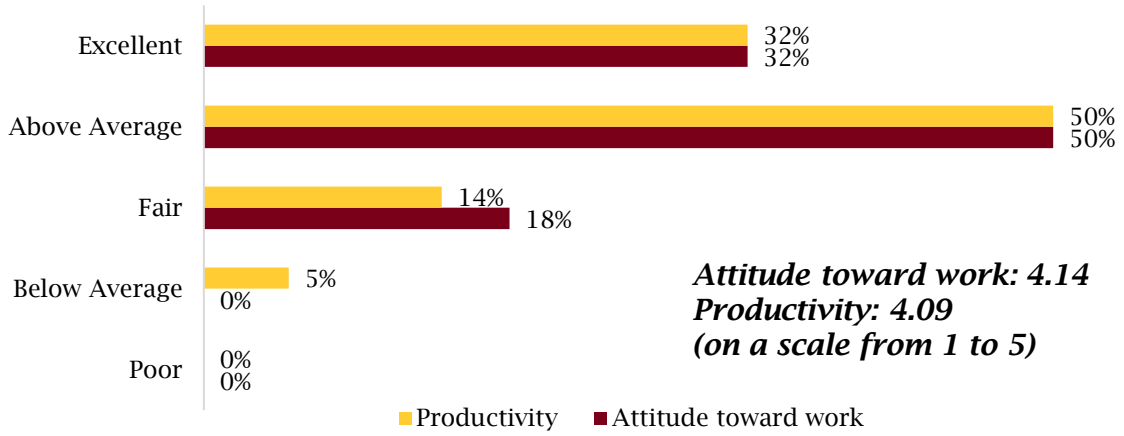


Figure 2-19. How do you rate employees with respect to their...

The CBC respondents were asked to rate their employee's productivity and attitude towards work (Figure 2-19). Over 82% of respondents reported that their employees have excellent or above average productivity, and nearly 82% of respondents reported above average or excellent employee attitudes towards work. Out of a high score of 5.0, the average rating for employee attitudes toward work was 4.14, and the average rating for employee productivity was 4.09. While these values seem high, it is interesting to note that they are actually slightly lower than the average ratings for previous CBC communities at 4.30 and 4.24, respectively.

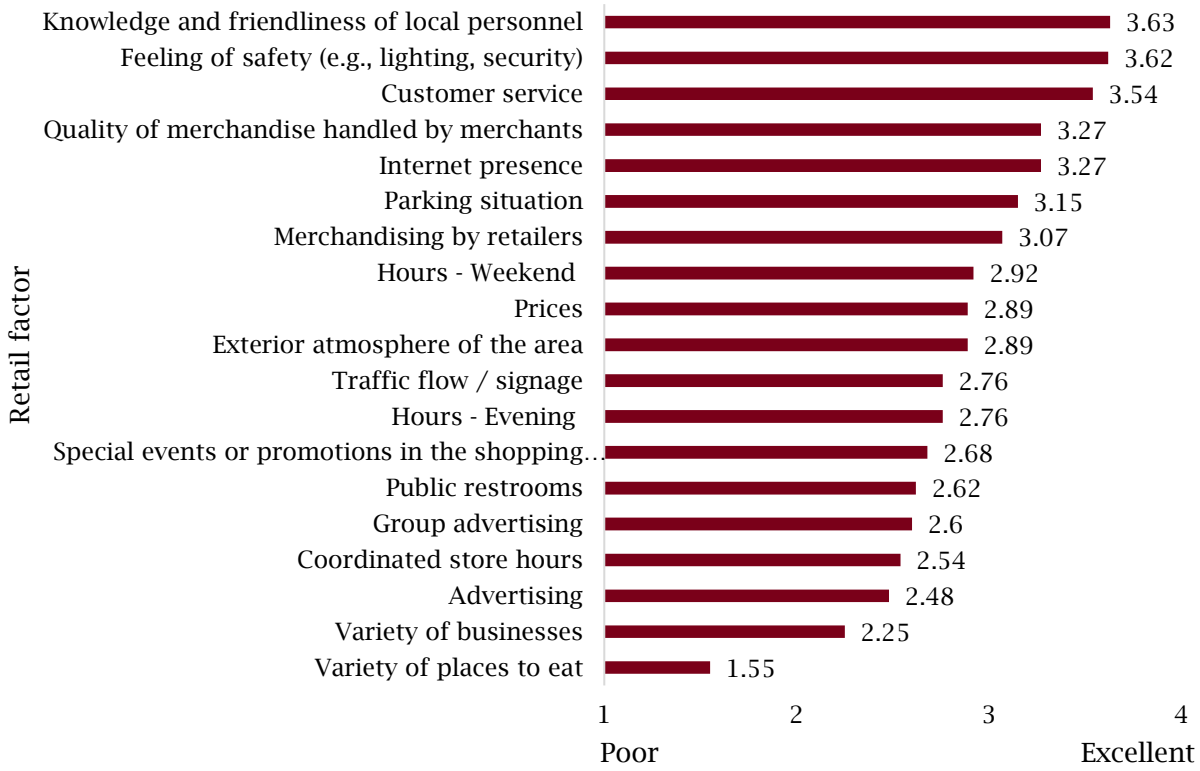


Figure 2-20. Satisfaction of retail factors in Lonsdale

Figure 2-20 on the previous page shows the Lonsdale CBC respondent's satisfaction with the retail attributes and factors. The respondents were asked to rate each factor from 1 or poor to 4, which is excellent. The highest rated retail factors for Lonsdale were knowledge and friendliness of staff, safety, and customer service. The factors which the CBC respondents were least satisfied with were the variety of places to eat, variety of businesses, and advertising, respectively. Compared to previous CBC communities, Lonsdale significantly outperformed against the benchmark in some areas (knowledge and friendliness of local personnel, safety, and customer service) and underperformed in others (variety of places to eat, variety of businesses, and advertising).

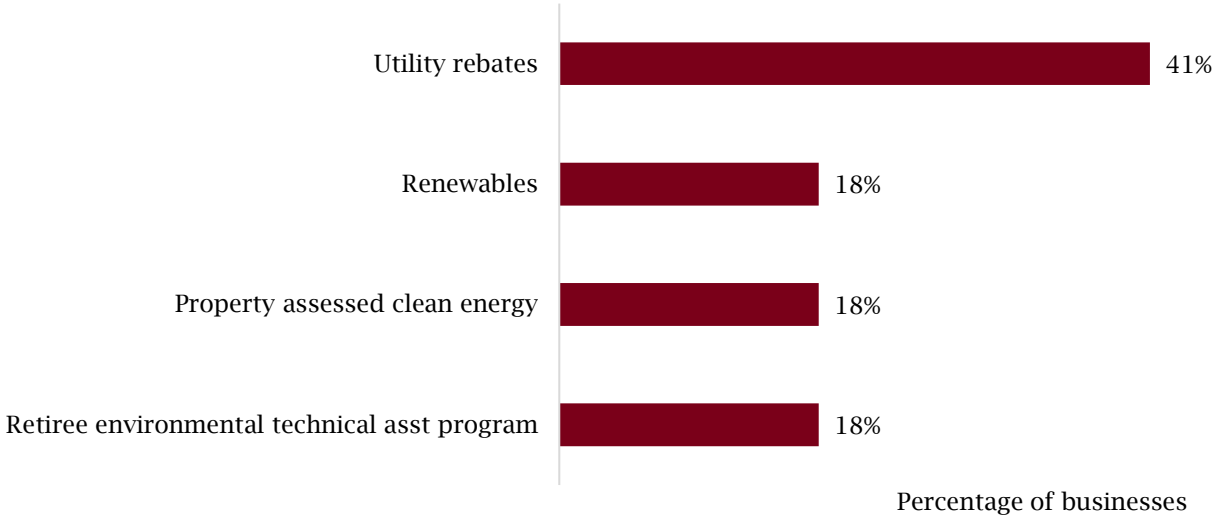


Figure 2-21. Which of the following would you like to know more about?

A special question in the Lonsdale CBC asked businesses about their interest in the business support programs in the community, RETAP (Retiree Environmental Technical Assistance Program), PACE (Property Assessed Clean Energy), and renewable energy and utility rebates. As shown in Figure 2-21, more than 40% of businesses were interested in utility rebates, while 18% of businesses were interested in the other programs.

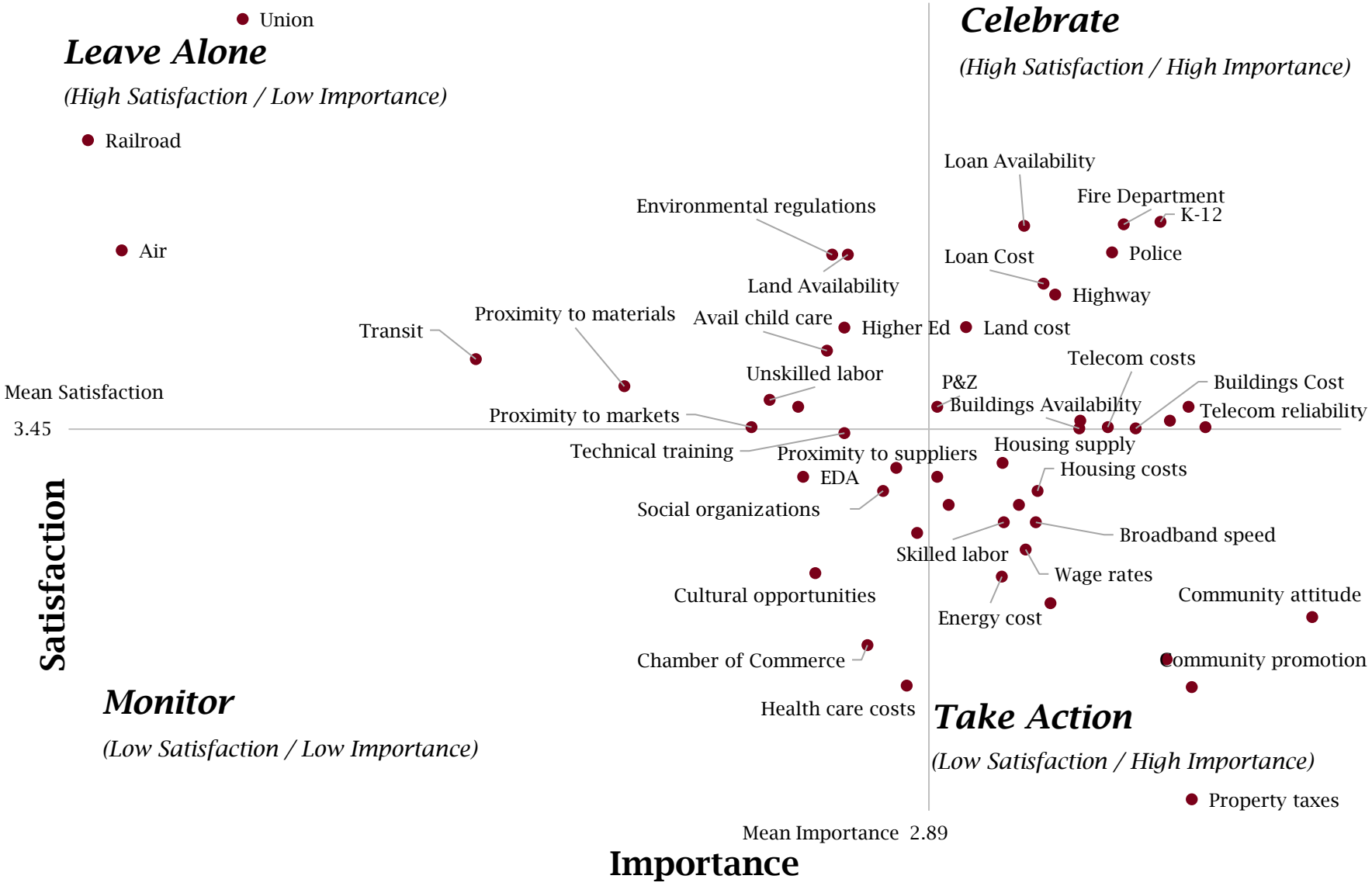

Union
Leave Alone
(High Satisfaction / Low Importance)
Railroad
Air
Celebrate
(High Satisfaction / High Importance)
Loan Availability
Fire Department
K-12
Environmental regulations
Police
Loan Cost
Land Availability
Highway
Transit
Proximity to materials
Avail child care
Higher Ed
Land cost
Telecom costs
Unskilled labor
P&Z
Buildings Cost
Mean Satisfaction
Buildings Availability
Telecom reliability
3.45
Proximity to markets
Technical training
Proximity to suppliers
Housing supply
EDA
Housing costs
Social organizations
Broadband speed
Skilled labor
Wage rates
Cultural opportunities
Energy cost
Community attitude
Chamber of Commerce
Community promotion
Health care costs
Take Action
(Low Satisfaction / High Importance)
Property taxes
Satisfaction
Monitor
(Low Satisfaction / Low Importance)
Mean Importance 2.89
Importance

Figure 2-22. Community satisfaction and importance

Questions 35 and 36 in the CBC survey asked businesses to consider 49 community factors. Question 35 asked businesses to rate the hypothetical importance of each factor if they were to select a new location for their business. Each factor is rated on a scale from 1 to 4 (1 = not at all important and 4 = very important). Likewise, on Question 36, the surveyed businesses were asked to rate these 49 community factors again but this time to focus on their own satisfaction of these factors in their current location (i.e. Lonsdale).

Figure 2-22 shows all 49 community factors, though they are not all labeled.[3] Factors on the far right are very important, and factors near the top have high levels of satisfaction. The graph is divided into four quadrants. The upper right quadrant, Celebrate, includes factors that have a higher-than-average importance and higher-than-average satisfaction. The lower right quadrant, Take Action, includes factors that are considered very important but have lower-than-average levels of satisfaction. The upper left quadrant, Leave Alone, includes factors with lower-than-average importance but high satisfaction. Finally, the lower left quadrant, Monitor, includes factors that are considered relatively unimportant and have lower-than-average satisfaction.

When determining which factors might warrant further attention, communities may consider focusing on those with higher-than-average levels of importance. Even if satisfaction levels are fairly low for certain factors, it may not serve a community well to devote time and attention to fixing some factor if it is not highly important to local businesses.

Table 2-2. Community factors with high importance and high satisfaction

Community Factor	Importance	Satisfaction
K-12	3.34	3.91
Fire Department	3.27	3.91
Loan Availability	3.08	3.90
Police	3.25	3.84
Loan Cost	3.12	3.77
Highway	3.14	3.75
Land cost	2.96	3.68
Energy reliability	3.40	3.50
P&Z	2.91	3.50
Sewer/water	3.36	3.47
Street maintenance	3.19	3.47
Telecom reliability	3.43	3.45
Telecom costs	3.24	3.45
Buildings Availability	3.19	3.45
Buildings Cost	3.30	3.45

Table 2-2 shows more detail on the community features that have a high importance and a high level

[3] For a detailed graph of each of the four quadrants, see Appendix B, Community Features Quadrants.

of satisfaction. These community factors are shown in order from highest to lowest satisfaction levels. These features can be considered strengths of Lonsdale and should be celebrated. Of all the factors, Lonsdale businesses rated their K-12 schools, fire department, availability of loans, police, and cost of loans as the factors which they feel are important and with which they are the most satisfied.

Analysis of Strengths, Weaknesses, Opportunities, and Threats

A Research Review Meeting was held on November 17, 2020 via Zoom (see Chapter 5 for meeting details). The complete SWOT analysis is shown in Table 2-5.

	Survey Result	Survey Question #
Strengths	Strong satisfaction with local government	36h
	Business Expanding	10
	86% of businesses own their own facilities	33a
	Good attitude towards work	17
	41% of businesses plan technological innovations	23a
	23% of businesses export internationally	21
	Almost 70% of businesses are expanding	29
	Community is a good place to live and do business	41-42
	Available land for development	36d
Weaknesses	Labor shortage	9
	Lack of affordable housing	36g
	Lack of cultural opportunities	38e
	Businesses lack succession plans as well as written business plans	24,26
Opportunities	Lonsdale business park	Research review meeting
	Expand export industry	21
	Coordinated retail campaigns	39f
	Expanding tourism	38a
	More training	18
	Affordable Housing	36g
Threats	Decline in labor force participation from key age groups	Research review meeting
	Lack of transition plans with older population	24
	Competition with Owatonna for highway access and tourism	Research review meeting
	Workers finding higher wage jobs outside of Lonsdale	Research review meeting

CHAPTER 3: POTENTIAL BUSINESS RETENTION AND EXPANSION STRATEGIES AND RELATED PROJECT IDEAS

Business Retention and Expansion Strategies for Lonsdale

Each of the following strategies is a theme, supported by data from the business interviews + eSurveys. As such, each strategy provides a way of framing the particular CBC situation in Lonsdale. The four strategies are not mutually exclusive from each other. These four strategies were conceived by the authors to help the Lonsdale Task Force make sense of its situation and move into implementation. The strategies are named below and explained in detail in this chapter.

Strategy 1: Business Support

Strategy 2: Workforce Strategies

Strategy 3: Community Identity

Strategy 4: Availability and Cost of Land

Strategy 1: Business Support

Finding	Possible Project
According to the survey findings, only 55% of Lonsdale businesses have a written business plan and even fewer (23%) have a transition plan for ownership. Despite this, more than half of surveyed businesses expect changes to their business plan in the next three years (Q25). In addition, 64% of Lonsdale businesses are locally owned, which puts an additional burden on the community to ensure the business remains operational.	1.1 Business Succession/Business Plan Assistance Group According to the University of Minnesota Extension, 60% of current small business owners were born before 1964. More concerning, the current economic downturn associated with the COVID-19 pandemic is causing a great deal of anxiety among many businesses, and some business owners may be considering ownership transition and succession at this time. The loss of a business in a community due to failed transitions can have significant consequences, especially in a small community like Lonsdale. However, there are actions that communities can take to minimize the negative effects of business succession. In 2016, Extension researched how small rural communities could support business transfer. Their

	website[4] offers a detailed action plan for communities to follow. If Lonsdale were interested in pursuing this project, the first step would be to identify a local champion team to initiate business succession efforts. The team would then be responsible for creating the action plan, which includes promoting business health, successful ownership transition, and successful leadership transition. One step in the action plan could be to a hold seminar featuring the short video modules from the U.S. Small Business Administration on writing a business plan.[5] In total, the series of videos is only 41 minutes. The final segment features worksheets needed in a business plan including a detailed checklist to ensure all components are prepared. Additionally, the South Central Regional SBDC based in Mankato could provide assistance at no cost. While the action plan is focused primarily on business succession, many of the specific steps in the plan could be expanded to include information on developing a business plan for those businesses that don't currently have one.
For a community of its size, Lonsdale has a very strong manufacturing sector. According to Minnesota's Department of Employment and Economic Development (DEED), nearly 20% of all jobs in Rice County are in the manufacturing sector, and 27% of Lonsdale's survey respondents identified as being in that sector. This strong manufacturing sector might explain why 23% of surveyed businesses reported that they export their products internationally (Q21a). This value is significantly higher than what is typical for other CBC communities, where only 13% reported exporting their products.	1.2 Exports Task Force Lonsdale appears to have both businesses with exporting know-how and businesses that may be interested in the prospect of exporting. To support the city's manufacturing industry and expand its exporting capabilities, the city of Lonsdale might consider establishing an exports task force with representatives from local businesses, made up of those with experience exporting as well as those considering developing export capabilities. The task force could support Lonsdale businesses by bringing in experts from the Minnesota Trade Office or the local Small Business Development Center (SBDC), both of which provide free consultations for businesses looking to begin

[4] https://extension.umn.edu/community-development/supporting-rural-business-succession

[5] https://learn.sba.gov/learning-center-plan/learning-center-how-to-write-a-business-plan

	exporting or expand to new markets. In addition, the Minnesota Trade Office has several export financing programs that provide grants, loans and loan guarantees, working capital, credit, and insurance to help businesses begin exporting or expand their export capabilities.[6] If establishing an exports task force is not a feasible option, the city could instead work directly with interested businesses to connect them with financing options available through the Export Trade Office.
One strength of Lonsdale's business community is that it's predominantly made up of small, locally owned businesses. According to the business survey, nearly two-thirds of Lonsdale's businesses reported that they are locally owned. And Lonsdale businesses employ, on average, fewer than 30 workers (full-time, part-time and seasonal combined). This average is significantly lower than is typical for other CBC communities, where the average number of workers is 45. Another strength, as shown by the survey results, is that the town has both businesses that were recently established as well as those that have been around for decades (responses to question 2c, year established, ranged from 1908 to 2017). Despite these strengths, one surveyed business commented that there is "no community among business owners".	1.3 Business Mentor Program/Networking In order to establish a stronger sense of community among Lonsdale business owners, the Lonsdale EDA or Chamber might consider creating a business mentorship program. This could be beneficial, as it would increase social capital between local business owners in the city. Pairing newer businesses with those that have been around for many years might be a good way to educate and inspire the business community in Lonsdale. The mentorship program could be a structured program with set meeting times and activities, such as monthly roundtable discussions, or it could be more business-led, where owners are paired and then allowed to meet on their own time with minimal interaction from the Chamber or EDA. A possible format could be taken from the One Million Cups organization which is "based on the notion that entrepreneurs discover solutions and engage with their communities over a million cups of coffee." Or potentially Lonsdale could create its own chapter or work with Mankato's chapter[7] Other options may be to build upon existing programs such as Minneapolis Business Mentors or SCORE, which both offer remote mentoring for small businesses in Minnesota. The SCORE website explains the process and the many benefits and resources available to participants. According to SCORE, "small business owners who receive three or more hours of mentoring report higher revenues

[6] https://mn.gov/deed/business/exporting/export-financing/

[7] https://www.1millioncups.com/organize

	and increased growth." SCORE has over 10,000 volunteer experts in their fields. Minneapolis Business Mentors are offering free virtual workshops with videos.[8]
When asked about resources related to energy efficiency and utilities, more than 40% of surveyed businesses were interested in learning about utility rebates, and 18% were interested in learning about renewables, the Property Assessed Clean Energy (PACE) program, and the Retiree Environmental Technical Assistance Program (RETAP).	1.4 Utilities/Renewables Educational Event Given the interest among local businesses in utility rebates and renewables, the EDA or Chamber might consider inviting area utility company representatives to present at a business lunch-and-learn or afternoon/evening business event. The representatives could outline their available programs and send out information following the meeting. The city of Lonsdale is actually served by a number of different utility providers, each with their own unique mix of business programs,[9] so the organizers of this event might use the opportunity to invite all providers to one event to simplify the experience for Lonsdale businesses. Considering that a large number of Lonsdale businesses are in manufacturing, these energy efficiency programs could provide a pretty sizable cost savings if the businesses have not already undertaken a thorough energy audit or followed through on steps provided in their audit. In addition, energy efficiency and carbon footprint reduction is a source of pride for employees and positive public relations for the business, especially with the younger age cohorts.

[8] https://seminnesota.score.org/

[9] For example, Lonsdale's electric utility providers include Xcel Energy (https://www.xcelenergy.com/programs_and_rebates/business_programs_and_rebates) Steele-Waseca Coop Eletric (https://swce.coop/swce-field-services/save-money-and-energy/) and Minnesota Valley Electric Coop (https://www.mvec.net/business/).

Strategy 2: Workforce Strategies

Finding	Possible Project
According to DEED, Lonsdale's population grew by 18% (nearly 600 new residents) between 2010-2018, greatly outpacing the average growth rate for both Rice County (4.4%) and the state overall (6.3%). According to many Lonsdale businesses, this growth has had an impact on the local housing supply. Five of the open-ended comments in the survey related to the need for additional housing in the city, specifically housing for seniors and/or affordable housing. In addition, businesses were asked to rate the importance and satisfaction with various community factors (35-36). Housing cost and housing supply were both rated as very important, but with lower than average levels of satisfaction.	2.1 Housing Solutions There are a number of strategies that Lonsdale might consider if they want to address a housing shortage in their community. The following are three examples of other Minnesota communities that have taken proactive steps to expand and develop new housing. If Lonsdale is interested in pursuing this project idea, they might consider reaching out to one or more of these communities to learn from their experiences. • In 2007, a private development group named Grow Perham (in West Central Minnesota) formed to develop workforce housing as part of its workforce development and attraction formula. Grow Perham now has 23 individual investors, has raised $3 million in private capital, secured a $620,000 grant from DEED, and utilized Tax Increment Financing (TIF) along with tax abatement to build nine multi-family housing developments and acquire 180 market-rate housing units.[10] • In 2016, Albert Lea approved a tax abatement program for housing that is something that Lonsdale could utilize. The program eliminates property taxes on new homes built through 2021. According to city records, building permits for new homes have seen a slight rise in the last two years since the program was initiated.[11] • In 2018, Preston conducted an extensive housing study[12] that included demographic and economic indicators, demand analysis, supply

[10] https://extension.umn.edu/community-research/minnesota-rural-housing-study-perham

[11] https://www.albertleatribune.com/2019/08/editorial-tax-abatement-program-provides-another-tool-for-growth/

[12] http://www.prestonmnchamber.com/wp-content/uploads/2018/07/Preston-Housing-Needs-Assessment-adopted-6-4-18-1.pdf

	trends, and a survey of local homebuyers. Following that study, the city's EDA developed a city housing incentive to promote new construction, the purchase of existing homes, and the rehabilitation of existing properties. According to its website, the city is "dedicated to adding 167 new homes and apartments to their housing mix by 2030."[13] Preston's chamber of commerce has a number of resources on their website[14] that could be useful to Lonsdale, including a development map and guide, videos, concept plans, and housing programs. If Lonsdale decides to pursue this project, it could start by developing a regional partnership with regional and state partners and investors. Local partners would likely include the city of Lonsdale's HRA; Joel Erickson, Lonsdale's City Administrator; Tim Rud, Mayor of Lonsdale; the Lonsdale City Council; Ben Baker, Lonsdale City Planner; Natalie Siderius from DEED; and the Lonsdale EDA. Cathy Enerson (cathy.enerson@cedausa.com) and Jon Devries (jondevries@rcn.com) from the Preston EDA could also be helpful contacts Resources and funding for these initiatives may be available from MN Housing, MN Housing Partnership, and MN Housing Fund.
When asked about training needs, more than half of all surveyed businesses reported needing training for workers or managers (question 18a). In fact, businesses reported that (in total) more than 20 employees need computer skills training, 19 need managerial skills training, and more than 100 need training in "other skills," such as healthcare, license testing, construction, and others.	2.2 Shared Training Program Considering the significant need for training among Lonsdale businesses, there seems to be a potential opportunity for the community to offer shared trainings where there is a communal need among local businesses. To address the need for managerial skills training, the CBC task force might consider

[13] http://www.prestonmnchamber.com/livability/

[14] http://www.prestonmnchamber.com/livability/housing-developer/

When asked about their current training strategies, businesses' most common training method is in-house (86% report using this method), followed by self-directed (45%), and offsite (45%). Only 5% of businesses contract with public vendors, such as technical colleges, and no businesses currently use government-supported programs like CareerForce. However, when asked about their satisfaction with technical training programs in the area, 43% reported being somewhat or very satisfied with these programs with an average rating of 3.04 on the 4 point scale (4=very satisfied).	engaging with Minnesota State Mankato to create a customized managerial training program that could be delivered to employees across firms. Minnesota State Mankato's strategic partnership department[15] has a number of training programs that could be offered off-the-shelf or customized slightly depending on Lonsdale's needs. The training could be collaboratively developed with input from HR leaders at all participating firms. Another potential partner is South Central College.[16] With programs in advanced manufacturing, building and design, transportation, and health sciences, plus an active customized training program, SCC would be an excellent partner in developing trainings related to some of the other training needs businesses cited, such as healthcare, license testing, and construction. SCC has been very active in supporting economic development efforts in nearby Faribault through engaging with businesses to provide training.
According to survey findings, 27% of Lonsdale businesses reported having problems recruiting unskilled service workers, the highest percentage reported for any occupation. Other occupations with reported recruiting difficulties included demand for professional/managerial (14%), manufacturing (9%), and engineers/scientists/technicians (9%). Businesses cited competition for employees (36%), high wage rates (23%), and workers' unwillingness to commute (23%) as the most important reasons for their recruiting problems. Looking ahead, businesses expect to hire more employees in the next three years, with the greatest increases expected in unskilled service (21 new workers), unskilled manufacturing (10 new workers), and office and administrative (6 new workers).	2.3 Recruitment and Retention Strategies Those businesses that have the most difficult time recruiting and retaining workers might consider using training and professional development opportunities to attract and keep employees. One example of this could be to establish career pathways for workers in entry-level positions (e.g. unskilled manufacturing or office and administrative). Career pathways give new employees opportunities to move into more skilled manufacturing or professional/managerial roles through training opportunities and partnerships with local educational institutions. This type of career pathway could be coordinated with input from the local CareerForce center[17]

[15] https://mankato.mnsu.edu/about-the-university/strategic-partnerships/workforce-professional-education/

[16] https://southcentral.edu/Majors-and-Programs/program-divisions.html

[17] https://www.careerforcemn.com/faribault

Finally, the most common recruitment methods currently being used by Lonsdale businesses include word of mouth (59%), internet advertising through social media (50%), walk-in (41%), referrals from existing employees (36%), and internet advertising on job boards (36%).	located in Faribault, as well as South Central College. Apprenticeships can also be an effective way to recruit and train new workers. Minnesota's Department of Labor and Industry offers apprenticeship programs for a number of industries, including construction, manufacturing, healthcare, utilities, transportation, and information technology. And, the Minnesota Apprenticeship Initiative offers grants to assist employers with costs associated with developing apprenticeship programs. Employers can receive up to $5,000 for each apprentice to help cover costs including apprenticeship-related supplies, materials, instruction, and infrastructure. According to the Department of Labor and Industry website,[18] Rice County has five registered apprenticeship employer and training programs, all of which are located in Faribault. The employers include Daikin Applied, Harry Browns Family Automotive, K&G Manufacturing, and MRG Tool and Die. The Lonsdale CBC task force might consider reaching out to some of these businesses to learn about their apprenticeship experiences and determine whether Lonsdale might benefit from establishing an employer program locally.
When asked about challenges recruiting employees, 5% of businesses cited lack of childcare as a problem. And one business cited a need for a childcare center in the open-ended comments. Perhaps more telling, when asked about their satisfaction with various community factors, more than a quarter of Lonsdale businesses (27%) indicated "don't know" on the availability of childcare in Lonsdale.	2.4 Childcare Working Group With only 5% of businesses citing childcare as a problem for recruitment, the survey results might suggest that childcare is not an issue in Lonsdale. However, according to a legislative report released by the Minnesota Department of Human Services in February 2020, Rice County was one of 20 Minnesota counties with families on the Basic Sliding Fee childcare waiting list, suggesting the demand for childcare in the county is exceeding availability.[19]

[18] https://secure.doli.state.mn.us/apprenticeshipsponsor/

[19] https://www.leg.mn.gov/docs/2020/mandated/200311.pdf

	In addition, a report by the Center for Rural Policy and Development in 2016[20] found that the number and capacity of family childcare providers had dropped by more than 25% since 2006, a shift that impacts greater Minnesota in particular. According to the *ParentAware* website, there are 22 licensed childcare providers in Lonsdale, all of which are family providers. Lonsdale businesses might not be aware of the impact that childcare has on their recruiting concerns. The Lonsdale CBC task force might consider forming a childcare partnership to look into the issue more carefully at a local level and determine whether there is a need to take action. The task force may want to contact Battle Lake, Minnesota, which recently had this issue, to learn how the city solved its problem.[21] Also, they may want to talk to Wadena County's BRE group, which has taken action on childcare as a result of its CBC program in 2019. If the task force is interested in pursuing this project, likely partners would include local providers, businesses, nonprofits, local government, religious organizations, and the local school districts, which can give providers the resources to care for children of immigrants and children with special needs.
Lonsdale businesses report difficulties recruiting certain types of workers (e.g. unskilled service, professional/managerial) but appear to offer fairly competitive wage rates when compared to the benchmark average for other CBC communities. However, the city is a net labor exporter, seeing 2,059 residents leave the city for work compared to 347 non-residents who commuted into the city for work. Only 49 residents both lived and worked in the city. This aligns with businesses'	2.5 Cost of Living Analysis Often, businesses located in small rural communities assume that the lower cost of living in their area justifies their ability to pay lower wage rates. However, with its convenient location to the Twin Cities, Lonsdale businesses are definitely competing for workers from metro-area businesses. Lonsdale might benefit from conducting a cost of living analysis to use as a comparison with

[20] https://www.ruralmn.org/a-quiet-crisis-minnesotas-child-care-shortage/

[21] https://livewideopen.com/blog/2018/6/15/tiny-tykes-will-open-battle-lake-childcare-center-this-fall

perceptions that workers will not commute to the area.	other industries or communities. Depending on the results, the information could be used either as a marketing tool for workers or a persuasion tool for businesses to increase wages. For example, if the findings showed that Lonsdale offered higher-than-average wages, the city could use that information to recruit workers in high-demand fields. However, if the results uncovered lower-than-average wage rates compared with similar industries in the Twin Cities metro area, it might be a wake-up call for Lonsdale businesses, particularly those having difficulty recruiting. Minnesota's Department of Employment and Economic Development offers a cost of living calculator that compares the cost of living in every Minnesota county.[22] The site also provides average wages for various industries and occupations, and gives users the ability to look at hourly wages by county or region. If the city itself is not equipped to perform this type of analysis, they could look into hiring a consultant or working with an intern from Minnesota State Mankato.

Strategy 3: Community Identity

Finding	Possible Project
According to the survey results, 55% of businesses felt that Lonsdale was above average or excellent as a place to live. This reflects a generally positive attitude about the community among its residents and may partly explain the growth the community has seen in its population in recent years: Lonsdale grew by 18% between 2010 and 2018. When businesses were asked about the importance of and satisfaction with various community factors (Q35/36), the city's K12 schools received among the highest average	3.1 Community Marketing Campaign to Attract Remote Workers to Become Lonsdale Residents In this time of pandemic there may be a trend toward more people permanently working remotely. This would allow workers to relocate to rural areas or exurban areas that are perceived as safer and more desirable places to raise a family. This could be an opportunity for Lonsdale to recruit people, particularly younger families, to their community. Lonsdale is within reach of MSP jobs for workers who may need to commute occasionally in the "new normal" post pandemic. Lonsdale is an ideal location for young families,

[22] https://mn.gov/deed/data/data-tools/col/

ratings for both importance and satisfaction, suggesting that Lonsdale's schools are one of Lonsdale's key strengths. Finally, 61% of surveyed businesses said they were somewhat or very satisfied with telecommunications and broadband reliability, 64% with broadband cost, and 64% with broadband speed in the community. These scores are consistently higher than the benchmark for other CBC communities.	with its prime location between the Twin Cities and Mankato, a highly ranked elementary school located directly in town, and two high schools within a short drive. According to GreatSchools.org, the Tri-City United School District (Lonsdale's elementary school) received a rating of 8/10 for test scores and equity, which means that disadvantaged students at this school are performing better than other disadvantaged students in the state. Given its strong broadband infrastructure, Lonsdale would also be an ideal place for remote workers. The University of Minnesota Extension's "Making it Home"[23] program works with rural communities to create an action plan for attracting new residents. This program could serve as one potential path if Lonsdale were interested in pursuing this project.
Lonsdale's business community is primarily made up of small, locally owned businesses. This is a potential strength in terms of addressing businesses' concerns. Lonsdale also had strong survey participation from its retail sector. Nearly 30% of survey respondents identified as being in retail. One potential concern was raised in question 39 in the Lonsdale business survey that asked businesses to rate a variety of factors about retail in their community. Of the factors, advertising, coordinated store hours, the exterior atmosphere of the area, and special events/promotions were among the areas that received the lowest rankings.	3.2 Downtown Alliance in Partnership with Chamber To address some of the concerns businesses raised regarding retail (e.g. advertising, exterior atmosphere) Lonsdale might consider forming a downtown alliance made up of downtown/retail/restaurant owners and the Chamber of Commerce. The alliance would explore opportunities to collaborate and cross-promote the downtown businesses, improve the exterior atmosphere of the downtown area, and expand marketing and advertising beyond the city. One strategy the alliance might consider is to revamp the now defunct Lonsdale app. According to attendees at the research review meeting, the city has an app that was created for the purpose of promoting and marketing businesses and event, but has not been used for a number of years. The downtown alliance could try using the app as a way to encourage residents and visitors to shop locally by way of promotions and sales that are only available to those with the app.

[23] https://extension.umn.edu/rural-brain-gain-migration/making-it-home#:~:text=Helping%20Minnesota's%20rural%20communities%20attract,to%20create%20an%20action%20plan.

	If Lonsdale is interested in tackling this project idea, the task force could also consider partnering with South Central College's Marketing Management program. Perhaps students from the local college could use Lonsdale as a case study for a class or a paid internship. This could be based upon the University of Minnesota Duluth's amazingly successful Small Business Initiative program.[24]
As mentioned previously, question 39 identified several areas related to retail that businesses rated as poor—e.g. coordinated store hours, advertising, coordinated advertising, variety of businesses, and variety of places to eat.	3.3 Market Area Profile (MAP) One strategy that would allow Lonsdale businesses to capitalize on the strengths of their retail community and address their weak areas is a market area profile. A market area profile gathers local consumer insights to help focus retail and restaurant business creation or expansion. UMN Extension provides this service to communities.[25] Included in an Extension market area profile is market information from local consumers and businesses, an analysis of your customers, a plan to increase sales, and two consultations with a local study group. Extension's MAP program typically costs the community $1,000 to $8,000. The low end provides consultation and secondary (ESRI) data to inform decisions. The high end involves Extension doing local consumer research to find out more about the desires for restaurants and shopping variety. There are middle options as well if Lonsdale is willing to do the consumer research itself (i.e. students, volunteers, interns). If Lonsdale were interested in pursuing this strategy, partners might include the local chamber of commerce, retail business owners, and the regional UMN Extension educator Jennifer Hawkins and retail program specialist Ryan Pesch.
According to question 36 in the Lonsdale survey, 27% of surveyed businesses reported being dissatisfied with cultural	3.4 Grow Festival/Event to Include Cultural Aspects Lonsdale currently has one city festival, called

[24] https://lsbe.d.umn.edu/centers-community/community-engagement/sbi

[25] https://extension.umn.edu/research-communities/market-area-profiles

opportunities in the community. At the same time, 29% of respondents stated that festivals and events have a positive or very positive impact on their business. Finally, Lonsdale (and Rice County, more broadly) is home to a Latino community that makes up nearly 8% of the population, according to DEED. It is the largest minority group in the county.	Lonsdale Community Days. This festival, which takes place each year in August, includes a 5K, a BBQ cook-off, parade, and volleyball/bag toss tournaments. One way to increase the cultural opportunities in the community could be to incorporate some cultural celebration or activity into Lonsdale Community Days. To accomplish this, the festival organizers could reach out to local churches, civic organizations with diverse membership, or the local school district to identify cultural activities or events that would expand the festival and increase participation. Perhaps Lonsdale could look for inspiration from other successful small town festivals around Minnesota.[26] On a related note, the festival organizers might also consider incorporating the Lonsdale app into the Community Days festival to increase utilization of the app. For example, the committee could give festival attendees some sort of free item or access to a part of the event (e.g. beer garden) if they have the app on their phones. This could drive more users to the app, which could then be expanded more broadly through other parts of the community (e.g. promoting businesses, community events, etc).

Strategy 4: Lonsdale Business Park

Finding	Possible Project
When asked to rate the importance of and their satisfaction with various community factors, a number of factors related to business development were rated as being very important and had high satisfaction. For example, loan availability (3.08 average importance and 3.90 satisfaction on a scale from 1 to 4), loan cost (3.12 imp/3.77 sat), highway accessibility (3.14 imp/3.75 sat), land cost (2.96 imp/3.68 sat), telecom costs (3.24 imp/3.45 sat), telecom reliability (3.24 imp/3.45 sat), and planning and zoning (2.91 imp/3.5 sat) should all be considered strengths of Lonsdale's, and celebrated.	4.1 Market the Business Park Lonsdale is home to the only shovel-ready certified development site on the I-35 corridor between the Twin Cities and Albert Lea. However, based on feedback from Lonsdale businesses and attendees at the November research review meeting, it appears that the city could do a better job in marketing the site to potential investors and/or local businesses considering expansion. If Lonsdale is interested in pursuing this option, there are a few action items that the community might take to promote the business park: 1. The city already has a professionally

[26] https://www.exploreminnesota.com/things-to-do/fairs-festivals#!grid~~~Date~1~~

On a related note, many Lonsdale businesses mentioned the business park in the open-ended comments. For example, one business recommended the city "reduce restrictions on use of land in the business park," and another cited that Lonsdale needs "more buildings in the industrial park." These issues were also raised in conversations at the research review meeting in November.	developed video on its website marketing the industrial park. The EDA and its partners might consider building upon the existing video and developing more marketing materials for the industrial park, including targeted advertisements, a newsletter highlighting recent expansions or positive changes in Lonsdale's business climate, or marketing brochures. 2. Once the community has some marketing materials in place, the Lonsdale EDA might consider marketing to site selectors, who are consultants (or firms) that provide professional project locations services to companies that are contemplating expansion, relocation, and/or consolidation of their business.[27] Personal visits are the most effective method. This means either bringing a local contingent to the site selector, or paying to have the selector visit Lonsdale, covering travel expenses. If site selectors were to visit Lonsdale, the EDA would want to have a formal presentation and ensure that key players are all in attendance (e.g. political leaders, prominent business owners, lenders, the local utility, presidents of colleges, universities, and influential civic organizations. DEED has specific information for marketing to site selectors.[28] 3. A quick online search revealed that two of Minnesota's major economic development entities, Xcel Energy and Great River Energy, have online interactive maps[29, 30] highlighting available properties throughout the state that are ready for development. Lonsdale's business park is not listed on either site. Lonsdale might want to look into how to have its business park location listed on such a site. 4. Depending on the relationship between the two communities, Lonsdale might also consider a partnership with the Faribault

[27] http://www.sseer.ca/community-economic-development/economic-development/ways-to-attract-site-selectors

[28] https://mn.gov/deed/government/shovel-ready/marketing/

[29] https://xeago.maps.arcgis.com/apps/Shortlist/index.html?appid=e16b1d4aa26d43c79f976eddf74ac380

[30] https://econdev.greatriverenergy.com/industry-sectors/data-centers/data-center-sites

	EDA. Faribault has a site on its website specifically aimed at site selectors who might be considering the community. Lonsdale might work with Faribault to determine whether either community has strengths or weaknesses that the other could fill and work jointly to attract new businesses, rather than competing for investors. 5. Rather than solely looking outside of the community, the Lonsdale EDA could also schedule meetings with local businesses identified as wanting to expand in coming years. What would those businesses need to expand in Lonsdale? Are there restrictions related to the business park that are preventing them from expanding there? How can the city help? 6. Lastly, Lonsdale might consider creating Tax Increment Financing (TIF) Districts for the business park. TIF uses the increased property taxes that a new real estate development generates to finance costs of the development.
As mentioned previously, a number of factors related to business development were rated as being very important and had high satisfaction among Lonsdale businesses. However, building availability received lower ratings, and the need for more buildings in the business park (Q34a; open-ended comments) was cited as a concern among a number of Lonsdale businesses. While Lonsdale businesses might be dissatisfied with the availability of building space in the community, there is ample land for development locally. Lonsdale is home to a large industrial park located five minutes from I-35. The park is 34 acres in size and has shovel-ready parcels ranging from ½ to 12 acres in size.	4.2 Spec Building Many businesses might be intimidated by the need to construct their own facility. To address these concerns, Lonsdale might consider constructing a speculative, or spec, building for the industrial park, to use in attracting new businesses, or for local businesses who wish to expand. There are a number of successful examples of this strategy around the state. For example, the Economic Development Authority in Jackson has built numerous spec buildings and industrial parks. Most recently, in 2018, they constructed a 30,000 square foot spec building on their 60-acre industrial park.[31] The EDA in St. James constructed a 20,000 square foot industrial spec building in its industrial park,[32] which was then sold to Great River Energy

[31] https://www.cedausa.com/2018/01/ceda-team-member-working-to-fill-30000-square-foot-spec-building-in-jackson-mn/

[32]https://static1.squarespace.com/static/5994d60649fc2b3ca8769cf2/t/5b89628acd8366a17cec3926/1535730315

	for a regional service center that stores equipment and vehicles for line technicians, telecommunications, and metering employees. Finally, Windom recently converted a spec building that had been constructed in 2001 into rental units to allow for additional housing.[33]

669/Wilcon_Summer18.pdf

[33] https://windom-mn.com/wp-content/uploads/2020/07/Why-Housing-on-the-Spec-Building-Property.pdf

Lonsdale
CONNECTING BUSINESSES AND COMMUNITY PROGRAM
Interview Guide

For BR&E staff only:
Business ID: _____
Also record on pages 1 &4 of survey

BUSINESS NAME:

_____

Address:_____

_____

City _____State _____Zip Code_____

Phone _____ Website_____

PERSON INTERVIEWED: _____

Job title: _____

Date of visit: _____

Email _____

OTHER KEY OFFICIALS IN THIS ESTABLISHMENT:

Owner_____

Chief Exec. Officer _____

Plant Manager_____

Human Resources Officer_____

VOLUNTEER VISITORS:

_____

_____

Note to Visitation Coordinator: After placing the ID number on this cover sheet and on pages 1 and 4 of the survey, remove the cover sheet and file separately to ensure confidentiality of results.

Lonsdale
CONNECTING BUSINESSES AND COMMUNITY PROGRAM

Background

We believe our existing businesses are our best prospects for future development. The purpose of this program is to see how we can help them succeed.

I. This program is sponsored locally by the following organizations:

Lonsdale EDA
City of Lonsdale
University of Minnesota Extension

II. Technical and applied research assistance for this program is provided by the University of Minnesota Extension.

III. Business, government, and educational leaders have agreed to help us work with our local businesses on this program.

IV. The program is a cooperative effort involving volunteers drawn from other businesses, local government, and educational institutions.

V. The objectives of the program are:

1. To demonstrate support for local businesses
2. To help solve immediate business concerns.
3. To increase local businesses' ability to compete in the global economy
4. To establish and implement a strategic plan for economic development.
5. To build community capacity to sustain growth and development.
6. To update contact information of businesses
7. To learn about Labor force questions/concerns
8. To learn who are the respective businesses customers
9. To help with plans for expansion/relocation/succession
10. To be made aware of general community concerns
11. To hear your overall thoughts of community relative to business

VI. Confidentiality - Your individual answers to this survey are confidential and will not be released except as required by law. Your response will be summarized with those of others to produce an overall result in percentages or averages. **If we find an issue in your survey response in which a certain individual or individuals may be able to respond to your concern in a beneficial way, you will be asked at the end of the survey whether you authorize us to release your survey information to them.**

VII. The "Skip It Rule" - If there is a question that you feel might be best to skip, we will do that; just let us know. There is no need to explain your reasons.

VIII. Copy of Summary Report - Copies of the summary will be provided to all businesses that participate in this survey.

For BR&E staff only:

Business ID: _____

Lonsdale
CONNECTING BUSINESSES AND COMMUNITY PROGRAM
Interview Guide
Data Tabulation, November 16, 2020

Unless noted, all percentages indicate the percent of the total respondents, not the percent of those answering the question. The # of respondents is 22 for all questions except questions 35 to 39b in which there were a maximum of 44 respondents (except Q36, Section F, which was inadvertently left out of the eSurvey, N=22). The total number of respondents is estimated to be 39-44 because the anonymous eSurvey may have been taken by some of the same people who were personally interviewed.

City: _____ **Zip Code:** _____ **Date:** _____

1a. Is all the information on the cover sheet complete and correct? ***(Circle ONE answer)***

77% Yes 5% No → **1b. If No, make the necessary corrections.**

2a. Did your business begin its operation in this community? ***(Circle ONE answer)***

50% Yes 45% No → **2b. If No, where did you move from and when?**

Community	State	Year
_____	_____	

→ **2c. If Yes, what year?** Average = 1985, Range = 1908-2017

3. What type of facility is this? ***(Circle all that apply)***

(1) 18% Branch
(2) 5% Distribution
(3) 18% Headquarters
(4) 0% Home-based business
(5) 18% Manufacturing
(6) 0% Office-operation (non HQ)
(7) 5% Research & Development
(8) 23% Retail Sales Office
(9) 32% Other
(10)

4a. Is your business locally owned? ***(Circle ONE answer)***

64% Yes 32% No → **4b. If No, where is your corporate headquarters located? (Please identify city, state, & country)** _____

5a. Do you have multiple locations? ***(Circle ONE answer)***

36% Yes 59% No

→ **5b. If Yes, where are they located?** _____

6. Which of the following North American Industry Classification System (NAICS) categories best describes your business? ***(Circle ONE answer)***

5%	Administration/Support/Waste Management/Remediation Services	27%	Manufacturing
0%	Agriculture/Forestry/Fishing/Hunting	0%	Mining, Quarrying, and Oil and Gas Extraction
0%	Accommodation/Food Services	5%	Other Services
0%	Arts/Entertainment/Recreation	0%	Professional/Scientific/Technical Services
14%	Construction	0%	Public Administration
5%	Educational Services	5%	Real Estate/Rental and Leasing
5%	Finance/Insurance	27%	Retail Trade
9%	Health Care Services/Social Assistance	0%	Transportation and Warehousing
0%	Information	5%	Utilities
0%	Management of Companies & Enterprises	0%	Wholesale Trade

Your product / service

7. We are interested in learning about your primary products and services.

a. Name the major products or services offered by this establishment	**b. What percentage of your total sales comes from each?** ***(Total should equal 100%)***	**c. Are sales of this product or service?** ***(Circle ONE answer)***
(1) **Data for local use only**	%	(1)Increasing (2)Stable (3)Decreasing
(2)	%	(1)Increasing (2)Stable (3)Decreasing
(3)	%	(1)Increasing (2)Stable (3)Decreasing
(4) Other products or services (specify)	%	(1)Increasing (2)Stable (3)Decreasing
Check total (should equal 100%)	100 %	

8a. What is special or unique about your major products or services? ***(visitor: Please take detailed notes here.)***

Data for local use only

8b. What are the one or two most important reasons that customers might choose your competitors over you?

Data for local use only

Labor Force

9. Please estimate how many workers (including yourself) are employed by you at this location? We'd like you to break this out between full-time and part-time for the two time periods shown. (N=18 that answered the question; * = average excluding top 5% and bottom 5%)

	a. Full time	b. Part time (as defined by the business)	c. Seasonal (hired by the business)	d. Temp agency employees
Currently	14.5 average 14.5 TrimMean* (275 total)	11.1 average 11.1 TrimMean* (177 total)	3.3 average 3.3 TrimMean* (33 total)	0.0 average 0.0 TrimMean* (0 total)
Three years ago	9.9 average 9.9 TrimMean* (189 total)	9.5 average 9.5 TrimMean* (143 total)	2.1 average 2.1 TrimMean* (21 total)	0.0 average 0.0 TrimMean* (0 total)

10. If the number of employees changed from three years ago, please identify up to 3 reasons for the employment change. ***(Circle UP TO THREE reasons)***

5%	Business did not exist 3 years ago
18%	Change in management
5%	Change in profits
5%	Change in subcontracting
0%	Changes in worker efficiency
0%	Corporate decisions/policies
9%	Entered new markets
27%	Expansion
5%	Government regulation
5%	Growth in demand
0%	Increased competition
5%	Lack of demand
14%	New products/services
0%	Renovation
5%	Technological changes
18%	Other – please specify_____
5%	Not Applicable

11. What is the average hourly STARTING wage paid to employees in each category? ***(If you do not have employees in that category, write Not Applicable or NA)***

		Average	Median
a)	Professional/Managerial (managers, accountants, HR professionals, etc.)	$21.79	$18.82
b)	Information Technology	$0	$0
c)	Engineers, Scientists and Technicians	$32.48	$31.00
d)	Arts, Design and other Creative Occupations	$24.83	$26.50
e)	Healthcare Related	$14.25	$14.25
f)	Office and Administrative (secretaries, office clerks, receptionists, etc.)	$16.76	$16.00
g)	Unskilled Workers (food prep., retail sales, housekeeping, etc.)	$12.22	$12.00
h)	Agricultural	$0	$0
i)	Construction	$20.00	$20.00
j)	Repair and Skilled Maintenance (not janitorial)	$30.00	$30.00
k)	Unskilled Manufacturing (assembly, production helpers, etc.)	$16.50	$16.00
l)	Skilled Manufacturing (welders, machinists, etc.)	$22.60	$25.00
m)	Transportation	$16.00	$16.00

For staff only

Business ID: _____

12. Does your company have problems recruiting employees in the following categories? ***(Circle ONE answer per line)***

	Category	Yes	No	Unsure	Not Applicable
(a)	Professional/Managerial (managers, accountants, HR professionals etc.)	13.6%	22.7%	0.0%	27.3%
(b)	Information Technology	4.5%	13.6%	0.0%	18.2%
(c)	Engineers, Scientists and Technicians	9.1%	13.6%	4.5%	18.2%
(d)	Arts, Design and other Creative Occupations	0.0%	13.6%	0.0%	22.7%
(e)	Healthcare Related	4.5%	9.1%	4.5%	27.3%
(f)	Office and Administrative (secretaries, office clerks, receptionists, etc.)	4.5%	40.9%	0.0%	18.2%
(g)	Unskilled Service Workers (food prep, retail sales, housekeeping, etc.)	27.3%	22.7%	0.0%	13.6%
(h)	Agricultural	0.0%	9.1%	0.0%	27.3%
(i)	Construction	4.5%	9.1%	0.0%	27.3%
(j)	Repair and Skilled Maintenance (not janitorial)	0.0%	13.6%	4.5%	22.7%
(k)	Unskilled Manufacturing (assembly, production helpers, etc.)	9.1%	13.6%	4.5%	18.2%
(l)	Skilled Manufacturing (welders, machinists, etc.)	9.1%	13.6%	0.0%	18.2%
(m)	Transportation	0.0%	9.1%	0.0%	27.3%

(Paper surveys only. All but 2 businesses assessed at least one category. Question not present on E-Survey)

13. If you answered "yes" for any category in question 12 above, identify up to 3 of the most important reasons for your recruiting problem. ***(Circle UP TO THREE.)***

36.4% Competition for employees
4.5% High cost of training employees
22.7% High wage rates for labor
13.6% Inadequate labor skills
4.5% Lack of child care
4.5% Poor work attitudes
4.5% Workers cannot pass screening (drug, criminal record check, etc.) please specify
0.0% Workers lack documentation of legal work status
22.7% Workers will not commute into the area
4.5% Workers will not relocate into the area
22.7% Other

14. Please estimate the commute time for your employees.

(a)	Within a 15 minute drive one way	62.5%
(b)	16-30 minute drive one way	29.3%
(c)	31-60 minute drive one way	7.0%
(d)	61+ minute drive one way	1.3%
Check total (should equal 100%)		100%

15. What resources are you currently using to locate new employees? ***(Circle ALL that apply)***

14% Ad in local community papers
0% Ad in metro / state-wide papers
9% Hire our own apprentices
14% Hire people who were initially temporary employees
36% Internet advertising on job boards (e.g. Craig's List, Indeed, Monster, etc.)
27% Internet advertising on our own website
50% Internet advertising through social media (e.g. Facebook, LinkedIn, etc.)
14% Job Fair
14% Minnesota Workforce Center (aka CareerForce)
9% Placement office of four-year, community and / or technical colleges
9% Private search firm
5% Professional associations
18% Promote from within
36% Referrals from existing employees
27% Sign in the window
9% Temporary agency / staffing service business
0% Union
41% Walk-in
59% Word of mouth
9% Other_____
18% Not Applicable

16a. Do you expect the number of employees you have in each of the following categories to increase, decrease or stay the same over the next three years? ***(Circle 1, 2 or 3 for each category)***

b. If you expect a change, how many employees will be added or subtracted? (*Indicate by how many)*

Category	Increase	Stay Same	Decrease	How Many?	Average
(a) Professional/Managerial (managers, accountants, HR professionals etc.)	13.6%	54.5%	0.0%	3.0	0.1
(b) Information Technology	0.0%	27.3%	0.0%	0.0	0.0
(c) Engineers, Scientists and Technicians	9.1%	27.3%	0.0%	1.0	0.0
(d) Arts, Design and other Creative Occupations	4.5%	22.7%	0.0%	0.0	0.0
(e) Healthcare Related	0.0%	27.3%	0.0%	0.0	0.0
(f) Office and Administrative (secretaries, office clerks, receptionists, etc.)	27.3%	36.4%	0.0%	6.0	0.1
(g) Unskilled Service Workers (food pre retail sales, housekeeping, etc.)	31.8%	36.4%	0.0%	21.0	0.5
(h) Agricultural	0.0%	22.7%	0.0%	0.0	0.0
(i) Construction	4.5%	22.7%	0.0%	0.0	0.0
(j) Repair and Skilled Maintenance (not janitorial)	4.5%	31.8%	0.0%	0.0	0.0
(k) Unskilled Manufacturing (assembly, production helpers, etc.)	18.2%	22.7%	0.0%	10.0	0.2
(l) Skilled Manufacturing (welders, machinists, etc.)	18.2%	18.2%	0.0%	4.0	0.1
(m) Transportation	4.5%	22.7%	0.0%	0.0	0.0

17. Overall, how do you rate your employees with respect to their attitude toward work and their productivity? *(Circle ONE answer per line)*

Average			Poor	Below Average	Fair	Above Average	Excellent
4.14	(a)	Attitude toward work	0%	0%	18%	50%	32%
4.09	(b)	Productivity	0%	5%	14%	50%	32%

18. Employees and owners often need additional training.

(a) Do you need training for either workers or managers?

55% Yes 45% No

(b) If yes, circle the categories below and please estimate the number of employees

Average			Number of people needing this training
18%	(a)	General Skills	47
41%	(b)	Managerial Skills	19
23%	(c)	Sales and Marketing	8
14%	(d)	Computer Skills	22
23%	(e)	Other Skills (please list)	108

19. How do you currently train your employees? (*Circle ALL that apply.)*

0%	A government supported program (e.g. Minnesota Job Skills Partnership or similar program)
5%	Apprenticeships
36%	Contract with private vendors for online training
27%	Contract with private vendors for on-site training
5%	Contract with public vendors (technical colleges, etc.) for online training
5%	Contract with public vendors (technical colleges, etc.) for on-site training
0%	Do not provide any employee training
86%	In-house training (one-on-one by supervisor or co-worker, training department classes, etc.)
45%	Self-taught (manuals, videos, training materials)
45%	Send employees to training offsite
0%	Other (Please list) _____

Customers

20. We are interested in the location of your customers. Please estimate the percent of your gross sales coming from the following locations:

a. Local (within 25 miles)?	58.0%
b. Regional (26-100 miles)?	21.4%
c. Outside the region but in the United States?	19.8%
d. Outside of the U.S.?	0.7%
	100.0 TOTAL

21a. Is your business currently exporting internationally? ***(Circle ONE answer)***

23% Yes, we export directly from our business
0% Yes, but we sell our product internationally through another company which exports it (ex: US parent company, etc.)
68% No

21b. What prevents you from exporting your product? ***(Circle ALL that apply.)***

36%	Business designed to serve specific area
14%	Business is too small
0%	Concerns about receiving payment
0%	Costs / risks are too high
9%	Lack of knowledge of foreign countries/markets
5%	Lack of specific export knowledge
0%	Language barrier
5%	Never fully considered it before – but I would like to consider it
0%	Restrictive state and or federal regulations
0%	Starting plans to export
5%	Tough competition
14%	Other

22. If you export now, or previously exported, please identify problems, if any, that you have exporting your product(s)? ***(Circle ALL that apply)***

5%	Transportation of product
0%	Lack of export financing
0%	Restrictive state and/or federal regulations
0%	Inadequate knowledge of foreign countries/markets
0%	Other
18%	I do not have problems exporting my product(s)
50%	Not applicable

Changes

23a. Are there any major technological innovations on the horizon in your industry that might affect your company? ***(Circle ONE answer)***

Yes 41% | No 41% | Not Sure 14%

→ **23b. If No or Not Sure, skip to question 24.**

→ **23c. If Yes, what are these?**

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→ **23d. If Yes, will these new technologies require retraining of your labor force?** ***(Circle ONE answer)***

23% Yes 14% No

24. Does this business have a written transition plan for ownership, leadership, or both?

23% Yes 68% No 5% Not applicable

25. Are there changes in your business plan for the next three years? ***(Circle ALL that apply)***

41%	No change in operations
32%	Change in mix of goods/services
27%	Add or subtract product lines
23%	Change production technology or other technology
18%	Other

26. Do you have a written business plan?

55% Yes 45% No 0% Not applicable

27a. Do you have any plans to modernize or expand your present buildings(s) or equipment? ***(Circle ONE answer)***

Yes 32% No 64%

27b. <u>If No</u>, skip to Question 28.

27c. <u>If Yes</u>, what is planned?

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27d. <u>If Yes</u>, when will the work begin (year)? Average = 2021

28. Which of the following resources would you like to know more about?

18%	RETAP (Retiree Environmental Technical Assistance Program) – A free review of your facility by a retired engineer to help find potential energy savings.
18%	PACE (Property Assessed Clean Energy) – A new way to finance energy efficiency and renewable energy upgrades in your business.
41%	Utility rebates – learning about the energy efficiency (and occasionally renewable energy) rebates available from the local utility.
18%	Renewables – Getting more information about solar or other renewable energy technologies and funding.

Future Location Decisions

29. Are you currently considering? ***(Circle ALL that apply)***

5%	Downsizing
9%	Selling
18%	Merging with or acquiring another business
0%	Moving
0%	Closing
50%	Expanding – at this location
18%	Expanding – adding another location
9%	Other changes to business plan
32%	None of the above

30. If you said in Question 29 that you are considering downsizing, selling, moving or closing, what are the reasons? ***(Circle ALL that apply)***

5%	Changing market conditions
5%	Overcrowded building
0%	No land for expansion
0%	Transportation problems
0%	Crime/vandalism
5%	Low work productivity
0%	Environmental concerns
0%	Rigid code enforcement (including ordinances and building codes)
0%	High local taxes
0%	High state taxes
0%	Lease expiration
0%	Poor telecommunications/internet
5%	Insufficient labor supply
5%	Retiring
0%	Another business opportunity
0%	Business incentives from other jurisdiction(s)
0%	Trying to sell business but unable to sell it
0%	Other (specify)

31. If moving or expanding at another location (Yes to Question 29d or 29g), where are you considering? ***(Circle ALL that apply)***

23%	In same city as currently located
0%	Another city in this county (specify city)
5%	Another county in the state (specify county and city)
5%	Another state (specify city and state)
0%	Outside of the United States (specify city and country)
0%	Undecided

32. If not expanding your business, what is the single biggest factor or issue preventing you?

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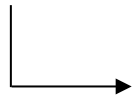
33a. Do you rent / lease or does this business own this facility? ***(Circle ONE answer)***

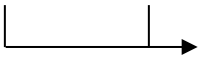
14% Rent /Lease 86% Own



33b. <u>If Rent / Lease</u>, when does the current rental agreement expire?

34a. Does your company currently own or rent / lease sufficient property to allow for expansion if necessary? ***(Circle ONE answer)***

Yes	Maybe	No
50%	5%	27%



34b. If Maybe of No, what type of land, buildings, and space needs do you foresee?

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Remainder of page intentionally left blank, data continues on next page

Community Factors

35. If your business had to select a new location in the near future, how important would each of the following factors be in the decision-making process?

Average		Not at all Important 1	2	3	Very Important 4	Don't know DK
	A. Workforce					
3.04	1) Availability of skilled labor	14%	2%	14%	32%	11%
2.58	2) Availability of unskilled labor	11%	14%	23%	11%	14%
3.08	3) Wage rates	7%	9%	14%	27%	14%
2.85	4) Employee health care cost	9%	9%	23%	18%	14%
1.54	5) Union presence	39%	5%	9%	2%	18%
	B. Education and Training					
3.34	1) K-12	5%	2%	25%	34%	9%
2.72	2) Higher education within a reasonable drive	9%	18%	20%	18%	9%
2.72	3) Technical training programs	14%	11%	20%	20%	9%
	C. Transportation/Location					
3.14	1) Highway accessibility	9%	5%	20%	32%	7%
1.30	2) Air service	41%	7%	5%	0%	20%
2.54	3) Proximity to major markets	11%	14%	18%	11%	18%
2.29	4) Proximity to raw materials	18%	5%	30%	2%	18%
2.83	5) Proximity to service suppliers	0%	14%	34%	5%	20%
1.24	6) Railroad service	39%	7%	2%	0%	25%
2.00	7) Transit & local transportation	25%	11%	11%	7%	18%
	D. Land, Buildings, and Credit					
2.73	1) Availability of land	11%	16%	9%	23%	16%
2.96	2) Cost of land	11%	9%	11%	30%	14%
3.19	3) Availability of buildings	11%	2%	11%	36%	16%
3.30	4) Cost of buildings	7%	2%	18%	34%	16%
3.08	5) Availability of loans	9%	7%	14%	30%	18%
3.12	6) Cost of loans	7%	9%	14%	30%	18%
	E. Utilities					
3.03	1) Energy cost (electric, natural gas)	5%	11%	30%	23%	9%
3.40	2) Energy reliability (electric, natural gas)	2%	9%	16%	41%	9%
3.43	3) Telecommunications & broadband reliability	2%	5%	23%	39%	9%
3.24	4) Telecommunications & broadband cost	2%	7%	30%	27%	9%
3.10	5) Broadband speed	5%	9%	30%	25%	9%

35. (continued) If your business had to select a new location in the near future, how important would each of the following factors be in the decision-making process?

Average		Not at all Important 1	2	3	Very Important 4	Don't know DK
	F. Local Business Support					
3.64	1) Community attitude towards business	0%	5%	14%	45%	0%
3.36	2) Community promotion of itself and business	9%	5%	5%	45%	0%
2.77	3) Chamber of commerce	14%	14%	5%	27%	0%
5.43	4) Economic development authority	23%	5%	9%	23%	0%
2.93	5) Incentives for business investment in facilities, worker skills or more workers	5%	23%	9%	27%	0%
	G. Quality of Life					
2.87	1) Recreational opportunities	9%	16%	18%	25%	11%
2.67	2) Cultural opportunities	11%	18%	20%	18%	11%
2.80	3) Social organizations and networks	9%	16%	23%	20%	11%
3.03	4) Housing supply	5%	11%	27%	23%	14%
3.10	5) Housing costs	5%	11%	23%	27%	14%
2.91	6) Health care facilities	9%	11%	30%	23%	7%
2.69	7) Availability of child care	16%	9%	20%	20%	14%
	H. Government and Regulation					
3.27	1) Fire Department	2%	16%	16%	41%	5%
3.25	2) Police Department	2%	16%	16%	39%	5%
3.36	3) Sewer & Water	2%	9%	23%	41%	5%
3.19	4) Street Maintenance	2%	16%	20%	34%	5%
2.70	5) Environmental regulations	7%	25%	18%	18%	9%
2.91	6) Planning and zoning	7%	18%	23%	25%	5%
2.63	7) Code enforcement	14%	18%	16%	20%	7%
	I. Local Government Financial Management					
3.41	1) Property Taxes	5%	5%	20%	43%	5%
3.41	2) Other Local Taxes and fees	2%	7%	23%	41%	5%
3.13	3) Spending priorities	5%	11%	25%	30%	7%
3.07	4) Budget process & financial management	9%	9%	18%	32%	7%

36. Based on the following factors, please rate your satisfaction with your current location as a place for your company to do business.

Average		Very Dissatisfied 1	2	3	Very Satisfied 4	Don't know DK
	A. Workforce					
2.68	1) Availability of skilled labor	5%	16%	30%	7%	18%
2.77	2) Availability of unskilled labor	2%	16%	23%	9%	25%
2.78	3) Wage rates	2%	23%	23%	14%	14%
2.31	4) Employee health care cost	18%	11%	23%	7%	16%
2.90	5) Union presence	2%	5%	9%	7%	52%
	B. Education and Training					
3.46	1) K-12	2%	2%	18%	32%	23%
3.33	2) Higher education within a reasonable drive	2%	7%	20%	32%	16%
3.04	3) Technical training programs	5%	14%	18%	25%	16%
	C. Transportation/Location					
3.71	1) Highway accessibility	0%	0%	20%	50%	2%
3.00	2) Air service	2%	9%	18%	14%	32%
3.11	3) Proximity to major markets	2%	9%	30%	20%	14%
3.15	4) Proximity to raw materials	2%	7%	30%	20%	16%
3.07	5) Proximity to service suppliers	2%	9%	34%	18%	11%
2.93	6) Railroad service	5%	7%	7%	14%	41%
2.91	7) Transit & local transportation	2%	14%	20%	14%	25%
	D. Land, Buildings, and Credit					
3.29	1) Availability of land	2%	2%	23%	20%	23%
2.84	2) Cost of land	7%	5%	20%	11%	27%
2.60	3) Availability of buildings	7%	11%	20%	7%	25%
2.71	4) Cost of buildings	9%	9%	16%	14%	23%
3.21	5) Availability of loans	0%	11%	11%	20%	27%
3.10	6) Cost of loans	2%	11%	11%	20%	25%
	E. Utilities					
2.93	1) Energy cost (electric, natural gas)	0%	14%	45%	9%	7%
3.40	2) Energy reliability (electric, natural gas)	2%	0%	34%	32%	5%
3.35	3) Telecommunications & broadband reliability	0%	9%	27%	34%	5%
3.35	4) Telecommunications & broadband cost	0%	7%	32%	32%	5%
3.19	5) Broadband speed	2%	7%	39%	25%	2%

36. (continued) Based on the following factors, please rate your satisfaction with your current location as a place for your company to do business.

Average		Very Dissatisfied 1	2	3	Very Satisfied 4	Don't know DK
	F. Local Business Support					
3.03	1) Community attitude towards business	5%	11%	34%	23%	0%
2.94	2) Community promotion of itself and business	5%	16%	32%	20%	0%
2.83	3) Chamber of commerce	7%	18%	23%	20%	5%
3.04	4) Economic development authority	2%	16%	20%	23%	11%
2.50	5) Incentives for business investment in facilities, worker skills or more workers	9%	14%	20%	7%	23%
	G. Quality of Life					
3.03	1) Recreational opportunities	0%	16%	32%	18%	7%
2.68	2) Cultural opportunities	2%	25%	18%	11%	14%
3.07	3) Social organizations and networks	0%	11%	36%	16%	9%
3.14	4) Housing supply	2%	11%	25%	25%	9%
3.07	5) Housing costs	0%	14%	32%	18%	9%
3.11	6) Health care facilities	5%	9%	25%	25%	9%
2.80	7) Availability of child care	0%	18%	18%	9%	27%
	H. Government and Regulation					
3.79	1) Fire Department	0%	0%	14%	52%	7%
3.77	2) Police Department	0%	0%	16%	52%	5%
3.31	3) Sewer & Water	2%	5%	30%	30%	7%
3.37	4) Street Maintenance	2%	2%	32%	32%	5%
3.29	5) Environmental regulations	0%	0%	34%	14%	23%
3.22	6) Planning and zoning	7%	2%	23%	30%	11%
3.08	7) Code enforcement	5%	5%	30%	18%	16%
	I. Local Government Financial Management					
2.63	1) Property Taxes	5%	27%	32%	9%	0%
2.81	2) Other Local Taxes and fees	2%	20%	36%	11%	2%
2.86	3) Spending priorities	5%	11%	39%	11%	7%
3.10	4) Budget process & financial management	0%	9%	41%	16%	7%

37. Do you have any suggestions for improving the items above (in Question 39.) that you gave lower ratings to? If so, please give the item number and your suggestion for each item:

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38a. Do the following community features related to tourism have a positive impact, no impact, or negative impact on your business? ***(Circle ONE answer for each item)***

Average		Very Positive Impact		No Impact		Very Negative Impact
0.19	**(a)** Activities for children and teens	9%	2%	57%	2%	2%
0.31	**(b)** Amusement and recreation activities	9%	11%	48%	2%	2%
0.22	**(c)** Arts and cultural events	9%	5%	55%	2%	2%
0.38	**(d)** Community atmosphere	9%	18%	39%	5%	2%
0.29	**(e)** Community diversity	7%	14%	45%	2%	2%
0.50	**(f)** Festivals or events	11%	18%	41%	0%	2%
0.34	**(g)** Historic atmosphere (downtown, barns, etc.)	2%	25%	43%	0%	2%
0.03	**(h)** Information for tourists	5%	5%	55%	2%	5%
0.19	**(i)** Landscapes (downtown, farm, natural)	5%	11%	50%	2%	2%
-0.03	**(j)** Lodging facilities	7%	5%	45%	7%	7%
0.29	**(k)** Meeting/conference facilities	11%	5%	50%	2%	2%
0.03	**(l)** Museums/historic sites	0%	7%	61%	0%	2%
0.26	**(m)** Natural environment	5%	14%	50%	0%	2%
0.39	**(n)** Outdoor recreation (including hunting/fishing)	9%	14%	45%	0%	2%
0.29	**(o)** Proximity to potential visitors	5%	16%	48%	0%	2%
0.19	**(p)** Seasonal tourism	5%	9%	55%	0%	2%
0.29	**(q)** Transportation access for potential visitors	7%	11%	50%	0%	2%

38b. Which of the features listed in Question 38a. do you feel should be the focus of a marketing image for this community? ***(Please list the LETTERS for UP TO THREE choices)***
Note: ***if no number listed after the letter, then response=1; otherwise, response is the number shown***

First choice: a (2), b, d , e, f, g, j (2), n

Second choice: a, d (2), e, f, i (2), j, o

Third choice: a, b (2), c, d, f, g, o, q

*Data above represents information from Paper Surveys only.

Top 3 categories delineated in ESurveys: d (7), i (4), and e (3)/h (3)

39a. Please rate the following factors about retail in this community. ***(Circle ONE for each item)***

Average		Poor 1	2	3	Excellent 4	Don't Know DK
2.48	a) Advertising	5%	25%	30%	2%	5%
2.54	b) Coordinated store hours	14%	5%	36%	5%	7%
3.54	c) Customer service	0%	0%	27%	32%	7%
2.89	d) Exterior atmosphere of the area (e.g. front entrances, rear entrances, landscaping, street trees, store fronts, sidewalks, cleanliness, signage)	0%	14%	41%	7%	5%
3.62	e) Feeling of safety (e.g., lighting, security)	0%	0%	25%	41%	0%
2.60	f) Group advertising	2%	25%	23%	7%	9%
2.76	g) Hours - Evening	5%	11%	34%	7%	9%
2.92	h) Hours - Weekend	2%	5%	43%	5%	11%
3.27	i) Internet presence (i.e., can you find community retailers online?)	0%	9%	25%	25%	7%
3.63	j) Knowledge and friendliness of local personnel	0%	0%	23%	39%	5%
3.07	k) Merchandising by retailers	0%	5%	48%	9%	5%
1.00	l) Other	2%	0%	0%	0%	18%
3.15	m) Parking situation (e.g., number of spaces, location)	2%	5%	36%	18%	5%
2.89	n) Prices	0%	16%	36%	9%	5%
2.62	o) Public restrooms	7%	16%	30%	7%	7%
3.27	p) Quality of merchandise handled by merchants	0%	7%	30%	23%	7%
2.68	q) Special events or promotions in the shopping area	2%	20%	27%	7%	9%
2.76	r) Traffic flow / signage	5%	14%	41%	7%	0%
2.25	s) Variety of businesses	7%	34%	23%	0%	2%
1.55	t) Variety of places to eat	39%	18%	9%	0%	2%

39b. What three items from the above list are the most <u>important</u> to be improved (*Identify <u>UP TO THREE LETTERS</u> from the above list)*
Note: ***if no number listed after the letter, then response=1; otherwise, response is the number shown***

First choice:* a, d, f, m, n (2), q (3), s (2), t (6)

Second choice:* d, o, p, q, r (2), s (5), t

Third choice:* a, d, h, m, p, r, s, t (3)

*Data above represents information from Paper Surveys only.

However, **the top 3 categories as delineated in eSurvey responses: s (10), t (8), a and r each had (4)**

40. Considering all the factors in Question 39a., how would you rate the overall atmosphere in your local shopping area? *(Circle ONE answer)* Average = 3.06

0%	Poor	18%	Below Average	36%	Average	23%	Above Average	0%	Excellent

Summary Questions

41. What is your overall opinion of your community (i.e. where your business is) as a place to conduct business? *(Circle ONE answer)* Average = 3.57

0%	Poor	9%	Below Average	36%	Average	36%	Above Average	14%	Excellent

42. What is your overall opinion of your community (i.e. where your business is) as a place to live? *(Circle ONE answer)* Average = 3.62

0%	Poor	0%	Below Average	41%	Average	50%	Above Average	5%	Excellent

43. What state and local policies are of greatest significance to your company?

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44 We have covered many issues. Please help us set some priorities on how the Connecting Businesses and Community Task Force can help your business or what we should work on to help all of our existing businesses grow and expand. Please give your additional comments. (visitor, please take notes on back of page, if need be).

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45. If we find an issue in your survey response in which a certain individual or individuals may be able to respond to your concern in a beneficial way, do you authorize us to release your survey information to them? *(Circle ONE answer)*

86% Yes **Your contact information will be shared with the resource person(s) to aid them in understanding your company and the concern. Please sign here to authorize release of your survey information to the appropriate, selected resources:**

_____

9% No **We will provide you information about the resources available to assist you, and you will make the first contact with the resource. The resource person(s) will not have access to your survey.**

Thank you for participating in our Connecting Businesses and Community Visitation Program. We appreciate the time you've given us and the contribution your business is making to our local economy.

We cannot promise to solve the concerns you mentioned, but we will promise to try. If we can help you in the future, please call:

Joel Erickson, City of Lonsdale, 507-744-2327 or jerickson@lonstel.com or

Lance Benninghoff, Lonsdale EDA, 303-902-5882 or lbenninghoff@yahoo.com

CHAPTER 5: THE CBC STRATEGIES PROGRAM IN LONSDALE – THE PEOPLE AND THE PROCESS

The purpose of this chapter is to overview the City of Lonsdale Connecting Businesses and Community Program – the people and processes that made the project happen.

Overview of the City of Lonsdale Connecting Businesses and Community Program

Economic development leaders and community volunteers have worked together since the spring of 2019 to make the Connecting Businesses and Community Program happen in the City of Lonsdale. The Lonsdale Economic Development Authority provided the funding for the program. Here are the key activities and processes in that timeline. The City of Lonsdale Connecting Businesses and Community (CBC) Program is an on-going community effort. This section of the report details important milestones achieved thus far along with future plans of the program.

The City of Lonsdale CBC Program has several objectives:

1. To demonstrate support for local businesses
2. To help solve immediate business concerns.
3. To increase local businesses' ability to compete in the global economy
4. To establish and implement a strategic plan for economic development.
5. To build community capacity to sustain growth and development.
6. To update contact information of businesses
7. To learn about Labor force questions/concerns
8. To learn who are the respective businesses customers
9. To help with plans for expansion/relocation/succession
10. To be made aware of general community concerns
11. To hear your overall thoughts of community relative to business

Milestones of the CBC Process in the City of Lonsdale

Date(s)	Benchmark	Description of activity
October 2018	Program Education	Lonsdale city and EDA members participated in a Business Retention and Expansion (BRE) course on the U of M Extension St. Paul campus in October, 2018. Thereafter, a core group started working with Extension educators Liz Templin and Eric King on program education and planning.
March 2019- October 2019	Program Preparations	Extension Educators gave a brief presentation in March 2019 to the Lonsdale EDA providing an overview of CBC program. In the following months, the Leadership Team met a few times to make the decisions, assemble the task force, recruit volunteers, test the survey instrument, and lay the plans for the CBC. Since then, Extension educator Eric King has served as the UMN consultant to the community. An application was made to the University of Minnesota Extension's Connecting Businesses and Community Program and UMN Extension accepted the application.
October 2019 through January 2020 (interviews were completed up until 9/20)	Business Selection	The CBC leadership team established a goal of accomplishing 40 business visits. Lonsdale CBC conducted a randomized selection of businesses in the community. After compiling a list of all businesses, a random drawing was selected for these businesses to have volunteers conduct face-to-face interviews. In addition, an esurvey instrument was sent to all businesses in the community using the UMN's Qualtrics platform. This online survey included some but not all of the questions from the interview guide used for in-person visits.
January 2020	Volunteer Training	Volunteer visitor training sessions were held in Lonsdale by Extension Educators Michael Darger and Eric King. The sessions oriented volunteer visitors to the CBC process and trained them on interviewing businesses. Volunteers then worked in teams of two during business interviews with one person holding the primary responsibility for asking the questions while the second person recorded the responses.
February to September	Business Visits	Volunteers visited 22 City shows 23 – confirm

2020		with Laura businesses at 22 locations. An additional 33 online surveys were submitted by businesses; 22 of these submissions contained usable data. Copies of the completed surveys were sent via courier to the University of Minnesota Extension's Lauren Sorgaard for data entry and tabulation.
March 2020	Lonsdale CBC Temporarily on Hold	As a result of the COVID-19 pandemic and government-ordered shutdowns, the Lonsdale CBC program was temporarily put on hold from March-July.
April, 2020	Warning Flag (aka Red Flags) Review	Reviewing the surveys individually for follow-up opportunities is an important community opportunity in a CBC program. This is probably the single most important activity that a CBC initiative can do – responding appropriately and confidentially to businesses on issues such as business relocations, concerns with public service, needs for resources, etc. The Red Flag review meeting was held April 26, 2020. The meeting on April 26th revealed: ➢ A majority of businesses had issues related to workforce. It was decided not to "red flag" these issues, but instead address them through potential priority projects. ➢ Three expansion opportunities that were being followed up in person ➢ Two other warning flag (closing/retiring) that were both "do not follow up" interviews ➢ There are about 20 businesses looking for more information. They were followed up via mail and email (ask Lance about these)
November 17, 2020	Online Research Review	As a result of the ongoing COVID-19 pandemic, the research review meeting was conducted online using various tools and technology. While the Warning Flag Review identifies individual business concerns, the Online Research Review meeting identifies overarching, universal themes in the survey results. Once these are identified through a SWOT analysis, the Online Research Review

		participants suggest ideas for projects the Task Force might undertake to address these themes. Participants typically include members of the CBC Leadership Team, economic development professionals, such as representatives from the Minnesota Department of Employment and Economic Development (DEED), and University of Minnesota faculty. See roster of participants below.
November 2020 through January 2021	Research Report Development	Following the online Research Review meeting, the UMD Bureau of Business and Economic Research & UMN Extension prepared the research report. The goal of the research report is to detail the overarching themes identified by the Research Review team and to suggest potential projects. Potential projects are ideas the Task Force might use to address the larger themes identified by the survey. The Research Report also summarizes the survey data, gives a history of the CBC project, provides context on the local economy and demographics, and contains the aggregated survey data. The Lonsdale Leadership Team sent the completed surveys to the University of Minnesota Extension for tabulation and analysis. Lauren Sorgaard tabulated the surveys, integrated the useable responses from the esurvey and prepared a summary of the data for the Research Review meeting. This research report was then drafted based on input from the review panel and other ideas.
January 2021	Online Task Force Retreat	At this virtual retreat, the Lonsdale Task Force will be presented with the overall results of the survey, overarching strategies for addressing the universal issues identified, and potential projects for addressing these issues. The Task Force will then decide on the major projects to implement to maximize CBC success in Lonsdale. The Task Force is free to recommend any of the projects listed in this report, to revise and then adopt any of the projects or to develop its own project recommendations. Typically, a community will adopt three to five priority projects in the first phase of implementation.

Next Steps

Projected January-February 2021	Online Implementation Resource and Project Design Meeting	As the City of Lonsdale considers how to implement its priority projects it needs to consider the external resources and resource persons needed for successful implementation. Each CBC project team should meet with these external resource people to pose three questions: 1) Is your group doing any work similar to our proposed project that benefits businesses in our area? 2) If yes, what are you doing and to what degree are you reaching businesses in Lonsdale? 3) Would you be willing to collaborate with us and/or how could our CBC team help your program? The priority projects might be modified after this meeting to account for additional resources identified.
Projected, February or March 2021	Community Commencement Meeting	(Note: Depending on the pandemic status at the time of the meeting, it is likely that this session will need to be conducted online. Or it could be postponed until the Minnesota Department of Health issues a recommendation for holding large, in-person gatherings) This is a meeting traditionally held to celebrate the accomplishments of the first two phases of a CBC, the Research and Prioritize phases and signal the beginning of the Lonsdale CBC Implementation phase. For the most impact, this should be a community-wide event. In particular, all of the Task Force members, volunteer business visitors, Lonsdale EDA members, local media, and visited businesses are invited. Other local government, business, and community leaders could be invited, as well as regional and state agency representatives and members of the community. A summary report summarizing the CBC program and the priority projects selected for implementation will be provided by University of Minnesota Extension.
Projected, 2021-22	Implementation Meetings	It is customary to have quarterly task force meetings to continue the forward progress on the CBC priority projects through time. For tips on implementation of CBC strategies, see *Next Steps: Hints on Successful Implementation of CBC Projects*

Organizations and People Involved in the City of Lonsdale CBC Program

Conducting a community-wide economic development engagement is a resource intensive and time-consuming task. It's not done overnight, and it's not done with 1 to 2 people. Instead, successful

groups initiate the process and then work throughout the process to increase the group size. In Connecting Businesses and Community projects, there are important teams of people that are involved in making the project successful: the program sponsors, the leadership team, the task force, and the volunteer visitors.

Program Sponsors

The City of Lonsdale CBC Program is sponsored by the following organizations:
Lonsdale EDA (Economic Development Authority)
City of Lonsdale
University of Minnesota Extension

Leadership Team

This Leadership Team is organizing and planning the CBC. They identified people to serve on the Task Force or as volunteer visitors and made contact with those individuals. They visited businesses, responded to warning flags, and will select and implement the priority projects that emerge from the priority-setting retreat.
Members of the Lonsdale CBC Leadership Team are:

1. Overall Coordinator, Lance Benninghoff, Lonsdale EDA
2. Business Resources Coordinator (aka Warning Flags Coordinator) Lance Benninghoff, Lonsdale EDA
3. Milestone Meeting Coordinator Scott Pelava, Lonsdale EDA/Lonsdale City Council/Lonsdale AutoWorks
4. Visitation Coordinator Laura Prigge, Lonsdale EDA
5. Media Coordinator Elizabeth Daleiden, Lonsdale EDA
6. Joel Erickson, City of Lonsdale administrator

CBC Task Force

In addition to the Leadership Team, these individuals serve on the CBC Task Force. These Task Force members have visited businesses, responded to warning flags, and will help select and implement the priority projects that emerge.

Organization	Name
Lonsdale Resident	Ryan Phelps
Frandsen Bank & Trust	Mike Chapman
Lonsdale Resident	Nancy Watts
Minnesota Millwork & Fixtures	Garrett Goettsch
Quilting by the Hearth	Lisa Strawhacker
Lonsdale EDA / Smoke	Andrew Rasmussen
Audre's Attic	Audre Johnson
Lonsdale Country Market	Pat Wallin
Lonsdale Telephone & Video Ventures	Bonnie Simon
Lonsdale Area Chamber of Commerce	Thea Kelly
Lonsdale City Planner	Ben Baker
Lonsdale Area Chamber of Commerce	Kevin Flicek

Lonsdale Resident	Cheryl Fitterer
Lonsdale Resident	Harry Oertel
Rice County Economic Development	Kathy Feldbrugge
Lonsdale City Administrator	Joel Erickson
Lonsdale Family Dental Clinic	Matt Stockinger
Lonsdale City Council/EDA	Cindy Furrer
Lonsdale EDA / Minnesota Millworks & Fixtures	Randall Rivers
Lonsdale City Council/EDA/Lonsdale AutoWorks	Scott Pelava
Tri-City United High School	John Head
MnDoT	Mike Dougherty
Minnesota DEED	Natalie Siderius
Minnesota Millworks & Fixtures	Brenda DeGross

In addition to the Leadership Team and the Task Force mentioned above, there are three other groups of people that are important to the City of Lonsdale success in its CBC program. These are the participating businesses, the campus research review team and the Lonsdale Economic Development Authority.

Business Participating in the Lonsdale CBC Program

The following businesses graciously agreed to be interviewed as part of the CBC visitation process. While survey responses are confidential, it is important to acknowledge the contribution of participating business owners or managers. There were 44 completed and usable surveys and esurveys. They represent an estimated total of 35+ businesses. We are only able to list the names of the 22 businesses that were visited for in-person interviews. Businesses that completed the anonymous esurvey can take pride that they also contributed to the important information gathering that enabled this research report.

Business

Lonsdale American Legion
Center Stage Dance
Dollar General
Frandsen Bank & Trust
Generations Home & Building Center
Lonsdale Area Chamber of Commerce
Lonsdale Chiropractic
Lonsdale Country Market
Lonsdale Hardware & Rental
Lonsdale Packaging
Lonsdale Telephone & Video Ventures

Mackenthun's Fine Foods
Midwest Cryogenics
MinDak Commercial Construction
Minnesota Millworks & Fixtures
Quilting by the Hearth
Smisek's Plumbing & Heating
Something for All
Technical Methods
Telamco
Tri-City United (Lonsdale Elementary)
Vermillion River, LLC
Villages of Lonsdale

Online Research Review Team

The Online Research Review panel was comprised of University of Minnesota faculty and staff, Minnesota Department of Employment and Economic Development (DEED) specialists, other economic development professionals, and Lonsdale Leadership Team members. This group analyzed the survey data to identify both the SWOT (strengths, weaknesses, opportunities, and threats) as well as to ideate potential project ideas that address issues emerging from the SWOT analysis. A list of participants in the Online Research Review follows.

Online Research Review Attendees

Lonsdale CBC Leadership Team or Task Force (see section above for their affiliations and leadership roles.)

- Lance Benninghoff
- Elizabeth Daleiden
- Joel Erickson
- Scott Pelava
- Laura Prigge

Minnesota Department of Employment and Economic Development

- Luke Greiner, Minnesota DEED Regional Analysis and Outreach
- Natalie Siderius, Minnesota DEED Southeast Regional Business Development Manager

Economic and Community Development Professionals

- Kathi Schaff, Grow Minnesota! Partnership, Minnesota Chamber of Commerce

University of Minnesota

- Michael Darger, UMN Extension Center for Community Vitality
- Eric King, UMN Extension Center for Community Vitality
- John Bennett, UMN Extension Center for Community Vitality
- Jennifer Hawkins, UMN Extension Center for Community Vitality
- Brigid Tuck, UMN Extension Center for Community Vitality
- Monica Haynes, UMD Bureau of Business and Economic Research
- Gina Chiodi Grensing, UMD Bureau of Business and Economic Research
- Nathan Brand, UMD Bureau of Business and Economic Research
- Haakan Thorsgard, UMD Bureau of Business and Economic Research

- Lauren Sorgaard, UMN Extension Cloquet Regional Office

Assistance from the University of Minnesota and Other Organizations

The University of Minnesota Extension is providing the Lonsdale CBC Program with technical assistance as noted below:

- Eric King, Extension educator served as the *CBC Consultant* to the Lonsdale EDA. This included facilitating, encouraging, teaching, and helping the leadership team and the Task Force to get through the three big steps of CBC, especially the research and the pending implementation steps.
- Michael Darger, Extension Business Retention program director provided overall leadership to the project for the University of Minnesota
- Monica Haynes, Gina Chiodi Grensing, Nathan Brand, and Haakan Thorsgard, UMD Bureau of Business and Economic Research, who authored most of this research report. King and Darger authored Chapter 5. Mark Schultz, Minnesota DEED, authored the Brief Profile of the Lonsdale/Rice County Economy and Demographics.
- Lauren Sorgaard, data input and tabulation, Extension Cloquet Regional Office.
- Jodie Kaden, Extension Community Vitality Office (St. Paul), assembly of the final version of this report.

CHAPTER 6: PLANNING TOOLS, RESOURCES, AND WORKSHEETS

APPENDIX A: A BRIEF PROFILE OF THE LONSDALE AND RICE COUNTY ECONOMY AND DEMOGRAPHICS

A Brief Profile of the Lonsdale/Rice County Economy and Demographics

Population Change

Rice County was home to 66,972 people in 2019, making it the 14th largest county of the 87 counties in the state. The population in the county grew by 4.4 percent from 2010 to 2019, equaling an increase of 2,830 residents. The City of Lonsdale also saw an increase in population, jumping by 18 percent, equaling 599 more residents. See Table 1.

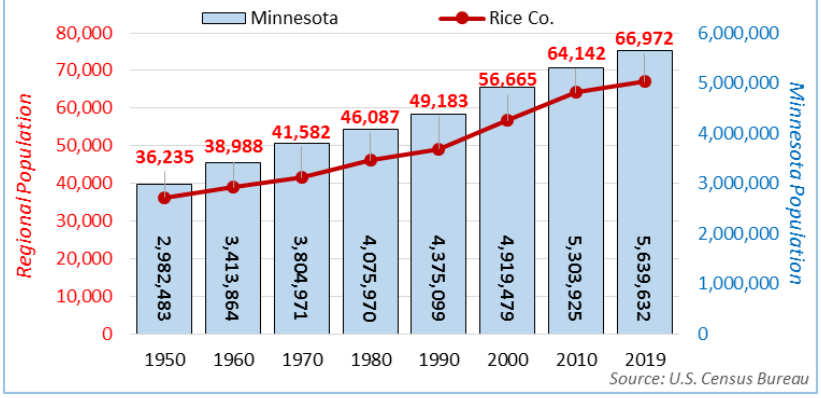
Table 1. Population Change 2010-2018/2019

	2010 Population	2019 Estimates	2010-2019 Change	
			Number	Percent
Rice Co.	**64,142**	**66,972**	**2,830**	**4.4%**
	2010 Population	**2018 Estimates**	**2010-2018 Change**	
			Number	**Percent**
Lonsdale	3,323	3,922	599	18.0%

Source: U.S. Census Bureau American Community Survey

The 2,830 resident increase in Rice County's population since 2010 is part of a trend which saw population increases since 1950. Overall, the population of the county has increased by 84.8 percent since 1950, a jump of 30,737 people. This is just below the statewide rate of increase which sat at 89.1 percent. See Figure 1.

Figure 1. Population Change, 1950-2019

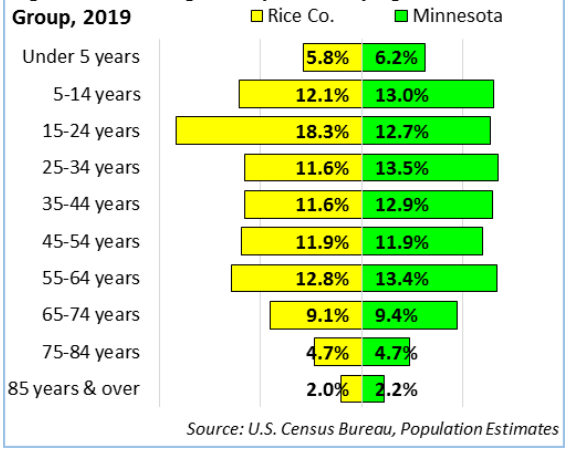


Source: U.S. Census Bureau

Population by Age Group

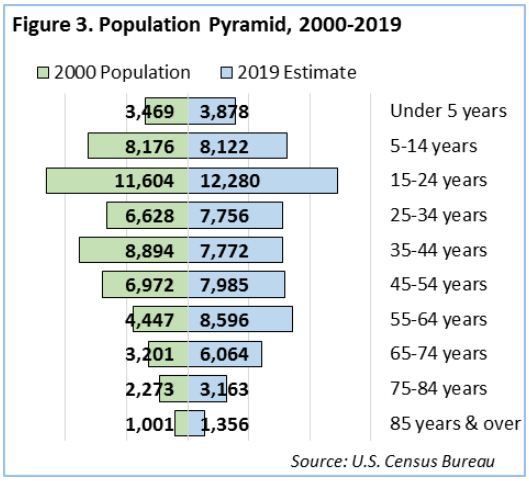
Rice County's population is younger than the state's, with just over 36 percent of the population under the age of 25, compared to 31.9 percent statewide. At 18.3 percent, the county had a much larger population between the ages of 15 and 24 compared to only 12.7 percent statewide. However, Rice County had lower percentages of people in the remaining age brackets, with the exceptions of being equal to the state for those between the ages of 45 to 54 and 75 to 84 years of age. In addition, the aging of the population in Rice County has created a significant shift in the population over time, with large gains in the population ages 55 and over. See Figures 2 and 3. The median age in Rice County was 36.2 years.

Figure 2. Percentage of Population by Age Group, 2019



Source: U.S. Census Bureau, Population Estimates

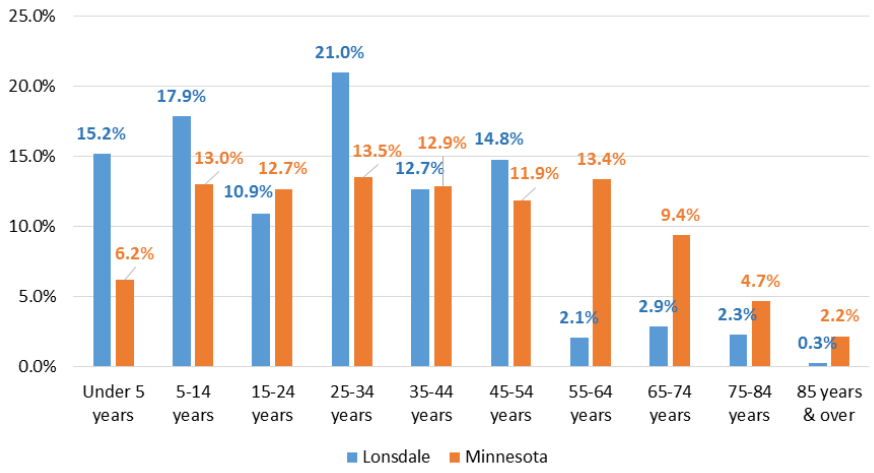
Figure 3. Population Pyramid, 2000-2019



Source: U.S. Census Bureau

The City of Lonsdale also has a younger population compared to the state, with 44 percent being under the age of 25, compared to 31.9 percent statewide. Lonsdale also had a higher percentage of population between the ages of 25 and 34 and 45 to 54, with the remaining age brackets seeing lower representation in the city compared to the state. The median age in Lonsdale is lower than that seen in Rice County (36.2 years) and the State of Minnesota (37.9 years), resting at 28.7 years. See Figure 4.

Figure 4. Lonsdale Population by Age Group (2018)
Source: U.S. Census American Community Survey



Population Projections

Rice County's population is expected to decrease over the next 20 years. According to population projections from the Minnesota State Demographic Center, Rice County is expected to lose almost 1,400 residents from 2020 to 2040, a -2.1 percent decrease. In comparison, the State of Minnesota is projected to grow 8.8 percent. The most notable losses are in the age groups from 15 to 24 years and 55 to 64 years, equaling losses of -25.3 percent and -24.6 percent, respectively. However, the county is expected to see dramatic increases in those ages of 75 and over. See Table 2.

Table 2. Rice County Population Projections, 2020-2040				*2020-2040 Change*	
Rice Co.	**2020 Projection**	**2030 Projection**	**2040 Projection**	***Numeric***	***Percent***
Under 5 years	3,132	3,503	3,130	*-2*	*-0.1%*
5-14 years	7,568	6,264	6,706	*-862*	*-11.4%*
15-24 years	11,417	9,736	8,524	*-2,893*	*-25.3%*
25-34 years	8,238	8,660	7,290	*-948*	*-11.5%*
35-44 years	7,372	7,729	8,279	*907*	*12.3%*
45-54 years	7,686	6,882	7,353	*-333*	*-4.3%*
55-64 years	8,667	7,177	6,534	*-2,133*	*-24.6%*
65-74 years	6,544	8,089	6,816	*272*	*4.2%*
75-84 years	3,471	5,390	6,691	*3,220*	*92.8%*
85 years & over	1,480	1,867	2,859	*1,379*	*93.2%*
Total	**65,575**	**65,297**	**64,182**	***-1,393***	***-2.1%***
			Source: Minnesota State Demographic Center		

Both the City of Lonsdale and Rice County saw increases in almost every race/ethnic group since 2010. As shown in table 3, the largest gains in Lonsdale were seen in those identifying as Hispanic or Latino Asian, and of Two or More Races. In addition, African Americans went from 0 to 33 during this time. The only loss came from those identifying as some other race. In Rice County, the only decrease was seen among the White population, while those identifying as Some Other Race and Black or African American saw the largest growth. See Table 3.

Table 3. Race and Hispanic Origin (2018)	City of Lonsdale				Rice County			
	Number	Percent	2010-2018 Change		Number	Percent	2010-2018 Change	
			Number	Percent			Number	Percent
Total	3,922	100.0%	599	18.0%	65,765	100.0%	2,678	4.2%
White	3,720	94.8%	493	15.3%	57,204	87.0%	-631	-1.1%
Black or African American	33	0.8%	33	N/A	3,523	5.4%	1,697	92.9%
American Indian & Alaska Native	0	0.0%	0	N/A	248	0.4%	75	43.4%
Asian	75	1.9%	35	87.5%	1,388	2.1%	304	28.0%
Native Hawaiian & Other Pacific Islander	34	0.9%	34	N/A	73	0.1%	73	N/A
Some Other Race	0	0.0%	-20	-100.0%	2,107	3.2%	1,090	107.2%
Two or More Races	60	1.5%	24	66.7%	1,222	1.9%	70	6.1%
Hispanic or Latino	178	4.5%	158	790.0%	5,222	7.9%	350	7.2%
Source: U.S. Census American Community Survey								

Educational Attainment

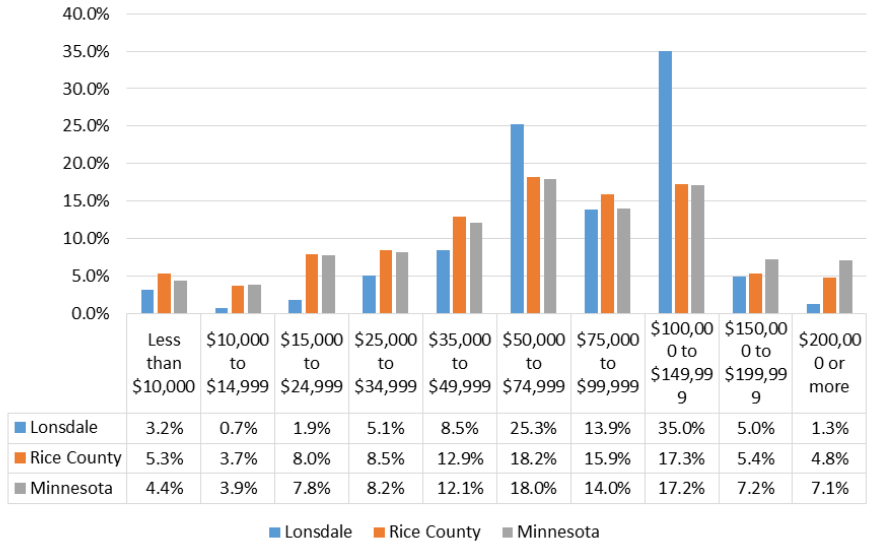
The City of Lonsdale has a slightly higher percentage of the population with less than a high school diploma compared to the State of Minnesota, and also has a much higher percentage of residents who are high school graduates and those with an Associate's Degree. In addition, the city has a much smaller percentage with a bachelor's or an advanced degree compared to the state. Rice County also sees higher percentages of residents with a less than high school education and who are high school graduates compared to the state. Like Lonsdale, the county also has lower percentages of people who have earned a bachelor's or advanced degree. See Table 4.

Table 4. Educational Attainment for the Population Aged 25 and Over					
	Lonsdale		Rice County		Minnesota
	Number	Percent	Number	Percent	Percent
Total Population 25 and Over	2,198	100.0%	41,908	100.0%	100.0%
Less than high school	148	6.7%	3,956	9.4%	6.6%
High school graduate (inc. equiv.)	684	31.1%	13,264	31.7%	24.2%
Some college, no degree	447	20.3%	8,534	20.4%	20.8%
Associate's degree	383	17.4%	4,240	10.1%	11.7%
Bachelor's degree	438	19.9%	8,363	20.0%	24.2%
Advanced degree	98	4.5%	3,551	8.5%	12.5%
Source: U.S. Census American Community Survey					

Household Income

Lonsdale differs from both Rice County and the state as a whole in regards to household incomes. The largest discrepancies are seen in the earnings brackets that include households earning between $50,000 to $74,999 and those between $100,000 to $149,999. Just over 60 percent of Lonsdale's households are in just these two earnings brackets. See Figure 5.

Figure 5. Household Income (2018)
Source: U.S. Census American Community Survey

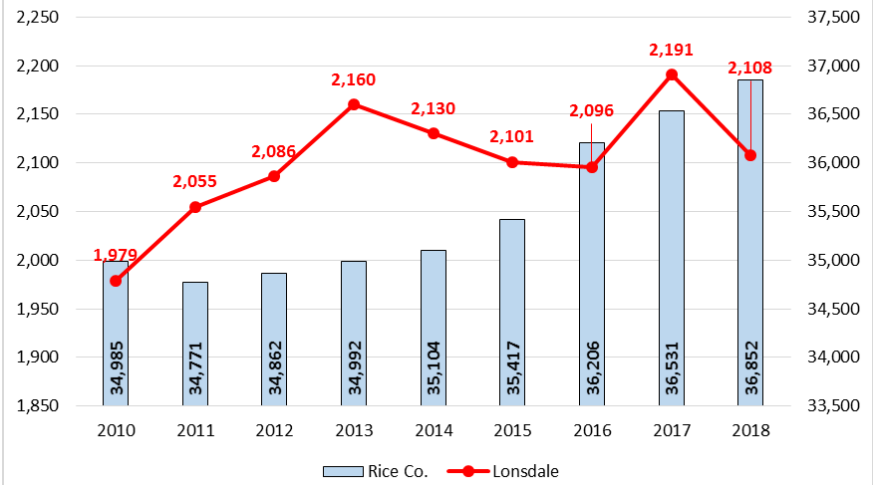


	Less than $10,000	$10,000 to $14,999	$15,000 to $24,999	$25,000 to $34,999	$35,000 to $49,999	$50,000 to $74,999	$75,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 or more
Lonsdale	3.2%	0.7%	1.9%	5.1%	8.5%	25.3%	13.9%	35.0%	5.0%	1.3%
Rice County	5.3%	3.7%	8.0%	8.5%	12.9%	18.2%	15.9%	17.3%	5.4%	4.8%
Minnesota	4.4%	3.9%	7.8%	8.2%	12.1%	18.0%	14.0%	17.2%	7.2%	7.1%

Labor Force Trends

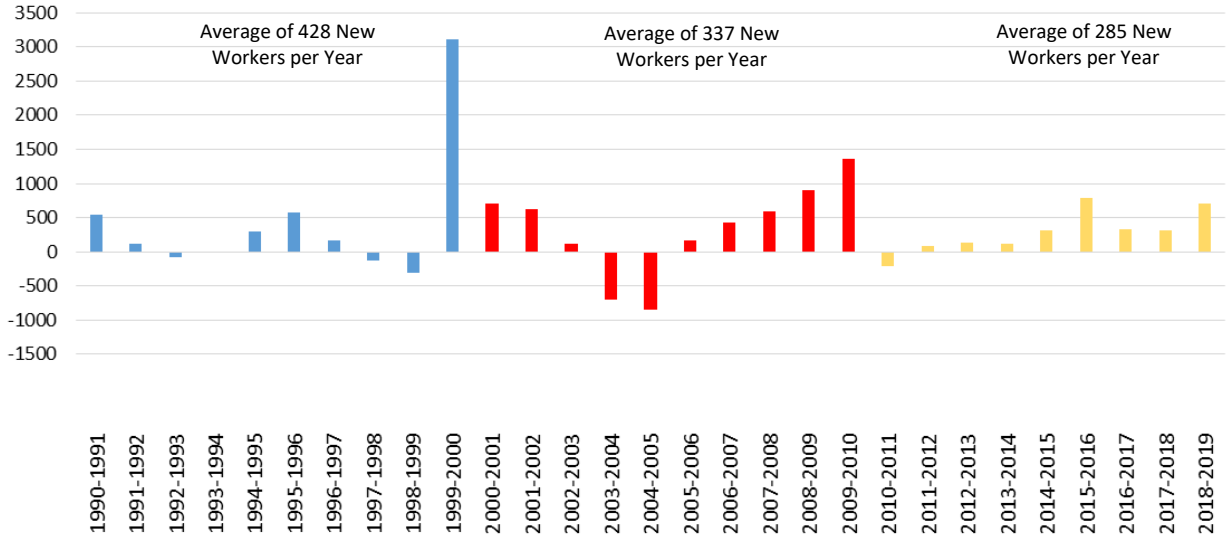
The labor force in both Rice County and the City of Lonsdale have seen increases since 2010. While Rice County saw a singular decrease from 2010 to 2011, the county enjoyed a steady increase the rest of the years. The City of Lonsdale on the other hand saw some ups and downs during this time frame, losing labor force participants from 2013 to 2016, before seeing a gain the following year and dipping back down in 2018. Overall, the labor force in Rice County increased by almost 1,870 (+5.3 percent) while the City of Lonsdale increased by just under 130 (+6.5 percent). See Figure 6.

Figure 6. Annual Labor Force Estimates (2010-2018)
Source: U.S. Census American Community Survey



After averaging a gain of 428 additional labor force participants per year between 1990 and 2000, employers in Rice County were able to take advantage of a slowly growing pool of workers. However, from 2000 to 2010, Rice County's labor force began to fall, dropping to 337 new workers per year. That trend continued from 2010 to 2019 where the county saw the number of new workers per year decline to 285. Increasingly tight labor markets and a shortage of workers is one of the biggest concerns in Rice County and its future economic growth. See Figure 7.

Figure 7. Annual Change in Labor Force 1990-2019 (Rice County)
Source: DEED Local Area Unemployment Statistics



Labor Force Projections

With the projected decline in population, it is not surprising that Rice County's labor force is also projected to decline from 2020 to 2030. As the population ages, more people will be dropping out of the labor force, which is made clear by labor force projection data from the Minnesota State Demographic Center. This data shows that there is only projected to be an increase in labor force among those between the ages of 25 and 44, as well as 65 years and over. Overall, the county is anticipated to lose almost 1,790 labor force participants, much of which is due to the loss projected among those between the ages of 55 to 64. See Table 5.

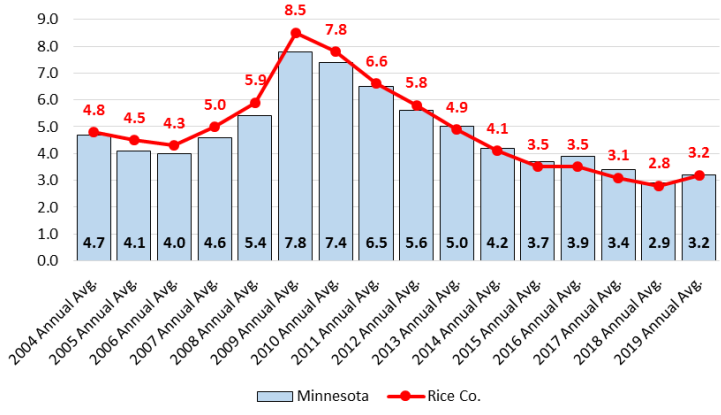
Table 5. Rice County Labor Force Projections 2020-2030

Age Group	2020 Labor Force Projection	2030 Labor Force Projection	2020-2030 Change	
			Numeric	Percent
16 to 19 years	2,262	1,930	-332	-14.7
20 to 24 years	5,433	4,631	-801	-14.7
25 to 44 years	12,450	13,072	621	5.0
45 to 54 years	6,748	6,042	-706	-10.5
55 to 64 years	6,360	5,267	-1,093	-17.2
65 to 74 years	1,669	2,063	394	23.6
75 years & over	282	414	131	46.6
Total Labor Force	35,204	33,418	-1,786	-5.1
Source: Minnesota State Demographic Center				

Unemployment Rate

Rice County's unemployment rate has tracked the state rate over time. However, from 2004 to 2012 the county's rate was higher than that of the state, after which, from 2013 to 2018 the unemployment rate in Rice County dipped slightly below Minnesota's rates. The average annual unemployment rate was then the same for both the county and the state in 2019, resting at 3.2 percent. See Figure 8.

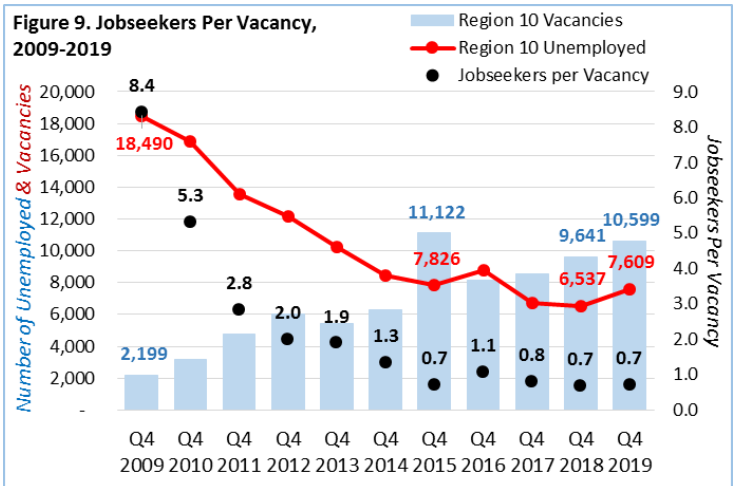
Figure 8. Unemployment Rates (2000-2019)
Source: DEED Local Area Unemployment Statistics



Jobseekers per Vacancy

As the number of available workers has declined, the labor market has tightened in the Southeast region which includes Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha and Winona Counties. One example of this is the ratio of unemployed jobseekers per vacancy, which dipped to 0.7-to-1 in the fourth quarter of 2019. This ratio was the same as was seen in the fourth quarters of 2015 and 2018 and was the lowest level ever recorded. According to recent Job Vacancy Survey results, there were 10,599 openings reported by employers in the region compared to 7,609 unemployed jobseekers. The ratio climbed as high as 8.4-to-1 during the recession. See Figure 9.

Figure 9. Jobseekers Per Vacancy, 2009-2019



Source: DEED Job Vacancy Survey, LAUS program

Commute and Labor Shed

According to Census data, Rice County is a net exporter of labor, having more workers than available jobs. In sum, 15,341 workers both lived and worked in Rice County, while 17,490 residents left the county for work, compared to 11,926 workers who came into the area from surrounding counties. The city of Lonsdale is also a net labor exporter, seeing 2,059 residents leave the city for work compared to 347 non-residents who commuted into the city for work and only 49 people who both lived and worked in the city. See Table 6 and Figures 10 and 11.

Table 6. Rice county and City of Lonsdale Inflow/Outflow Job Counts (all jobs) - 2017

	Rice County		Lonsdale City	
	Count	Share	Count	Share
Employed in Selection Area	27,267	100.0%	396	100.0%
Employed in Selection Area but Living Outside	11,926	43.7%	347	87.6%
Employed and Living in Selection Area	15,341	56.3%	49	12.4%
Living in Selection Area	32,831	100.0%	2,108	100.0%
Living in Selection Area but Employed Outside	17,490	53.3%	2,059	97.7%
Living and Employed in Selection Area	15,341	46.7%	49	2.3%
Source: U.S. Census OnTheMap				

Figure 10. Rice County Inflow/Outflow

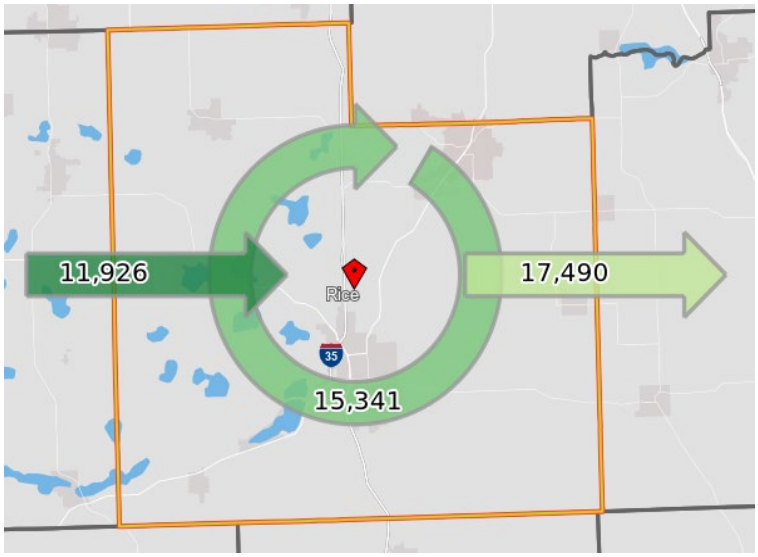
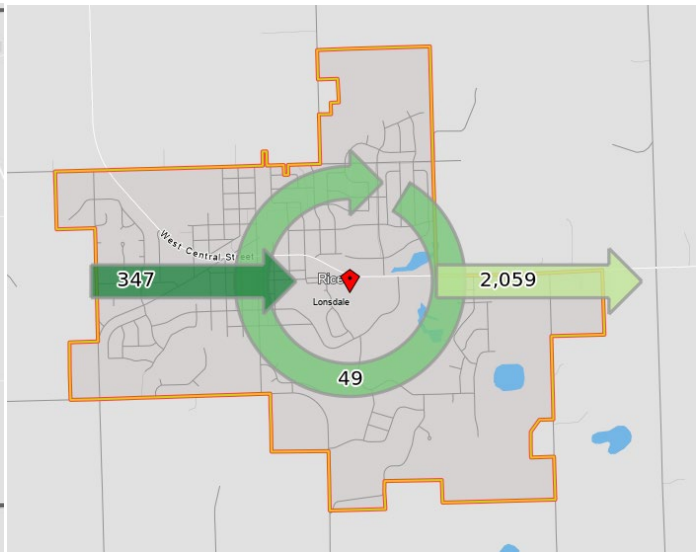


Figure 11. Lonsdale Inflow/Outflow



Source: U.S. Census OnTheMap

Cost of Living

According to DEED's Cost of Living data, the average family in Minnesota (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) needs to earn $56,772 in 2019. The cost of living for a family with the same composition in Rice County was $53,280. The highest monthly costs were for housing, transportation, and food. In order to meet the basic cost of living needs for Rice County, the workers in the family scenario described above would need to earn $17.08 per hour over the course of 60 hours per work week. See Table 7.

DEED's Cost of Living tool provides different estimates for household compositions, including single people, partnered couples, and up to four children. For a single person living alone and working full-time, the estimated annual cost in Rice County would be $30,468, which would require an hourly wage of $14.65 to meet the basic needs standard of living.

Table 7. Rice County Cost of Living (2019)

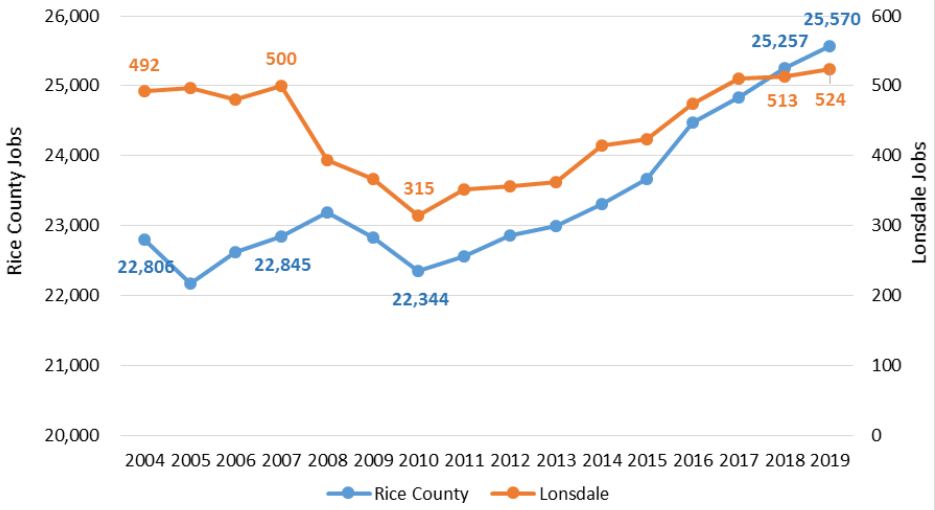
Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Rice County										
Single, 0 Children	1 FT	$30,468	$14.65	$0	$329	$166	$673	$738	$281	$352
Single, 1 Child	1 FT	$46,320	$22.27	$612	$487	$385	$907	$743	$391	$335
2 Parents, 1 Child	1 FT/1 PT	$53,280	$17.08	$306	$752	$659	$907	$861	$465	$490
2 Parents, 2 Children	2 FT	$73,812	$17.74	$1,065	$983	$668	$1,199	$908	$612	$716
State of Minnesota										
Single, 0 Children	1 FT	$31,392	$15.09	$0	$336	$157	$798	$653	$318	$354
2 Parents, 1 Child	1 FT/1 PT	$56,772	$18.20	$516	$769	$593	$1,033	$755	$505	$560

Source: DEED Cost of Living

Industry Employment

Both Rice County and the City of Lonsdale have seen some employment ups and downs over the past 15 years, but both ended up adding jobs over this time. At the end of 2019, Rice County gained 2,764 jobs since 2014, an increase of 12.1 percent. Comparatively, the City of Lonsdale saw an increase of 32 jobs, equaling a jump of 6.5 percent. While Rice County saw its lowest job count in 2005, the City of Lonsdale saw their lowest job count in 2010, and both areas saw their respective peak number of jobs in 2019. See Figure 12.

Figure 12 Rice Co. and Lonsdale Job Trends (2014-2019 Annual Averages)
Source: DEED Quarterly Census of Employment and Wages



According to DEED's Quarterly Census of Employment and Wages data, Rice County was home to 1,602 employing establishments covering 25,570 jobs (2019 annual averages), with a total payroll of over $1.2 billion dollars. Average annual wages in the county sat at $47,372, which was 20.6 percent lower than those seen statewide. The City of Lonsdale saw 2019 employment at 524 jobs in 79 firms, with a total payroll of just over $18.8 million and an annual wage of $35,984, which was 24 percent lower than the wage seen in Rice County and 39.7 percent lower than the state's annual average wage. See Table 8.

Table 8. Rice County and City of Lonsdale Industry Employment Statistics (2019)

Geography	Number of Firms	Number of Jobs	Total Payroll	Annual Average Wage	2014-2019 Change		2018-2019	
					Numeric Change	Percent Change	Numeric Change	Percent Change
Rice County	1,602	25,570	$1,211,768,060	$47,372	2,257	9.7%	313	1.2%
City of Lonsdale	79	524	$18,812,634	$35,984	109	26.3%	11	2.1%
State of Minnesota	178,094	2,900,881	$172,989,740,202	$59,644	171,268	6.3%	18,877	0.7%

Source: DEED Quarterly Census of Employment and Wages

All three geographies saw job increases over the last five years, as well as over the last year. The number of jobs in Rice County increased by 9.7 percent over the last five years, an increase of 2,257 jobs, and a 1.2 percent increase (313 jobs) over the last year. The City of Lonsdale saw a much larger percent increase over the last five years with a gain of 26.3 percent, equaling 109 additional jobs, and a job increase of 2.1 percent (11 jobs) over the last year. Comparatively, the State of Minnesota saw a6.3 percent increase over the last half decade and a 0.7 percent increase over the last year.

With 4,991 jobs at 82 establishments, manufacturing is the largest employing industry in Rice County, accounting for 19.3 percent of the total jobs in the county. More specifically, 771 of those jobs are in machinery manufacturing, with an additional 576 being in nonmetallic mineral product manufacturing and

472 being in fabricated metal product manufacturing. The average annual wage in manufacturing is $65,000. Manufacturing is a growing sector in the county having gained 1,016 jobs over the last five years, equaling a jump of 25.9 percent, and gaining 130 jobs over the last year, an increase of 2.7 percent. See Table 9.

The next largest industry is educational services, with 3,888 jobs at 45 employing firms, which equals 15.2 percent of the total jobs in the county, 2,035 of those jobs being in elementary and secondary schools. This industry also gained jobs over the last five years as well as over the last year, gaining 164 jobs (+4.4 percent) since 2014 and a gain of one job over the last year. Median annual wages in educational services sat at $55,952.

The third largest industry in the county is health care and social assistance, accounting for 3,205 jobs at 232 firms. The largest number of these jobs were in nursing and residential care facilities, which accounted for 1,470 jobs in 2019, followed by 1,228 jobs in ambulatory health care services, while social assistance accounted for 505 jobs in the county. The health care and social assistance jobs saw an overall decrease over the last five years, dropping by 8 jobs, and saw the largest decrease of any industry over the last year, losing 202 jobs, a decrease of 5.9 percent. Overall, these top three industries accounted for almost half (47 percent) of the total jobs in the county.

Five industries saw job declines over the last five years, including professional, scientific, and technical services, arts, entertainment and recreation, finance and insurance, health care and social assistance, and information, while six sectors saw job declines over the last year, including health care and social assistance, finance and insurance, information, retail trade, utilities, and real estate and rental and leasing.

Rice County also had notable presence of jobs in retail trade, accommodation and food services, and public administration, with public administration accounting for almost 1,700 jobs, accommodation and food services accounting for 2,158 jobs, and retail trade consisting of 2,730 jobs.

The highest average annual wages were seen in utilities ($141,596), finance and insurance ($76,128), wholesale trade ($65,416), and manufacturing ($65,000). On the other hand, the lowest wages were seen in arts, entertainment and recreation ($16,796) and accommodation and food service ($17,732), likely due to these industries being characterized by having more part-time jobs.

Table 9. Rice County Industry Employment Statistics (2019 Annual Averages)

Industry	2019 Annual Data				2014-2019		2018-2019	
	Number of Firms	Number of Jobs	Percent of Jobs	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	1,602	25,570	100.0%	$47,372	2,257	9.7%	313	1.2%
Manufacturing	82	4,941	19.3%	$65,000	1,016	25.9%	130	2.7%
Educational Services	45	3,888	15.2%	$55,952	164	4.4%	1	0.0%
Health Care & Social Assistance	232	3,205	12.5%	$39,312	-8	-0.2%	-202	-5.9%
Retail Trade	203	2,730	10.7%	$27,092	105	4.0%	-13	-0.5%
Accommodation & Food Services	137	2,158	8.4%	$17,732	91	4.4%	115	5.6%
Public Administration	39	1,699	6.6%	$54,912	156	10.1%	12	0.7%
Wholesale Trade	59	1,182	4.6%	$65,416	66	5.9%	53	4.7%
Construction	210	1,144	4.5%	$59,436	59	5.4%	7	0.6%
Transportation & Warehousing	62	1,023	4.0%	$47,164	N/A	N/A	33	3.3%
Other Services	156	804	3.1%	$26,208	95	13.4%	27	3.5%

Admin. Support & Waste Mgmt. Svcs.	69	608	2.4%	$31,876	141	30.2%	29	5.0%
Agriculture, Forestry, Fishing & Hunting	38	586	2.3%	$41,964	127	27.7%	168	40.2%
Finance & Insurance	58	428	1.7%	$76,128	-9	-2.1%	-20	-4.5%
Professional, Scientific, & Technical Svcs.	98	363	1.4%	$47,320	-64	-15.0%	N/A	N/A
Information	22	255	1.0%	$41,704	-2	-0.8%	-18	-6.6%
Arts, Entertainment, & Recreation	31	234	0.9%	$16,796	-12	-4.9%	0	0.0%
Real Estate & Rental & Leasing	49	120	0.5%	$35,256	18	17.6%	-2	-1.6%
Mgmt. of Companies & Enterprises	7	105	0.4%	$39,312	66	169.2%	N/A	N/A
Mining	3	48	0.2%	$61,100	9	23.1%	6	14.3%
Utilities	4	45	0.2%	$141,596	N/A	N/A	-9	-16.7%
Source: DEED Quarterly Census of Employment and Wages								

Industry data for the City of Lonsdale is much more limited due to its small size and subsequent data suppression. The data that is available shows that the largest employing sector in the city is administrative and support and waste management and remediation services, which makes up almost one-quarter of the jobs in the city. Over the last year, this industry sector has gained 17 jobs for an increase of 15.6 percent.

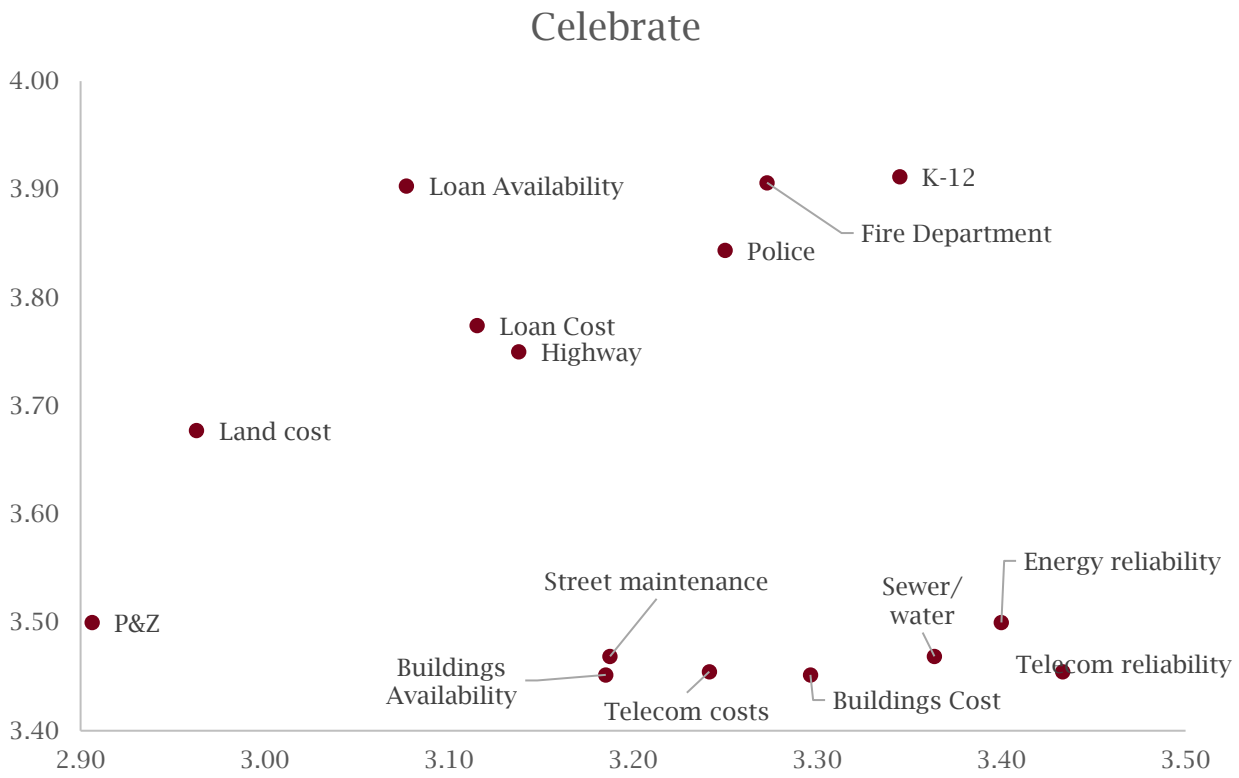
The second largest industry sector is retail trade, which accounts for just over 20 percent of the total jobs in the city. Over the last five years, this sector has grown by 21.8 percent, equaling a gain of 19 jobs, while there was no change over the last year. Coming in as the third largest industry is manufacturing, which makes up an additional 15.5 percent, or 81 jobs, in the city. Manufacturing has seen growth over the last five years as well as over the last year, adding 53 jobs over the last five years and two jobs over the last year.

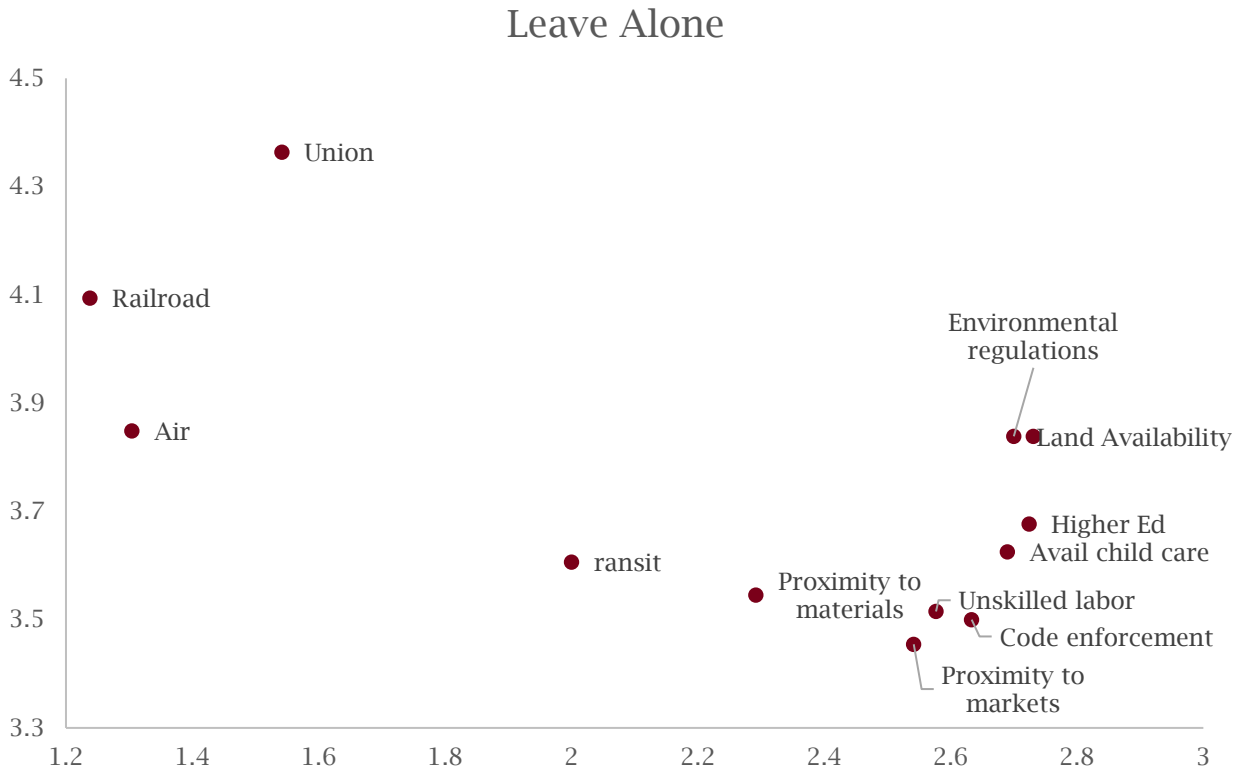
Over the last five years only one industry sector has lost jobs, that being other services, however over the last year three sectors have lost jobs, including a loss of three jobs in other services, three in construction, and four jobs in accommodation and food services. See Table 9.

Table 9. City of Lonsdale Industry Employment Statistics (2019 Annual Averages)

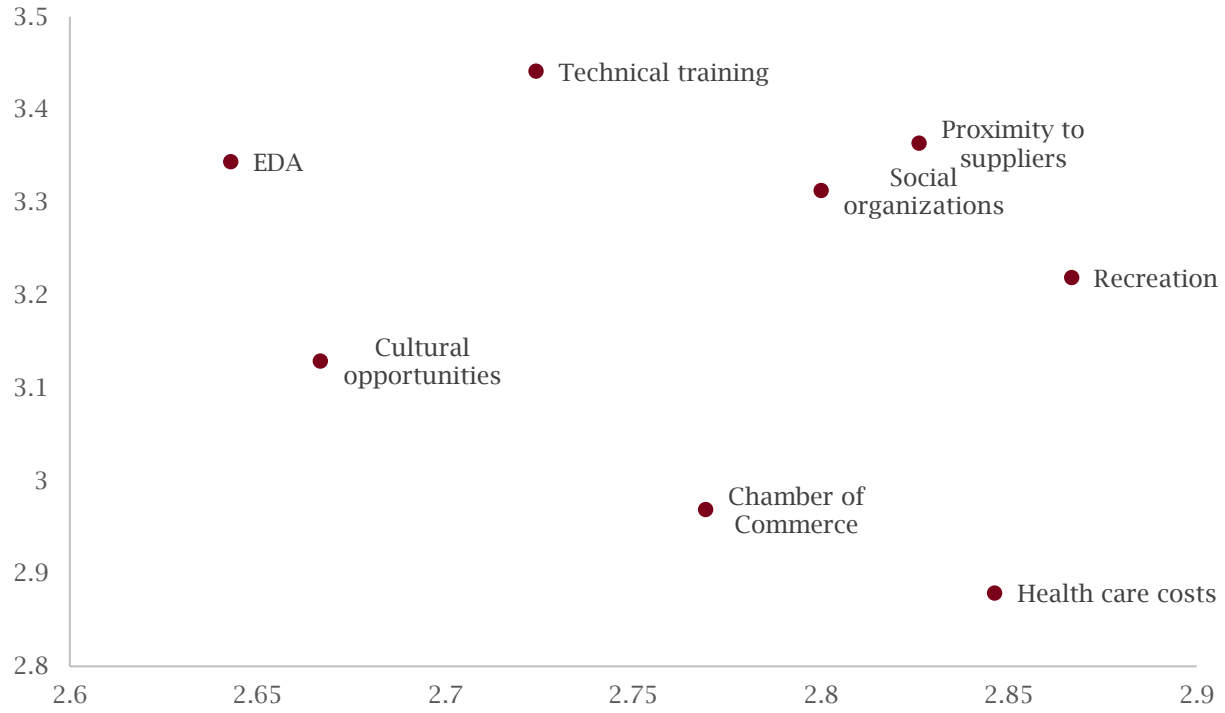
Industry	2019 Annual Data				2014-2019		2018-2019	
	Number of Firms	Number of Jobs	Percent of Jobs	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	79	524	100.0%	$35,984	109	26.3%	11	2.1%
Admin. Support & Waste Mgmt. Svcs.	5	126	24.0%	$22,048	N/A	N/A	17	15.6%
Retail Trade	10	106	20.2%	$19,812	19	21.8%	0	0.0%
Manufacturing	5	81	15.5%	$61,308	53	189.3%	2	2.5%
Other Services	14	46	8.8%	$29,432	-8	-14.8%	-3	-6.1%
Construction	20	45	8.6%	$42,484	0	0.0%	-3	-6.3%
Accommodation & Food Services	3	25	4.8%	$11,232	N/A	N/A	-4	-13.8%
Professional, Scientific & Technical Svcs.	4	4	0.8%	$83,148	N/A	N/A	0	0.0%
Source: DEED Quarterly Census of Employment and Wages								

APPENDIX B: COMMUNITY FEATURES QUADRANTS





Monitor



Take Action