

2.0 Economic Development

2.1 Introduction

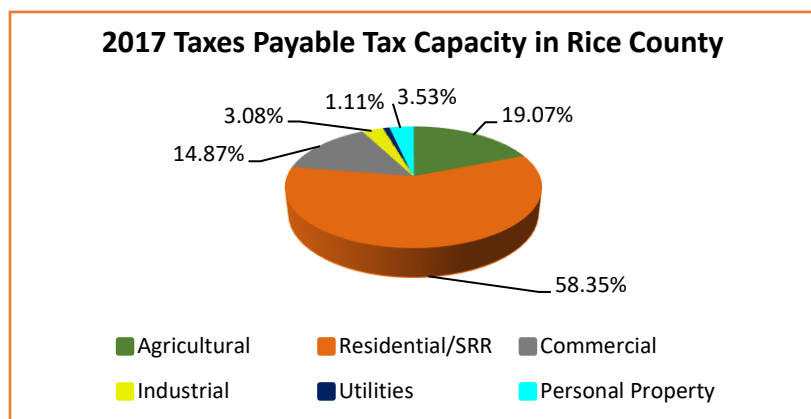
Economic activity is the lifeblood of any community: providing jobs, creating wealth, and generating tax revenue. A diverse economic base lowers the risk of economic difficulty by distributing the effects of industry specific cycles across a broader range of industries.

It is Rice County's objective to have a strong and resilient local economy with a diverse portfolio of economic activity: agricultural, commercial, industrial, professional services, and retail jobs. The local economy shall provide goods and services for local residents and business needs.



The underlying premise of this chapter is the concept that economic development, community development and workforce development are inter-dependent, mutually supportive and essential for sustainable economic vitality.

One of the key issues for the County is to retain and provide expansion opportunities for our existing businesses. Critical to facilitating successful business retention and growth is building strong relationships with the business community. The following focuses on economic indicators of the local business community and illustrates the importance of employment and tax base for our community.



Maintaining a healthy tax base is an important function of government and as the pie chart below shows, almost 60% of the County tax base comes from Residential and Seasonal

Recreational Property (SRP). With the large difference in tax capacity percentages, steps must be taken to maintain a healthy balance to ensure an acceptable residential tax rate. Rice County may need to consider analyzing and developing an optimum goal for maintaining a healthy balance in the tax base. It is evident an increase in the commercial/industrial development is necessary in Rice County.

In 2002, the commercial/industrial tax base in Rice County was approximately 16% of the tax capacity but this has increased to roughly 18% in 2017.

“Participants at the community forums stated that the following are ways to take advantage of what we have to enhance the County in the next 20 years: promote businesses off I-35, invest in technology, and keep things local through market research and partnerships.”

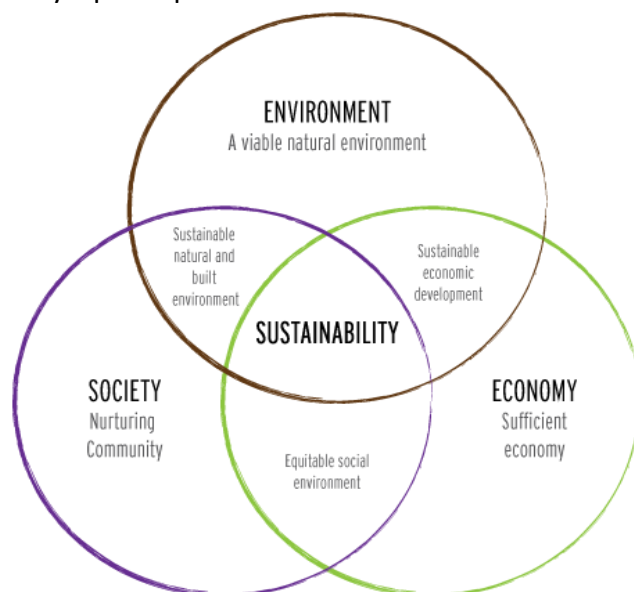
Economic development also focuses on those business sectors that provide high quality employment opportunities in the community, bring wealth to the region, and strengthen the tax base of the county. Businesses depend upon a skilled, productive workforce in order to compete successfully. Workforce development enables workers to engage successfully in the changing economy and enables companies to be productive and competitive in a dynamic economic environment.

Job growth in Rice County from 2010 to 2016 shows 2,032 new jobs. The largest employing sector within the County is manufacturing, totaling 17.8% of the jobs. The next two largest employing sectors include educational services and health care/social assistance, which accounts for 29.3% of jobs within the County (DEED Quarterly Census of Employment & Wages).

Economic development programs have just recently been utilized at the county level to encourage expanding businesses or new business development. The Cities of Faribault, Northfield and Lonsdale have established programs as well.

According to the US Census Bureau, Rice County’s per capita income from 2014-2018 was \$29,767. This is lower than the Minnesota average of \$36,245. The lower incomes are concerning. The median household income for the same time period was \$65,758 (US Census Bureau, 2018), in which there was more than one wage earner per household.

Community development focuses on the infrastructure — transportation, telecommunications, workforce housing, utility services — necessary to support competitive businesses and the recreational, cultural and quality of life



amenities essential to attracting a broad spectrum of skilled, creative, and productive people.

Over fifty percent of Rice County residents work outside of the County, with the highest number commuting, in order, to Hennepin, Dakota, Steele, Ramsey, and Scott Counties. That being said, just over 9,400 people commute to Rice County for work. Most coming from Dakota County, followed by Steele, Goodhue, Hennepin, and Le Sueur (U.S. Census Bureau, 2014). The County shall seek to expand the opportunities for residents to work closer to where they live. This will require promoting a mix of high quality housing opportunities for households with varying incomes. For more information on Rice County's education, labor and employment demographics, see the Demographics-Education and Demographics-Labor & Employment documents in the FIG section.

Rice County has a number of assets that can assist in working to build and strengthen a sustainable regional economy. Interstate 35 runs through the center of the County north to south providing easy access throughout the County. The County is also situated between two large metropolitan areas, Minneapolis-St. Paul and Rochester. This provides close proximity to healthcare, shopping, entertainment and other

Important amenities. Rice County is rich in cultural history and natural landscapes. Lastly, the County maintains its rural character and agricultural heritage which sets it apart from the nearby metropolitan areas.

This section can serve as a model for Rice County, bringing together county resources - community development, economic development and workforce development — to support a healthy, dynamic, sustainable economy.

2.2 Goals, Strategies and Action Items

The following goals and strategies are general statements that focus on Rice County's Economic Development plan. The goals are broadly worded, while strategies are actions that can be taken to achieve the overarching goal. The action items are related to the goals and strategies, but are more specific and detailed. It should be noted that goals, strategies, and action items are in no particular order of importance. Because Agriculture plays such a large role in Rice County's economy, goals have been created to specifically focus on Agricultural Economics, as well as, broader Economic Development within the County.

2.2.1 Business and Industry Economics

Goal 1. Maintain and strengthen economic diversity.

Strategy 1. Support the establishment and maintenance of housing, transportation, communication, and utility systems which support and foster quality development.

Action Item 1: Coordinate the provision of supportive infrastructure in concurrence with new development.

Action Item 2: Evaluate new development impacts on existing infrastructure and services to ensure adequate availability of development ready land.

Action Item 3: Establish partnerships to address and solve transportation and workforce housing needs.

Action Item 4: Encourage the development of infrastructure and state of the art telecommunication technology to promote telecommuting and E-business.

Strategy 2. Encourage increasing the number of small to mid-size firms within the region by fostering local entrepreneurship and business ownership.

Action Item 1: Partner with other agencies and institutions to identify programs and services to assist in the creation of new small and mid-sized businesses.

Action Item 2: Strengthen programs which provide business development, information, and technical assistance.

Strategy 3. Promote and foster historical, ecological and agricultural tourism as a suitable and appropriate form of economic development.

Action Item 1: Coordinate tourism efforts with other public, non-profit and private organizations.

Action Item 2: Promote a variety of year-round attractions to encourage tourism.

Action Item 3: Educate the public on the economic benefits of historic and natural resource preservation.

Action Item 4: Encourage the development of tourism-related businesses.

Goal 2: Build and retain a highly skilled, adaptable workforce.

Strategy 1. Cooperate with local educational institutions to coordinate training/skill requirements to meet the needs of local employers.

Action Item 1: Work to reduce barriers to obtaining necessary or upgraded job skills.

Action Item 2: Promote access to resources and tools for education, training, and supportive services through a variety of means and media.

Strategy 2. Collaborate with business, educational institutions, community organizations, and government to provide information to local businesses.

Action Item 1: Provide information on work skills development and available employment opportunities through print, electronic, and telecommunications media.

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Photo: ad for South Central College, Center for Business & Industry.

Action Item 2: Create a collaborative recruitment strategy among business, non-profits, and government.

Action Item 3: Encourage business, labor, education, and government partnerships to solve work force development problems.

Strategy 3. Promote and encourage quality of life and healthy living environment for employers and employees.

Action Item 1: Through public and private partnerships, improve and increase workforce housing options.

Action Item 2: Improve transportation connections between residential communities and work sites by pursuing opportunities for alternative modes of transportation such as transit bus service, bicycle/pedestrian facilities and amenities.

Action Item 3: Provide open space and recreational opportunities as an amenity to attract new businesses and their employees.



Photo: Downtown Faribault. Taken from faribaultmainstreet.org.

Goal 3. Retain and expand existing local businesses.

Strategy 1. Encourage access to economic incentives for quality job creation and/or tax base enhancement.

Action Item 1: Explore an economic development marketing and incentives program targeting strategic business clusters.

Action Item 2: Engage with State, Regional and local economic development organizations and agencies to sustain and expand current economic activities and be prepared for future economic trends.

Action Item 3: Continue to collaborate and partner with municipalities and townships, to promote employment opportunities and expand the tax base in Rice County.

Strategy 2. Encourage existing neighborhood employers to grow “in place,” keeping jobs close to where people live.

Action Item 1: Develop industry clusters by encouraging the retention, expansion, and recruitment of industries that already have a presence in the County.

Action Item 2: Encourage Cities to work with property owners and interested developers to address unique development challenges including the maintenance, revitalization and redevelopment of existing buildings.

Strategy 3. Support downtown revitalization and neighborhood business development in the cities.

Action Item 1: Develop strategies to increase employment growth through more intense and efficient use of existing infrastructure.

Action Item 2: Support local innovative businesses and economic activities.

Action Item 3: Promote downtowns as a place for innovative and emerging business to expand or relocate.

Goal 4. Attract new businesses to Rice County.

Strategy 1. Make available vacant, development-ready land for commercial and industrial use.

Action Item 1: Promote well-designed and efficient development and redevelopment of vacant and underutilized industrial and commercial lands.

Action Item 2: Support redevelopment of existing vacant and underutilized industrial and commercial lands rather than designing additional lands for these purposes.

Action Item 3: Monitor and update buildable lands inventory to ensure adequate short and long-term supplies of buildable commerce land.

Strategy 2. Encourage businesses that are environmentally and economically sustainable.

Action Item 1: Encourage programs that promote sustainable business practices (e.g., recycling, green building or other sustainable design features, the use of green or alternative energy, commute trip reduction programs and utilizing by-products of other Rice County businesses).

Action Item 2: Educate businesses on opportunities to buy local.



Photo: Taken from Lonsdale.govoffice.com

Citizen Survey respondents felt that agricultural, commercial and retail, and technology related businesses are very important based on the needs of Rice County residents

Strategy 3. Maximize efforts to attract and recruit industries that are best suited for Rice County's assets and opportunities.

Action Item 1: Actively encourage businesses that provide family-wage jobs to start-up, expand, or locate in Rice County.

Action Item 2: Develop a branding/marketing effort to promote Rice County as a place to live and do business.

Action Item 3: Institute appropriate land use regulations to accommodate a contemporary mix of economic activities and development.

Action Item 4: Promote Rice County's cultural, historic, recreational, educational, and environmental assets and amenities.

Action Item 5: Update zoning and subdivision regulations to accommodate for a variety of potential industries.

Action Item 6: Promote economic development along the Interstate 35 corridor.

2.2.2 Agriculture Economics

Goal 1. Sustain a diverse economic mix for the County by promoting and strengthening agriculture and complementary businesses.

Strategy 1. Maintain a strong and productive agricultural economy while promoting the purchase and sale of locally produced products.

Action Item 1: The County, in cooperation with the cities, will actively promote buying locally, farmer's markets, events and agricultural tourism opportunities.

Action Item 2: Attract agricultural related industries to support diversification and use of raw materials from area farms.

Strategy 2. Expand rural business opportunities and enhance rural quality of life.

Action Item 1: Work with agencies such as the US Department of Agriculture and other state and local agencies to help fund agricultural resources projects.

Action Item 2: Identify strategies that promote agriculture and agricultural support businesses in the County, which may include but not be limited to vineyards, community gardens, agri-tourism, et al.

Action Item 3: Revise the County's regulations and ordinances to address the evolving technological and operational characteristics of farm operations.



Photo: "A Day on the Farm" at the Wegner Dairy Farm.
Taken by Audrey Kletscher Helbling

Goal 2. Expand awareness of local agriculture opportunities and agriculture related businesses within the County.

Strategy 1. Coordinate with local agencies, groups, and clubs to create programs, initiatives, and marketing to promote agriculture within the County.

Action Item 1: Develop a program to educate the public and the farming community on agricultural issues and opportunities.

Action Item 2: Establish a leader and mentorship program to encourage youth involvement in agriculture.

Action Item 3: Develop a marketing/awareness campaign focused on local food and agricultural programs.

Action Item 4: Create outreach programs to engage youth and adults with little or no agricultural experience.