



LAKE CRYSTAL STRATEGIC ECONOMIC DEVELOPMENT PLAN



REGION NINE
 **DEVELOPMENT
COMMISSION**

ACKNOWLEDGEMENTS

Region Nine Development Commission (RNDC) would like to thank the numerous individuals who contributed time and energy to the creation of this plan. The vision set forth in the plan was developed in partnership with the City of Lake Crystal, the local Economic Development Authority (EDA), and the residents and businesses of Lake Crystal. Many business owners, residents, civic leaders, and other individuals participated in the public open house activities, provided input through the online survey, and agreed to be interviewed as part of this effort.

This plan will act as a guide and tool to aide Lake Crystal as they look to overcome challenges and capitalize on opportunities. This plan looks at the current state of Lake Crystal as well as identifies next steps that the city can take in order to become more welcoming to new businesses and families.

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ABOUT RNDC

RNDC serves nine counties in South Central Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan collectively known as Region Nine. RNDC takes great pride in working with and on behalf of these counties, their cities, townships, and school districts. Since 1972, being a partner for progress has led to the development of programs in the areas of economic development, business development, healthy communities, transportation, community development and leveraging regional resources. RNDC is governed by 40 regional leaders. These leaders include elected officials representing nine counties, 72 cities, 147 townships, 32 school districts, the Minnesota Valley Council of Governments, and public interest groups including, Health and Human Welfare, Minority Populations, and Youth.

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RNDC receives an annual planning grant from the Federal Economic Development Administration (EDA) to conduct economic development planning activities within the district. Activities range from developing and maintaining the Community Economic Development Strategy (CEDS), leading regional-based economic development goals and strategies, facilitating the regional Community and Economic Development Planning Committee, hosting regional grant opportunities forums, workforce forums, and assisting communities who are interested in seeking Federal EDA funding.

EXECUTIVE SUMMARY

The City of Lake Crystal is located in the north-western portion of Blue Earth County along Minnesota State Highway 60. The labor shed and retail trade areas are most closely associated with the cities of Mankato and North Mankato to the northeast, with 42.6 percent of Lake Crystal's workforce commuting to the two cities and approximately 11 percent of the workforce being employed within city limits. Lake Crystal performs well on nearly all economic indicators when compared to Blue Earth County as a whole. Table 1 illustrates Lake Crystal's share of activity within a number of demographic and economic segments. As shown in the table, Lake Crystal has a larger share of older residents and relatively fewer youth as a percentage of the local population. This can be attributed to a relatively old housing-stock, with relatively fewer homes built in the last two decades. Unlike Mankato and North Mankato, where multi-family construction has increased as a percentage of total housing units, Lake Crystal has not added significant amounts of multi-family housing units since 2000. Although Lake Crystal has a high median household income, the percentage of cost-burdened renters is relatively high. Although 2013 estimates show about the same population as 2010, population projections for the State of Minnesota anticipate a slight decline from 2010 to 2040.

TABLE 1: LAKE CRYSTAL MARKET SHARE

Economic Segment	Lake Crystal Measure	Blue Earth County Measure	Lake Crystal Market Share
Total Population	2,430	65,767	3.69%
Population Under Age 18	628	12,988	4.84%
Population 65+	374	8,451	4.43%
Population Under Poverty	102	11,321	0.90%
Employed	1,210	35,045	3.45%
Total Housing Units	1,111	27,650	4.02%
Homes Built Since 2000	192	5,877	3.27%
Home Built Before 1939	346	6,139	5.64%
Median Household Income	\$32,645	\$53,752	N/A
Cost-Burdened Owner Households	57	7,631	.075%
Cost-Burdened Rent Households	126	4,680	2.69%
<i>Sources: Census Bureau, Bureau of Labor Statistics</i>			



CHAPTER 1

Project History & Overview

The Lake Crystal Economic Development Strategic Plan is the result of a seven-month initiative completed between March and October 2019. The plan was developed through a three-step process as illustrated in the figure below. The process incorporated both quantitative and qualitative elements to create a comprehensive picture of Lake Crystal's local economy, position, and reputation within the region. Each stage of the process incorporated public engagement in order to verify findings, test assumptions, and uncover additional opportunities or challenges to be addressed. The City of Lake Crystal hired RNDC to create the plan following internal recommendations and advice from Greater Mankato Growth (GMG).

FIGURE 1: PLANNING PROCESS



The planning process incorporated a number of opportunities for public input, including the following:

Public Survey

A survey was developed to solicit feedback from Lake Crystal residents and stakeholders on the future vision for the community and to help identify community development priorities. The survey included 211 responses.

Stakeholder Outreach

More than 50 individuals were contacted as part of the project, either through one-on-one interviews or small group discussions. These interviews were used to solicit additional qualitative input, test, and confirm market findings and identify additional opportunities or challenges.

Public Open House

Two public meetings were held as part of this process. The first meeting, held on June 12, 2019, was facilitated by RNDC and the City of Lake Crystal in which results from the survey and stakeholder outreach were presented. Additionally, RNDC facilitated a discussion on the local market and incorporated a number of focused stations to solicit input on areas of preservation and opportunity, economic opportunities and challenges, and major destinations and missing links. A final public meeting was held on November 6, 2019 to present final recommendations and kick off implementation of the plan.



CHAPTER 2

Economic & Market Analysis



A market analysis was conducted to explore current market conditions and trends associated with demographic and economic variables influencing residential, retail and employment market conditions for Lake Crystal. The size, composition, and relationship between local residential markets, retail trade areas, and labor shed dynamics create a picture of the Lake Crystal economy.

Location & Access

The location of a community relative to larger population centers and major transportation hubs in part determines the type of businesses that will locate and thrive there. Although Blue Earth County is officially considered to be part of the Mankato-North Mankato Metropolitan Statistical Area (MSA) as defined by the U.S. Census, the area consists of two counties, Blue Earth and Nicollet, following the upgrade from a Micropolitan Statistical Area (μSA) on November 20, 2008 by the Office of Management and Budget.

Of Lake Crystal's workforce, 31 percent commute to Mankato, while 11.6 percent commute to North Mankato for work. Only 11.4 percent of Lake Crystal's residents are employed within city limits. An additional 5.1 percent commute between 25 and 50 miles, while 12.7 percent commute more than 50 miles daily.¹

Figure 2 shows Lake Crystal within its regional context. Lake Crystal's businesses mainly rely on State Highway 60 for transportation and distribution needs, although there are numerous two-lane county roads leading to Lake Crystal from both north and south of the State Highway. Lake Crystal is almost equidistant between three general aviation airports, with Mankato Regional Airport to the north, Saint James Municipal Airport to the southwest, and New Ulm Municipal Airport to the northwest. The nearest passenger airport is the Minneapolis-St. Paul International Airport (89 miles away) and the Rochester International Airport (105 miles away).

Lake Crystal's downtown is located on the south side of Highway 60 in the center of the community, while industrial and manufacturing activity occurs in business parks on both sides of the Highway. Residential neighborhoods are mostly distributed south of Highway 60, bordered by lakes to the east (Lake Crystal and Loon Lake) and 510th Avenue to the west. There are also some residential areas north of Highway 60, immediately west of Lily Lake. The north side of Highway 60 is also home to numerous businesses and industrial developments.

¹ MN Compass: <https://www.mncompass.org/profiles/city/lake-crystal>

Demographics & Housing

Lake Crystal's 2,549 residents are on par with the state average for educational attainment, with 5.5 percent of residents holding less than a high school degree (State: 6.0 percent), 24.9 percent holding a high school degree or equivalent - but not college degree (State: 20.9 percent), 28.2 percent holding an associate degree or some college (State: 26.2 percent), and 20.2 percent holding a bachelor's degree or greater (State: 23.8 percent)².

Compared with residents from Blue Earth County as a whole, educational attainment is slightly lower in Lake Crystal for bachelor's degrees and graduate or professional degrees. However, Lake Crystal residents have higher high school graduation rates than the aggregate for Blue Earth County and a higher percentage of working age adults who are employed. Additionally, Lake Crystal's residents have higher percentages of high school graduates and bachelor's or advanced degrees than Mankato/North Mankato.

Lake Crystal's population is significantly less diverse than the state when it comes to race and ethnicity. Of the population, 96 percent identify as white only (State: 83 percent). The same goes for comparisons with Blue Earth County (89 percent white only). The race/ethnicity comparison is more aligned with Mankato/North Mankato (94 percent white only)³.

FIGURE 2: MAP OF LAKE CRYSTAL



Source: Google Earth [Loon Lake](#)

^{2, 3} MN Compass: <https://www.mncompass.org/profiles/city/lake-crystal>

Lake Crystal's population is also slightly older than Blue Earth County's average. This is particularly evident for the 18 to 24 years old age group. The challenge is therefore to either present high school graduates with job opportunities in Lake Crystal and/or provide opportunities to move "home" following the completion of university studies. Whereas 22.4 percent of Blue Earth County's population belong to this age group, only 3.7 percent of Lake Crystal's residents are between the ages of 18 and 24. Additionally, the age group of 65 years and older make up a slightly higher portion of Lake Crystal residents (15.4 percent) than what is seen throughout Blue Earth County (12.8 percent).⁴

TABLE 2: LAKE CRYSTAL DEMOGRAPHICS

Total Population	Lake Crystal		North Mankato/Mankato	
	2,549	100.00%	52,727	100.00%
Race and Ethnicity				
White Only	2,451	96.20%	47,008	89.20%
Of Color	64	2.50%	4,172	7.90%
Hispanic or Latino	34	1.30%	1,547	2.90%
<i>Source: Census Bureau</i>				

Lake Crystal has 1,111 housing units (using 2013 to 2017 data), with a vacancy rate of 9.4 percent (104 units), which is slightly higher than the rate for Blue Earth County (7.8 percent), which yields an occupancy rate of 90.6 percent. On the flip-side, owner-occupied rate for Lake Crystal is 72.1 percent, which is well above the Blue Earth County rate of 62.0 percent, which indicates that home ownership rates are higher in Lake Crystal than what is seen throughout Blue Earth County, while renter-occupied rates are lower.⁵

Lake Crystal's housing stock is relatively old. Nearly a third of the homes (31.1 percent) were built 1939 or earlier and an additional 15.4 percent before the 1970s. These numbers are relatively high compared to the aggregates for Blue Earth County, particularly compared to the housing stock in Mankato/North Mankato. This is of course not entirely surprising, but the rate of new developments is lagging the larger urban areas when adjusting for both volume and sales numbers.

Residents enjoy a low cost of living compared to Blue Earth County as a whole, with only 18.2 percent of households considered cost-burdened. This measure considers both income and housing prices and could be considered a proxy for housing affordability. To put these numbers in perspective, nearly a third of all households in Blue Earth County (30.7 percent) are cost-burdened. However, renters in Lake Crystal are significantly more likely to be cost-burdened. Nearly half (44.8 percent) of tenants are considered cost-burdened, which is something that must be considered when assessing rental opportunities for young families, single-parent households, and others that are unable to purchase homes.⁶

Lake Crystal enjoy above average household incomes compared with Blue Earth County figures. Median household income in 2017 dollars are estimated at \$62,645, which compares favorably to Blue Earth County (\$53,752) and the State of Minnesota (\$65,699). It is worth noting that Lake Crystal's median household income is higher than any of the nine counties constituting Region Nine.⁷

Poverty levels in Lake Crystal are significantly lower than the Blue Earth County and State of Minnesota figures. Only 4.2 percent of Lake Crystal residents live below the poverty line, compared with 18.1 percent for Blue Earth County and 10.5 percent within the nine counties collectively known as Region Nine.⁸

TABLE 3: LAKE CRYSTAL POVERTY DATA (2013-2017)

	Lake Crystal		Blue Earth	
Total Population	2,413	100.00%	62,381	100.00%
With income below poverty	102	4.20%	11,321	18.10%
With income 100-149% of poverty	214	8.9%	5,085	8.20%
With income 150-199% of poverty	296	12.30%	5,232	8.40%
With income 200% of poverty or higher	1,801	74.60%	40,743	65.30%
<i>Source: Census Bureau, Bureau of Labor Statistics</i>				

As discussed earlier, Lake Crystal's residents are very well educated, which presents opportunities for Lake Crystal, entrepreneurship, economic development, and the local economy. Employment numbers are also above Blue Earth County averages. Whereas 79.3 percent of adults of working age are employed at the County level, the same numbers are 84.9 percent for residents of Lake Crystal. However, consistent with the slightly older population, Lake Crystal's work force is older than Blue Earth County's. Only 21.2 percent of the workforce in Lake Crystal is under the age of 30 (County: 29.6 percent), while the 30 to 54 age group is relatively large – encompassing 56.3 percent of Lake Crystal's total workforce (County: 49.4 percent). The age group of 55 and older mirrors the Blue Earth County figure at 22.6 percent (County: 21.1 percent).⁹ This suggests that Lake Crystal's workforce consists mainly of established workers, with fewer younger workers than what one would expect based on surrounding areas.

TABLE 4: WORKFORCE DEMOGRAPHICS

	Lake Crystal		North Mankato/Mankato	
Total Employed Workers	1,223	100.00%	22,865	100.00%
Age 29 or younger	259	21.20%	7,131	31.20%
Age 30 to 54	688	56.30%	11,100	48.50%
Age 55 and older	276	22.60%	4,634	20.30%
Workers by Earnings (2015)				
\$15,000 per year or less	230	18.80%	5,790	25.30%
\$15,001 to \$39,999 per year	461	37.70%	7,959	34.80%
\$40,000 or more per year	532	43.50%	9,116	39.90%
<i>Source: Census Bureau, Bureau of Labor Statistics</i>				

Lake Crystal's workforce enjoys higher earnings than neighboring cities. Whereas 25.3 percent of Mankato/North Mankato's workforce earned less than \$15,000 per year¹⁰, roughly a fourth of the larger cities' workforce fell into that category (25.3 percent). Similarly, 43.5 percent of Lake Crystal's workers made more than \$40,000, in comparison the Mankato/North Mankato's workforce at 39.9 percent. With respect to industry, the numbers mirror the Mankato/North Mankato figures with manufacturing as the largest industry for employment (19.5 percent) followed by health care and social assistance (15.0 percent) and educational services (11.0 percent).¹¹

^{7,8} Headwaters Economics: <https://headwaterseconomics.org/tools/economic-profile-system/about/>

^{9, 10, 11} MN Compass: <https://www.mncompass.org/profiles/city/lake-crystal>

TABLE 5: WORKERS BY INDUSTRY OF EMPLOYMENT (2015)

	Lake Crystal		North Mankato/Mankato	
Accommodation & food services	59	4.80%	1,960	8.60%
Administration & support, waste management, and remediation	47	3.80%	982	4.30%
Construction	74	6.10%	932	4.10%
Educational services	134	11.00%	2,729	11.90%
Healthcare & social assistance	183	15.00%	3,454	15.10%
Information	21	1.70%	613	2.70%
Management (companies & enterprises)	25	2.00%	428	1.90%
Manufacturing	239	19.50%	3,489	16.80%
Finance & insurance	34	2.80%	591	2.60%

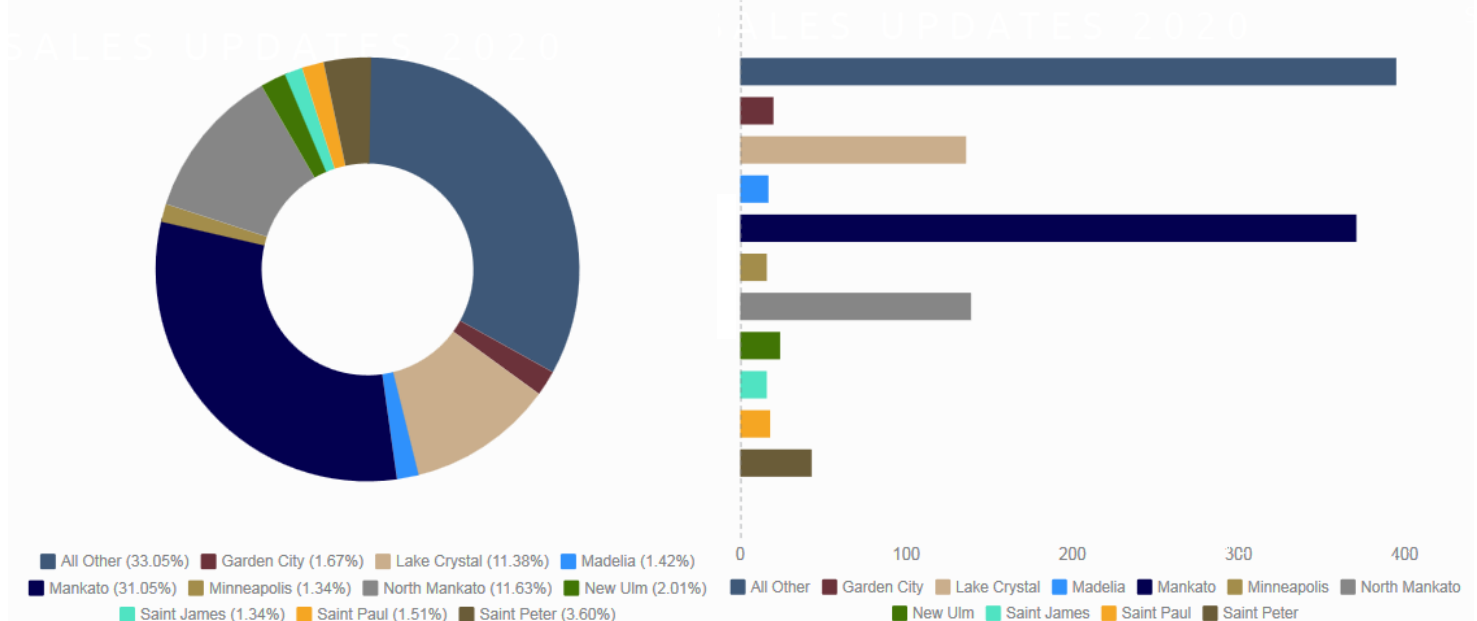
Source: Census Bureau, Bureau of Labor Statistics

The close comparisons with respect to employment by industry between Lake Crystal and Mankato/ North Mankato should not be considered unusual as the larger city is the largest commuter destination for Lake Crystal's workforce. Mankato is the largest destination for Lake Crystal's workforce with nearly a third of all workers being employed in that city (31.0 percent) and another 11.6 percent in North Mankato – in comparison to 11.4 percent being employed in Lake Crystal. The remaining workforce is spread across nearby cities such as St. Peter (3.6 percent), New Ulm (2.0 percent), and Garden City (1.7 percent). The Twin Cities combine for a total of 2.8 percent.

When analyzing Lake Crystal's work area profile, a measure of jobs or job density per square miles, the findings indicate that most jobs are located within the city center and not in the periphery. This is common in areas and cities where service jobs dominate or where industrial parks are non-existent or marginal. Unlike other cities of similar size, it is a missed opportunity to not have a higher job density in outlying areas. Figure 3 below shows the work area profile for Lake Crystal.

FIGURE 3: WORKERS WITH AN IDENTIFIED EMPLOYER LOCATION

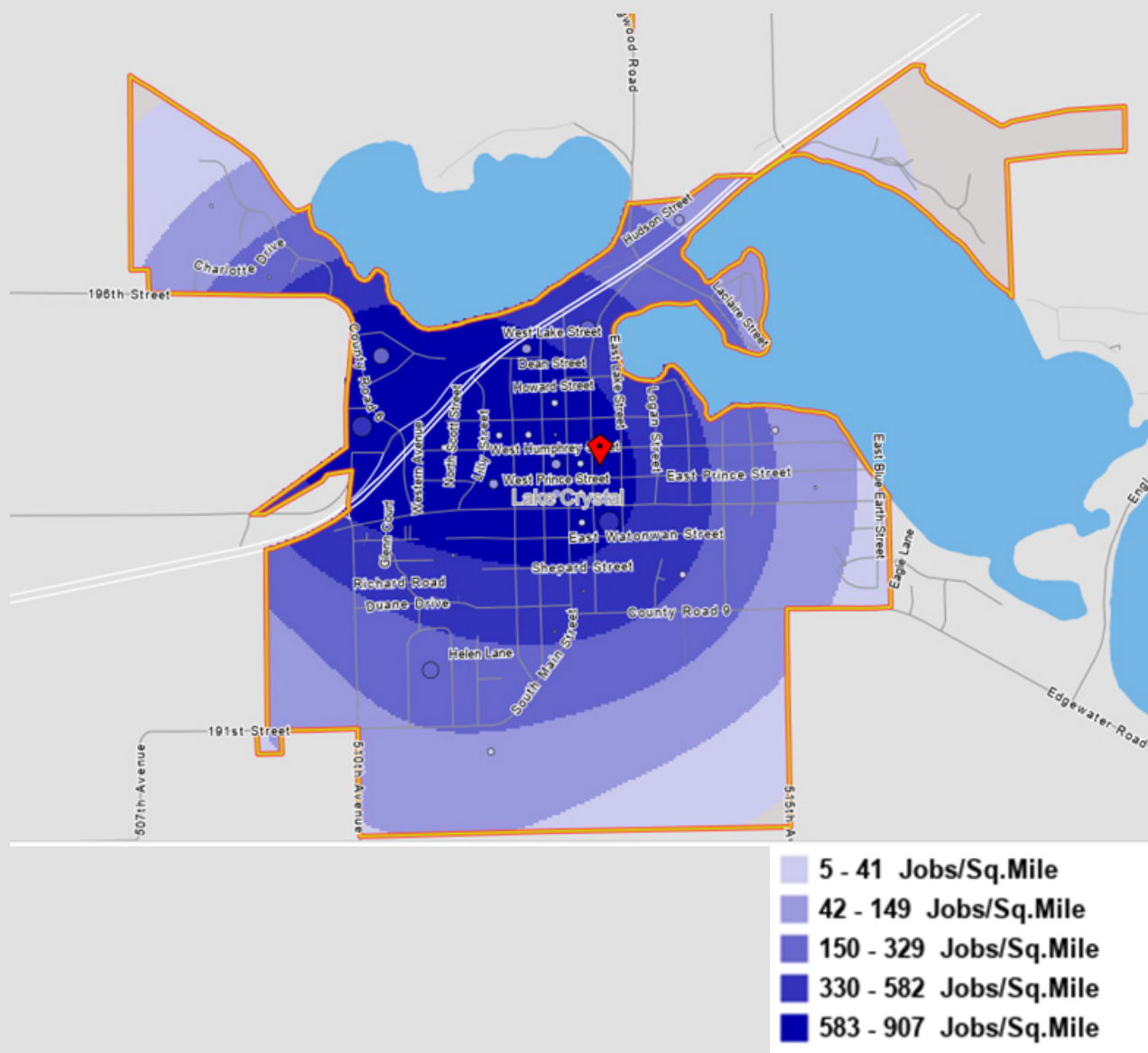
PERCENT OF TOTAL (LEFT) AND NUMBER OF WORKERS (RIGHT)



As the figure illustrates, the portion immediately north and south of the highway represent the highest job numbers per square mile – in reality, this includes the city blocks in the “inner portion” of the city center and a relatively small area to the northwest. These areas cover approximately 25 percent of Lake Crystal’s geography. Approximately 60 percent of Lake Crystal has low or no employment. When compared to other cities of similar sizes within the region, Lake Crystal’s work area profile indicates a relatively high “underutilization” of local geography. Most small cities (population 2,000-5,000) typically have a third of the geography in the high category, a third in the medium range, and a third in the low category.

Given Lake Crystal’s centralized work area profile, the city should position itself in ways to accommodate the current labor shortages as many regional employers are unable to scale businesses in large facilities. Numbers from the Minnesota Department of Employment and Economic Development (DEED) suggest that businesses, such as manufacturing firms, look for opportunities to scale their operations through multiple local plants. Lake Crystal, with a desirable location and a well-educated workforce would be an ideal site for expansion for a number of regional businesses. As Figure 4 illustrates, job vacancies in Region Nine are at an all-time high, and there are specific needs for post-secondary educated workers and specialized skills requiring licenses and certificates.

FIGURE 4: WORK AREA PROFILE ANALYSIS





CHAPTER 3

Stakeholder Outreach Summary

A number of opportunities were provided for Lake Crystal residents, businesses, property owners, and stakeholders to provide input and feedback on this plan. Economic development must balance both economic realities and the local vision for the future to be supported by Lake Crystal stakeholders and have the greatest chance of success.

Developer Interviews

Four regional developers were interviewed as part of the stakeholder outreach. None of them were based out of Lake Crystal, but all identified the city as part of their “natural markets” based on geographic proximity to where they invest. Three of them had minor investments in Lake Crystal, but mostly as cash investments carried out by others/business partners. Each of the developers were asked three questions:

- a) What is Lake Crystal offering that is attractive to potential developers?
- b) What are your concerns about Lake Crystal?
- c) What should the City do to position itself from a developer/investor perspective?

Responses are categorized below by question:

a) All four of the developers pointed to Lake Crystal’s “ideal location” south of Mankato/North Mankato, and particularly its close proximity to the larger urban area. Specifically, Lake Crystal is attractive as an investment site as developers from the Mankato area would be able to oversee projects on a daily basis. Further, the developers mentioned Highway 60 running through Lake Crystal as a very attractive feature. They added that it would make sense for Lake Crystal to consider the proximity to Mankato and the four-lane highway as a selling point for growth as not only a labor shed, but also as an industrial hub. Finally, three of the developers commented on the attractiveness of the area with proximity to the lakes and nature, and that real estate development could be an attractive area for investors. Two of them expressed concern that Lake Crystal had not capitalized on this earlier.

b) Three of the developers expressed concerns regarding the lack of designated industrial space:

“It (i.e., industry) appears to be spread along Highway 60 based on existing businesses.”

“Apparently there have been no efforts to attract new industry to the City.”

“I see no efforts being made to be proactive in developing new jobs.”

Some comments were made regarding questions about concerns. All four developers argued that an industrial park would be needed for Lake Crystal to attract new businesses. *“That would also require real estate developments. However, without new industry they would just end up as a larger bedroom community and over time the existing businesses will most likely end up leaving town,”* stated one developer.

c) All developers agreed that designating unused land for new industry would be a great starting point. Working closely with real estate developers was another suggestion. Attractive and affordable housing is key to attract a younger generation. *“You don’t want to be another one of those towns where young people leave because they end up finding more attractive, yet more expensive, housing closer to home. Lake Crystal strikes me as a town where people only find new housing when people leave for “natural reasons,”* stated one developer. The developers did, however, warn about large scale real estate developments until Lake Crystal commits to securing more jobs locally. When asked about what types of industry developments they could see in Lake Crystal, they suggested “distribution centers”, “light manufacturing”, and “healthcare related manufacturing”.



Public Open House

A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was conducted at the Lake Crystal Community Input Session at City Hall. The session lasted for approximately 1.5 hours, and was attended by approximately 30 residents. The session was moderated by a representative from RNDC and feedback was captured in real time, as it was offered from residents.

Strengths

Strengths in Lake Crystal, as identified by residents and city officials, centered around two major themes: high quality of life, including strong sense of community and robust access to amenities, and strong infrastructure for a city of its size, including four-lane highway access and high-speed internet.

Specifically, residents highlighted the following strengths:

o Recreation

- Recreational lakes
- Indoor aquatics and recreation center
- Crystal Water Project
- Ice Fishing Initiatives
- Bicycle and snowmobile trails

o Strong community and small-town feel

- Strong local schools
- Growing younger population
- High availability of community education programs
- Growing population
- Low crime rates

o Infrastructure, particularly for a city of its size

- Access to four-lane highway and Mankato
- Access to basic amenities (i.e. gas, groceries, Post Office)
- Good medical care
- Two assisted living facilities
- High-speed internet
- Proximity to Mankato/North Mankato

o High employment

- Manufacturing jobs
- Proximity to Mankato and additional employment
- Agriculture
- Industrial Park
- Low unemployment

Weaknesses

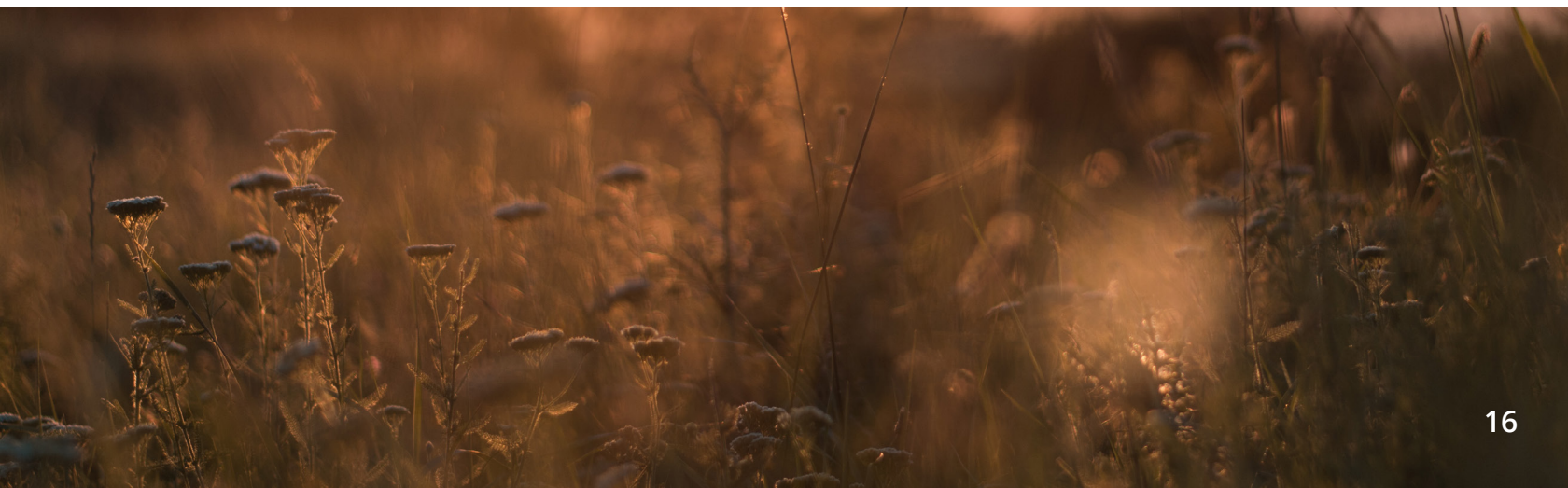
Many of the city's strengths were paradoxically identified as potential weaknesses. In particular, participants in the community input session were divided on the city's proximity to Mankato/North Mankato. While some cited the nearby metropolitan area as a strength for Lake Crystal, others decried it as hampering the city's business recruitment and retention efforts. This suggests that city leaders in Lake Crystal could benefit from establishing a formal position on how best to both leverage the nearby metropolitan area, while simultaneously minimizing the potential drawbacks.

This discussion bore out in several ways throughout the community input session, with a notable emphasis on commuters and consumer buying patterns. Nearly half of Lake Crystal's residents work outside city limits, with the vast majority of those commuters working in the Mankato/North Mankato area. Throughout the community input session, it became clear that many commuters prefer to conduct much of their retail and grocery shopping in the Mankato area, reserving local shopping for smaller errands and essential items.

Additionally, some residents and city officials cited costly infrastructural needs as potential weaknesses. Notable among these were unusually high electrical rates, cumbersome and restricted access to Minnesota Highway 60, and a fully occupied industrial park. In other words, under current conditions, it could be difficult to find a suitable location for a major industrial employer.

Specific weaknesses cited during the community input session include:

- o Proximity to Mankato
- o Inadequate child care options
- o Higher than average utilities costs
- o Limited consumer options
 - Restricted business hours
 - Consumer buying patterns, both online and Mankato-area shopping
 - Higher retail pricing
- o Industrial park is full, no more openings for incoming businesses or expansions
- o Labor shortage; most of workforce is already employed
- o Business/community access from Highway 60 is limited/poorly designed interchanges
- o Poor aesthetics from highway
- o Scarcity of vacant lots for commercial and industrial development, including industrial park



Opportunities

While the current blight of downtown was a point of frustration for several residents, others saw the current vacancies as an opportunity for small-scale entrepreneurs and developers. Furthermore, Lake Crystal is uniquely situated among the nation's richest agricultural producers and major transportation infrastructure. Consequently, opportunities abound for capitalization of direct and indirect agricultural industries.

Many additional opportunities cited during the community input session focused on recreational and community development efforts.

Specific opportunities include:

o **Agricultural**

- Spin-off from POET ethanol plant
- Farmers Market development
- Co-op development

o **Recreational**

- Major bicycle route converges in Lake Crystal, on which cyclists from several communities can enter the city
- Large chain of lakes; more usage from commercial (restaurants and tourism) and recreational (beaches and parks)
- Expanded access to snowmobile trails
- Classic car roll-ins
- Battle of the Bands
- Sports and recreation tourism/greater use of existing sports facilities

o **Child care business**

o **Openings in Main Street business fronts**

o **Multi-family housing development**



Threats

Threats to Lake Crystal, as identified by residents and city officials, centered around infrastructural concerns—in the broadest sense. These concerns appear to address the city's ability to adapt and adjust to future growth. Concerns around the future of everything from childcare and housing to highways and parking suggest that while the broader infrastructure is adequate to serve current needs, it will require intentional planning and investment to meet future demand.

Specific threats cited during the public input session include:

o Parking

- If downtown buildings are fully occupied, nearby on-street parking may be inadequate to meet demand
- Current on-street parking may be out of compliance with the Americans with Disabilities Act, and any future expansion will have to address this shortcoming, at what residents and officials are concerned may be a significant expense

o Current/existing businesses health

- Current businesses could lose market share to new ventures
- Any business recruitment activity should be intentional about continuing to support existing establishments

o Daycare shortage

o Expense of remediating polluted recreational lakes

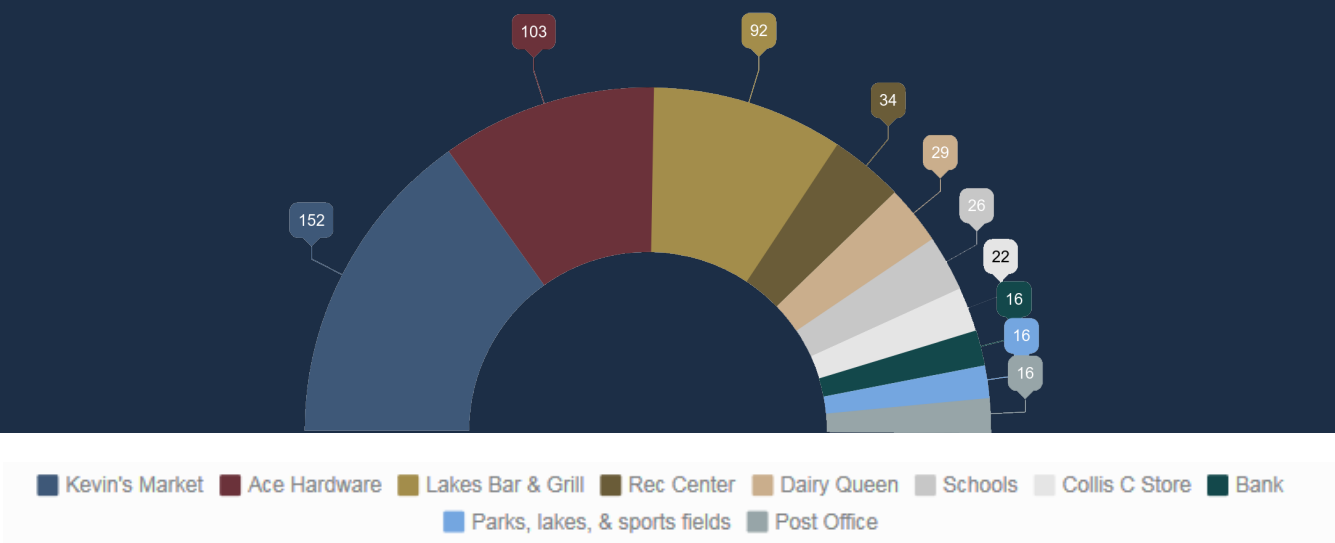


A survey was created with the assistance of staff and city council members in Lake Crystal and with inputs from other members of the community. There were 211 surveys returned (77 male/133 female/1 other). Of the respondents, 206 identified as White or Caucasian, two identified as Black/African American, while two respondents indicated “other”. One respondent was under the age of 18, 124 were in the 18 to 44 age bracket, 63 in the 45 to 64 age bracket, and 23 were over the age of 65.

Over half of respondents (124, 59 percent) indicated that they commuted from Lake Crystal to work. This is a lower percentage of commuters than statistics of the workforce identify as commuters. However, this survey also includes those not currently working (e.g., unemployed, students, retirees, etc.) The most frequent destination for work was Mankato/North Mankato (73 percent), followed by Saint Peter and New Ulm.

When asked about local (i.e., Lake Crystal) destinations outside of work, Kevin’s Market was by far the location with the highest response (72 percent), followed by Ace Hardware (49 percent), and Lakes Bar and Grill (44 percent). Rounding up the top ten destinations (all lower than 16 percent) included the Rec Center, Dairy Queen, Schools, Collis C Store, Bank, Parks/Lakes/Sports Fields, and the Post Office.

FIGURE 5: TOP 10 MOST-VISITED DESTINATIONS



When asked about favorite qualities of Lake Crystal, the quiet small-town feel of the city was endorsed by 58 percent of the respondents, closely followed by the community being safe and friendly (55 percent). Schools (38 percent) were followed by the Rec Center, sense of community, parks and lake access, business diversity, proximity to Mankato/North Mankato, food and entertainment, and environment/natural surroundings.

Responses to questions regarding the biggest challenges facing Lake Crystal heavily focused on retaining small business. Thirty-one percent of respondents indicated concerns regarding business retention. Utility and tax rates were a distant second at 14 percent, followed by proximity to Mankato/North Mankato (also identified as a favorite quality), quality of lake water, inadequate activities, aesthetics/cleanliness, difficulty in community planning, access to daycare, lack of dining/entertainment (also identified as favorite quality), and homogeneous demographics.

FIGURE 6: TOP 10 ITEMS TO BE ADDRESSED WITHIN TWO YEARS

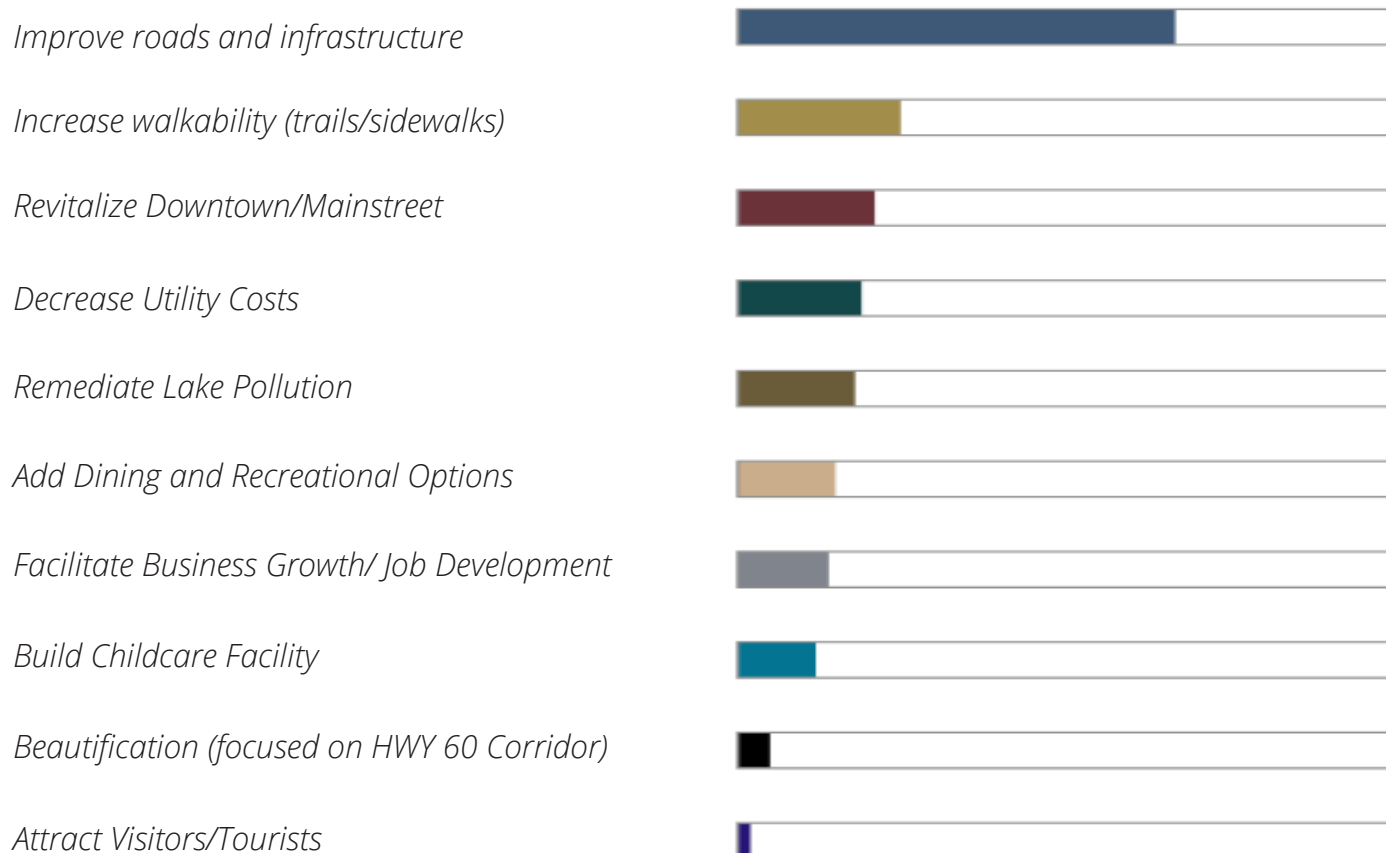
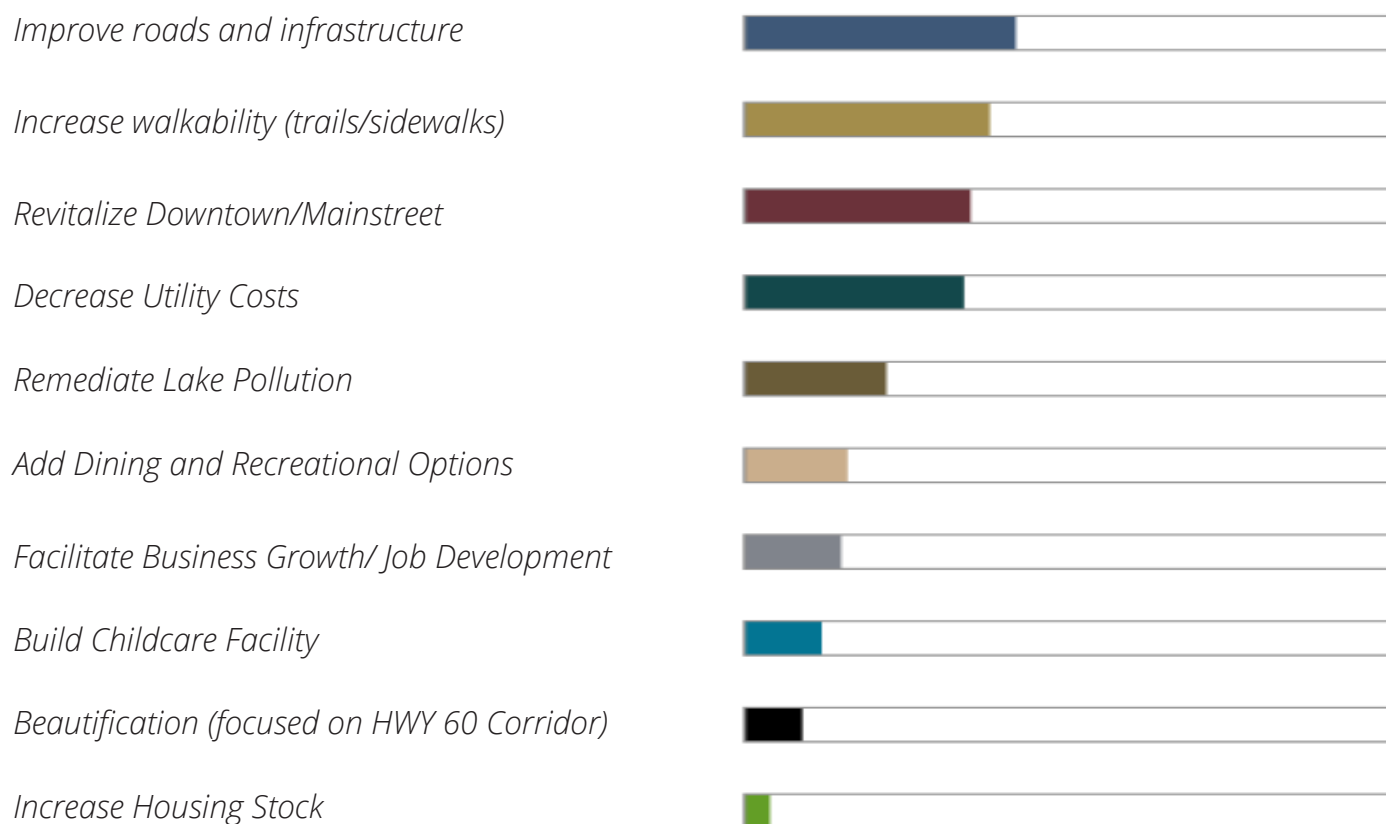


FIGURE 7: TOP 10 ITEMS TO BE ADDRESSED WITHIN FIVE YEARS





CHAPTER 4

Lake Crystal Competitive Position

Developing strategic economic development plans require a community, whether that be a city or a county, to make decisions that fundamentally influence the direction of the community. This, of course, assumes that the plan undergoes an effective implementation of the direction chosen. This plan therefore addresses strategic positioning, resources and capabilities, and design of a “new Lake Crystal” to create, capture, and sustain competitive advantages.

Success for Lake Crystal ultimately depends not only on the soundness of the formulated strategies, but also on effective implementation through appropriate choices. The plan therefore includes suggestions for tactics, potential partners, funding sources, and benchmarks in order to enhance the City's ability to define and analyze strategic problems and to identify sources of competitive advantage from both a city and industry-level perspective.

Focusing on Lake Crystal's unique resources and capabilities, this plan takes into consideration the impact of change and environmental forces that can create or destroy opportunities for establishing and sustaining competitive advantage. It is important to note that strategy formulation deals with the world of experience. The world of experience is not a world of certainty. Thus, reasonable people (with different experiences) will view the plan differently. Strategic planning, however, involves making sense together, and is a creative and subjective process. Conjectures and knowledge based on personal experiences should therefore be highly valued within the conversation of Lake Crystal's future. The city should therefore involve as many stakeholders as possible as it considers the alternatives proposed in this plan and carefully consider the options proposed.

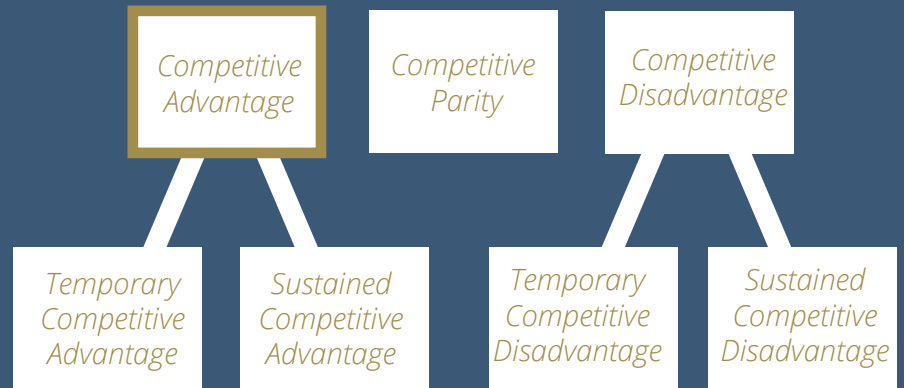
It is common for municipal decision makers to emphasize a specialized functional perspective when assessing priorities. For example, from a budgeting standpoint one typically concentrates on how to both identify and produce the information necessary to manage and guide the community effectively. Financial management is concerned with how capital markets work and, in turn, affect the financing of on-going operations. Marketing efforts tend to focus on how to analyze, shape and respond to the needs of the residents as well as how to manage the community's marketing efforts. Operations decisions focus on organizing the production activities of the community, so it can produce quality services at a reasonable cost. All of these functional perspectives play a critical role in the success of a community, but how do they fit together? Hence, the work plan starts with three categories of action steps that are aligned with five key focus areas. This will be described in more detail in the next chapter.

The focus of this plan is on running the city as a whole. This plan integrates functional views together and the current situational opportunities and challenges of Lake Crystal. It assumes that Lake Crystal's primary responsibility is to diagnose the critical factors that require attention in complex business situations and to find workable solutions to community problems. To solve such problems, decision makers must be capable of understanding and using knowledge from each functional area to provide a “total city” overview, or a systems perspective.

Lake Crystal must also analyze competitive situations within its industries in order to understand the sources of local firms' competitive advantages. Strategies are always enabled and constrained by the economic and political conditions that prevail in an industry or community, as well as by the resources available to the decision makers.

What value proposition does Lake Crystal offer current and future residents? What value proposition does Lake Crystal offer current and future businesses? These two questions address the competitive advantage of Lake Crystal. Each can be addressed by either uniqueness perceived by residents/businesses or a low-cost position that generates above average advantages for residents or businesses (in relation to nearby locations where one could live or do business).

FIGURE 8: TYPES OF COMPETITIVE ADVANTAGE

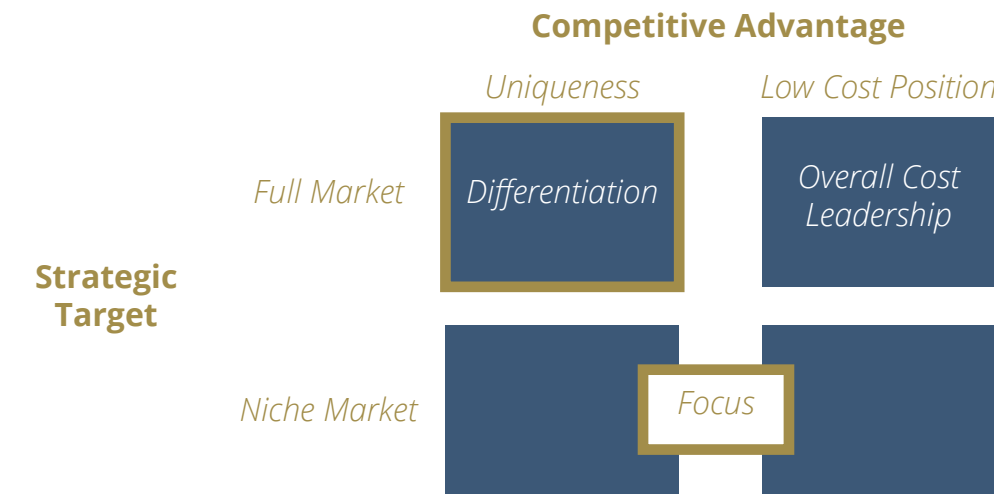


Lake Crystal will need to consider how answers to these two questions are framed in order to reduce effects of competition from other communities. As an example, if Lake Crystal finds that they can offer an overall cost leadership proposition to potential residents or businesses, strategies to attract or retain residents/businesses must be based on the ability to provide lower costs of living or doing business than other places. This could be based on efficient-scale facilities (e.g., low cost rent in an industrial park), low cost housing, short commute times to work (i.e., low commuter costs), or potential cost reduction from a taxation standpoint in relation to communities of similar size or within a certain geographic proximity. Other ways to exert a competitive advantage through cost leadership include internal operations procedures such as tight control of costs and cost cutting in all aspects of the value propositions that are offered residents and businesses.

Identifying Lake Crystal's Competitive Advantages

A different approach to answering the question involves presenting alternatives that emphasize the uniqueness of Lake Crystal or what is typically referred to as a differentiation strategy. In other words, irrespective of costs, Lake Crystal would present its value proposition based on elements that set the city apart from the competition. This could manifest itself in branding, location, availability of public services, social networks, or existing social or business networks. In short, a differentiation strategic approach emphasizes anything but the cost element of living or doing business in Lake Crystal. Whatever approach the city views as most beneficial to the long-term goals of Lake Crystal it is important to recognize that it is difficult, or impossible to do both (e.g., cost leadership and differentiation) at the same time. Lake Crystal may, however, focus on low cost opportunities for business while providing a unique and differentiated quality of life experience for its residents and overall quality of life.

FIGURE 9: DECIDING ON GENERIC STRATEGIES TO PURSUE



An alternative approach to the more generic strategy options of cost leadership and differentiation is to adopt a focused strategy formulation – which in its simplicity aims to provide better service than can be offered by broad competitors. Lake Crystal could still focus on cost advantages or uniqueness by targeting a niche market or particular market segment. A niche market in community economic development could be targeting commuters that seek more square footage in relations to cost than what can be achieved in larger urban areas, or by allocating resources to reach businesses that need more space for warehousing or logistics operations than what is available elsewhere. This may include providing short-term tax incentives to larger employers wanting to relocate to Lake Crystal or developing an industrial park with direct highway access to facilitate easier logistics for manufacturers or producers within a certain market segment.

These types of considerations will not decide the nature of the strategic choices, rather they should guide the overall decision making. As an example, being a bedroom community to Mankato/North Mankato prompts different investments and strategic decisions than being an all-inclusive community with a low rate of commuters. The key is to drive a wedge between the residents’ and businesses’ willingness to pay and what it costs to live and do business in the community (i.e., Lake Crystal should be viewed as a community that adds value to quality of life or doing business for potential newcomers). A sustainable strategy should therefore match the overall goals of the city with what the city has to offer so the willingness to pay goes up, hence making Lake Crystal a thriving community in the years to come. Sustainable public policies and economic resiliency comes from a full range of activities that act in harmony with the expectations of local residents and the business community.

A final note of “caution” is that Lake Crystal should always consider what is referred to as Supplier Opportunity Cost (SOC) when considering its future strategies. SOC refers to the smallest amount that a supplier will accept through an exchange. Although a business approach to decision making is essential when formulating a strategic plan, it is also important to remember that a municipality does not seek short-term gains in the same way as many organizations do to fulfill the wishes of shareholders and stakeholders.

Lake Crystal should consider an alternative use price when deciding on tax benefits to potential businesses and developers. In short, Lake Crystal must recover actual costs for added value to be able to provide and maintain the uniqueness or benefits that are promised, or the competitive advantage will falter over time. In other words, it is essential that Lake Crystal as a supplier of benefits can continue to exploit its advantages once the strategic direction is made public. It is this added value that will make Lake Crystal a place of the future.

Potential Sources of Competitive Advantages: Real Estate & Infrastructure

Real estate and infrastructure for local businesses are the two drivers of competitive advantages in most small cities. Lake Crystal's real estate market appears to serve current needs, yet renters pay relative high portions of their income for housing. This is not conducive for business expansion, economic growth, or attracting talent to Lake Crystal.

Considerations regarding real estate planning and commercial infrastructure should therefore be forward looking if Lake Crystal seeks to grow the local economy and remain competitive as a small town in a regional economy that appears to favor the urban areas.

Lake Crystal is currently divided into zoning designated as follows:

- (A) R-1 Agriculture Residence District;
- (B) R-2 Single-Family Residence District;
- (C) R-3 Multiple-Family Residence District;
- (D) B-1 Limited Business District;
- (E) B-2 General Business District;
- (F) I-1 General Industry District;
- (G) I-2 Limited Industry District.

Below are two areas that this report view as potential sources of competitive advantage as Lake Crystal looks to the future.

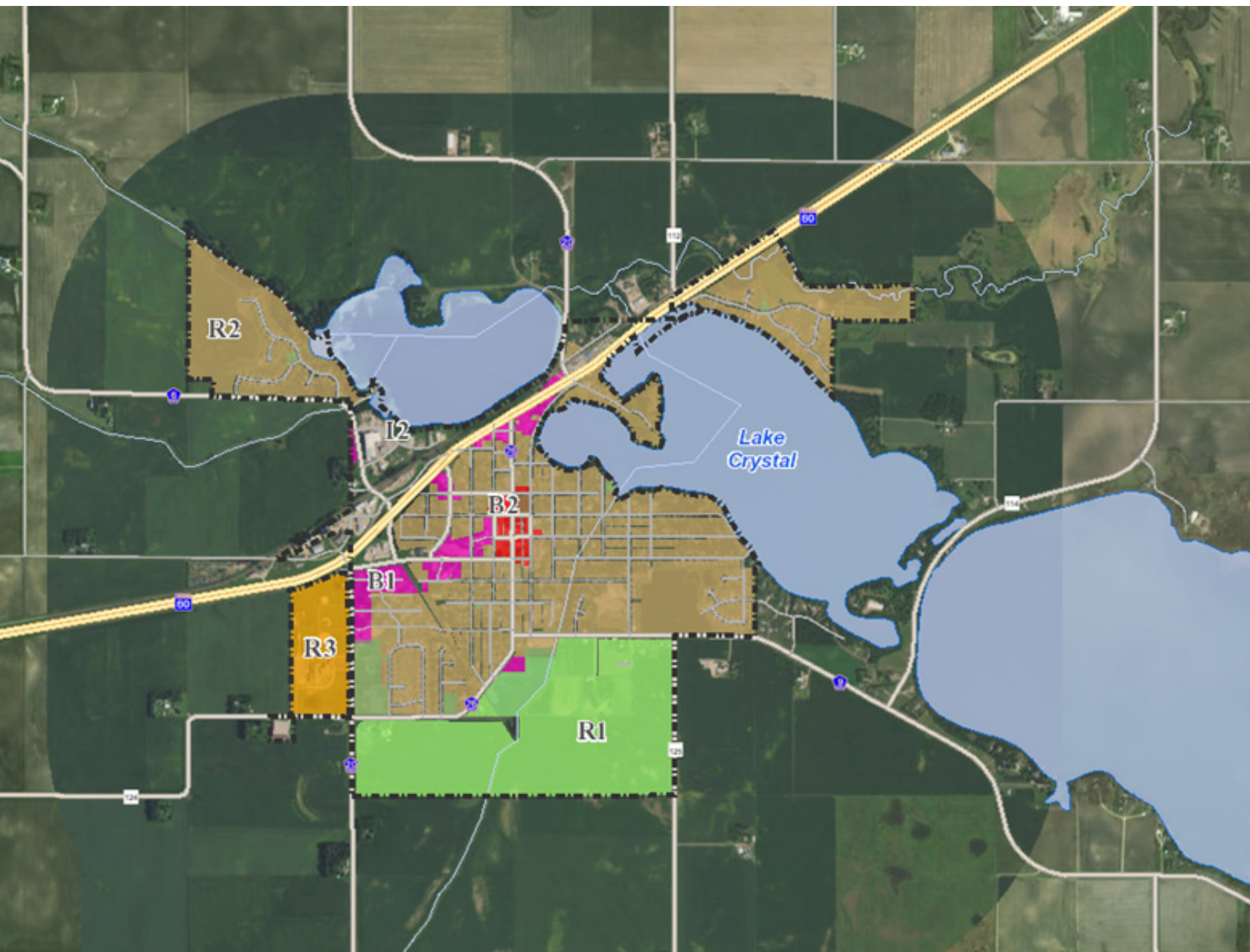
Not to be confused with heavy industry and integration facilities, Industrial Parks (IP) contain small and middle size manufacturing unities that have different and complying production procedures in special closed zones. There are many definitions and explanations for the concept of industrial parks, but a common view is that they consist of small and middle size organizations that have integrated business and production, and benefiting from common infrastructure services (e.g., logistics, utilities, highway access).

Organizations in IPs are typically complementary in production process or producing in the same line. Hence, cluster formations are typical in such industries (e.g., medical manufacturing, food processing). The use of the infrastructural services with common disciplines help prevent environmental pollutions and allocate appropriate regional planning.

Lake Crystal does not have industrial park lots available. Rezoning areas near Highway 60 would allow cluster formation and employment growth to take place. There are several examples of successful cluster formations in small towns of Lake Crystal's size in Minnesota.

Real estate developments should also be considered if rezoning were to take place. Multi-family housing could provide affordable housing for a growing workforce and potentially assist the elderly population. Elder care, along with affordable child care, is a growing concern regionally, and redevelopments of areas zoned for single-family housing to allow multi-family developments would position the city to a) accommodate a larger workforce and b) provide affordable and convenient housing options for both the elderly and others looking for alternatives to traditional single-family homes.

FIGURE 10: LAKE CRYSTAL ZONING





CHAPTER 5

Five Year Work Plan: Economic Development Strategies & Implementation

Investments to Enhance Economic Competitiveness

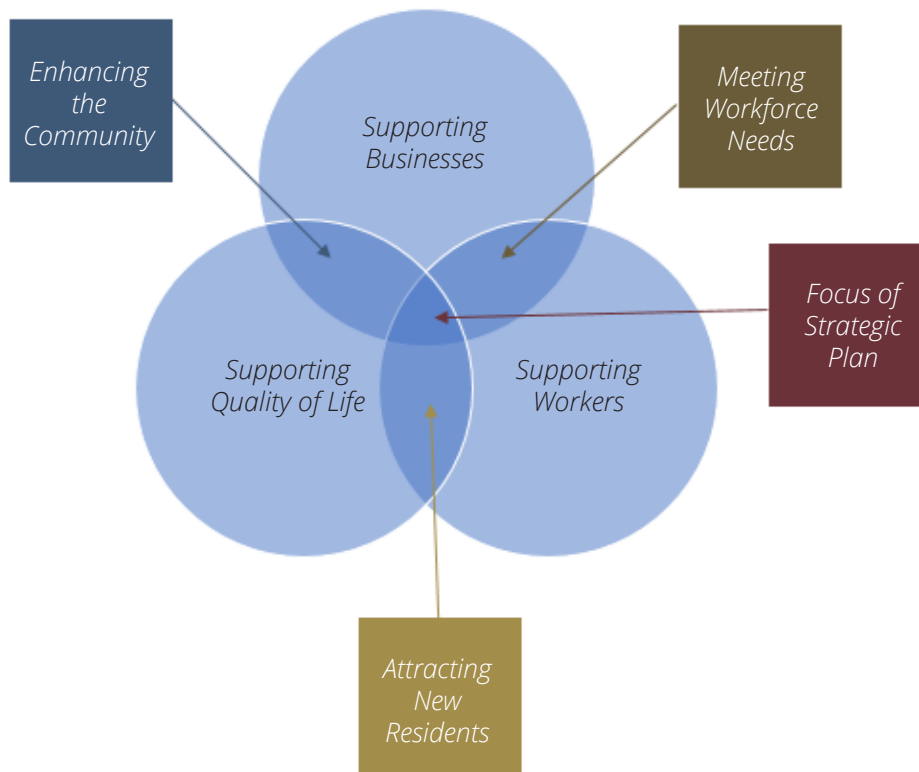
The quality of institutions matters greatly for cities' economic competitiveness. There is a strong correlation between the quality of a city's institutions and its overall competitiveness. A city's ability to tax, plan, legislate and enforce laws, and its willingness to be held accountable by its citizens require strong institutions.

Many small and mid-sized cities around the United States are struggling because their economies were built largely on a single economic sector that has changed significantly. For example, at one time jobs might have been heavily concentrated in industries like logging, mining, or manufacturing, but technology and market forces have transformed these sectors, and they no longer employ a large workforce. Changing circumstances, such as those caused by resource depletion, globalization, or shifts in consumer preferences, can shake the economic foundations of these communities, leaving people without jobs and cities without a healthy tax base.

Rather than simply seeking to attract major employers to replace these lost jobs, several cities have tried a different method to anticipate and overcome some of these challenges. This emerging shift toward place-based approaches to economic development can go by various names. This plan uses the term "smart growth economic development" to refer to a strategy that builds upon existing assets, takes incremental actions to strengthen communities, and builds long-term value to attract a range of investments.

The three core components of a smart growth economic development strategy are **supporting businesses**, **supporting workers**, and **supporting quality of life**.

FIGURE 11: SMART GROWTH ECONOMIC DEVELOPMENT



Note: The overlapping areas illustrate focus areas that fulfill two or more of the components of the economic development strategy.

Supporting and expanding existing businesses and attracting new businesses contribute to economic development in several key ways, including helping businesses create jobs, encouraging entrepreneurship, enhancing fiscal sustainability by expanding and diversifying the tax base, and improving quality of life with new services and amenities.

This component of a smart growth economic development strategy focuses on understanding the current composition and location of businesses, jobs, and potential emerging entrepreneurs in the community. This information can help reveal how well the businesses serve local residents and contribute to quality of life and which industries have the most potential to drive economic growth in the future.

Targeting key economic sectors for growth allows city staff to direct their economic development efforts in a strategic manner, which helps the city use their limited resources wisely. This part of the smart growth economic development strategy considers not only the businesses and industries with the greatest growth potential, but also where these businesses are located and how their location helps the community meet its economic, environmental, and other goals.

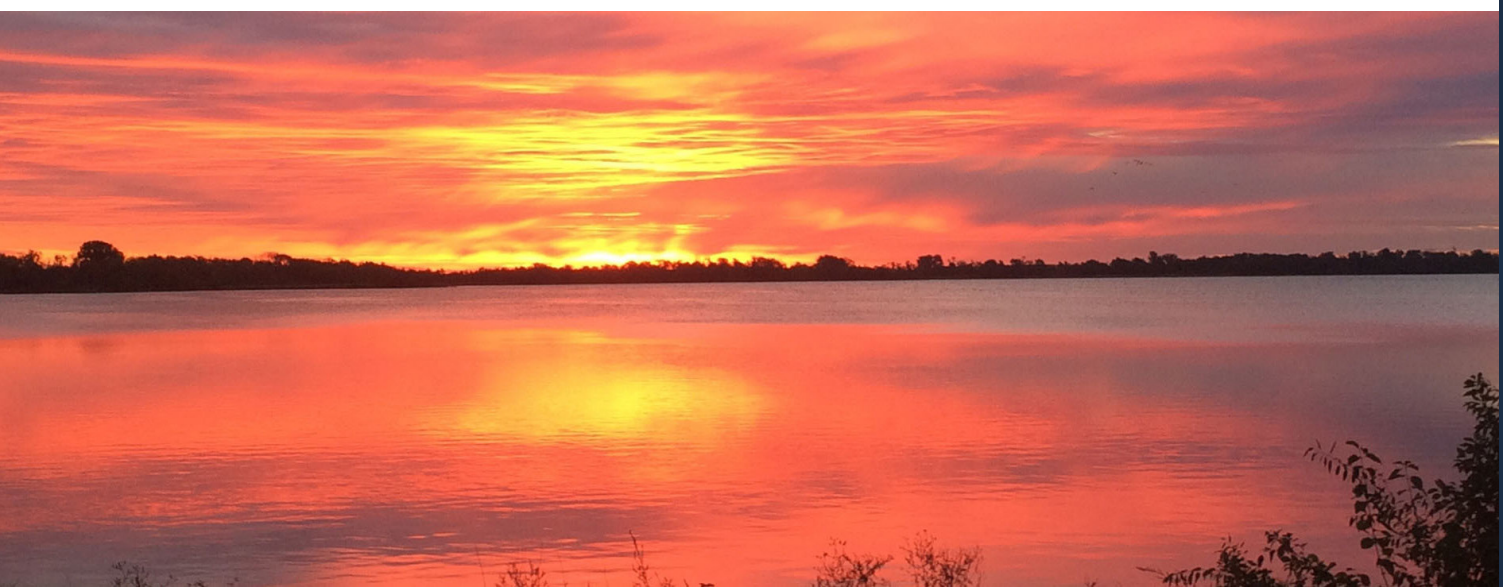
Workforce development is important to ensuring that residents can successfully compete for employment opportunities and that all residents have the opportunity to benefit from economic prosperity. The availability of a workforce with a wide range of skills and education levels can help local businesses grow and attract new businesses. By offering residents opportunities to learn skills for a wide range of jobs, workforce development efforts might also reduce the need for residents to commute long distances to find appropriate employment, thereby improving quality of life and reducing pollution from vehicles. This smart growth economic development component focuses on how well the skills and education of the local workforce align with the needs of existing and growing industries and provides insight into what the community could do to help workers better match businesses' needs.

Residents and businesses both value a community with a good quality of life. A variety of factors can improve quality of life, such as a thriving downtown or commercial district with neighborhood-serving shops and restaurants; green and open space; a variety of transportation choices, including options for walking, biking, driving, and public transit; artistic, cultural, and community resources such as museums, public art, community centers, religious institutions, and other community gathering spaces; and medical, technical, and academic institutions. Aesthetic improvements might include green infrastructure such as trees and other vegetation that help improve the pedestrian environment while absorbing rainwater and improving water and air quality. This smart growth economic development element also includes identifying key locations for development and redevelopment in the city's core, including brownfields and infill sites.

Preparing a smart growth economic development strategy

The step-by-step process for preparing a smart growth economic development strategy is based on six principles:

- 1. Make the distinction between “growth” and “investment.”** Not all communities are necessarily growing. However, in most cases, businesses, individuals, and/or public agencies continue to make investments in the community even during periods of population decline. Building on ongoing investment(s), rather than “growth” as defined by increasing employment, population, or tax base, is essential to reinvigorate a struggling economy.
- 2. Be tactical and strategic.** A smart growth economic development plan should include broad, long-term strategies that set overall direction and objectives for any economic development-related activities and investments. The plan should also identify short-term, tactical actions that address specific barriers or challenges to attaining the longer-term vision. While the long-term strategies might not change for several years, tactics should be updated on a regular basis to reflect changing conditions and opportunities.
- 3. Be focused.** Investments of time, money, and other community resources are most effective when targeted to an area that is both big enough to offer opportunities for change and small enough to make tangible, visible improvements that will spur investment. Over time, small focus areas can be expanded to build on successes.
- 4. Start where there is already momentum.** Economic development efforts are most effective in places where there is already some private-sector activity so that public investments can reinforce and support investment by individual homeowners, business owners, commercial property owners, and/or banks and other financial institutions. Once these initial investments start to show success, it will be easier to attract additional investment to nearby locations, thus spreading the momentum incrementally over time.
- 5. Find the right partners for specific goals.** Successful economic development efforts rely on partnerships across public agencies, especially when different types of funding are involved. Engaging these partners for specific and mission-appropriate goals is more effective than trying to seek support for broad or poorly defined initiatives. Communities might also set goals to align with specific funding sources to improve the odds of securing money for implementation.
- 6. Communicate and coordinate.** Good communication and coordination among groups and agencies can help ensure that all available resources support the community's vision. For small cities with limited resources, this coordination can help achieve goals at minimal cost by avoiding redundancy, conflicting efforts, and/or spreading resources too thin for meaningful improvement.





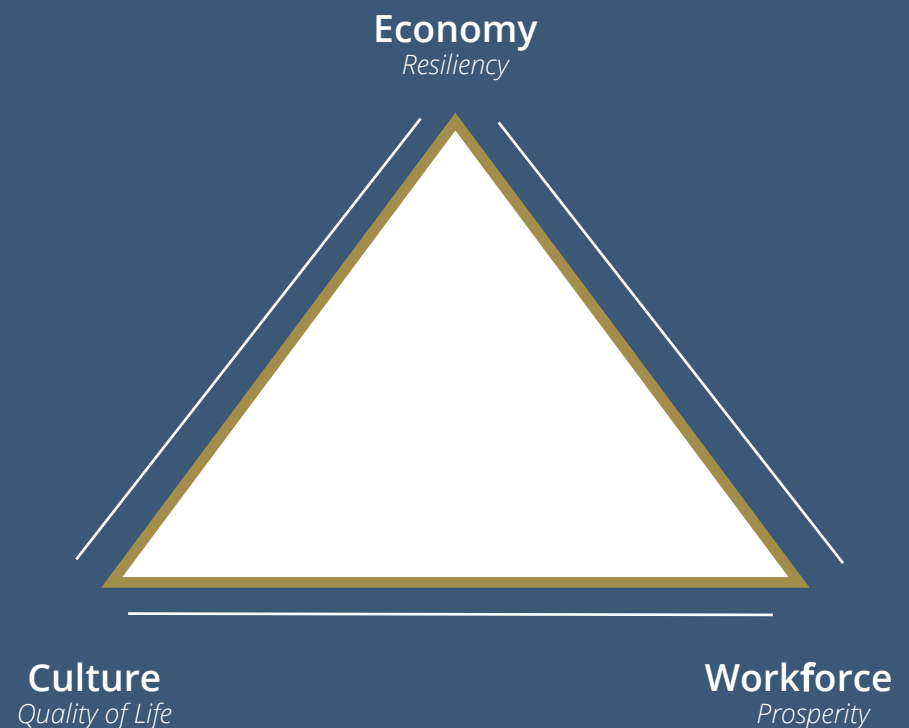
Lake Crystal – A City for the Future

There are a few considerations to address as Lake Crystal considers its options and looks to implement the Five Year Work Plan. Below are three critical elements that should be addressed with stakeholders and among decision makers:

- 1) Economic growth will contribute to improvement of the quality of life, but only up to a threshold point, beyond which if there is more economic growth, quality of life may begin to deteriorate.
- 2) If economic growth prevails and has not reached its threshold, more growth should be encouraged.
- 3) After the threshold has been reached a focus on growth no longer holds, because the economy has reached a point in which the costs of growth outweigh the benefits. At this point the focus should be shifted towards improvements in cultural and workforce specific areas.

This does not suggest that Lake Crystal should only focus on economic growth at the early stages, but rather that economic growth is not a long-term sustainable strategy by itself.

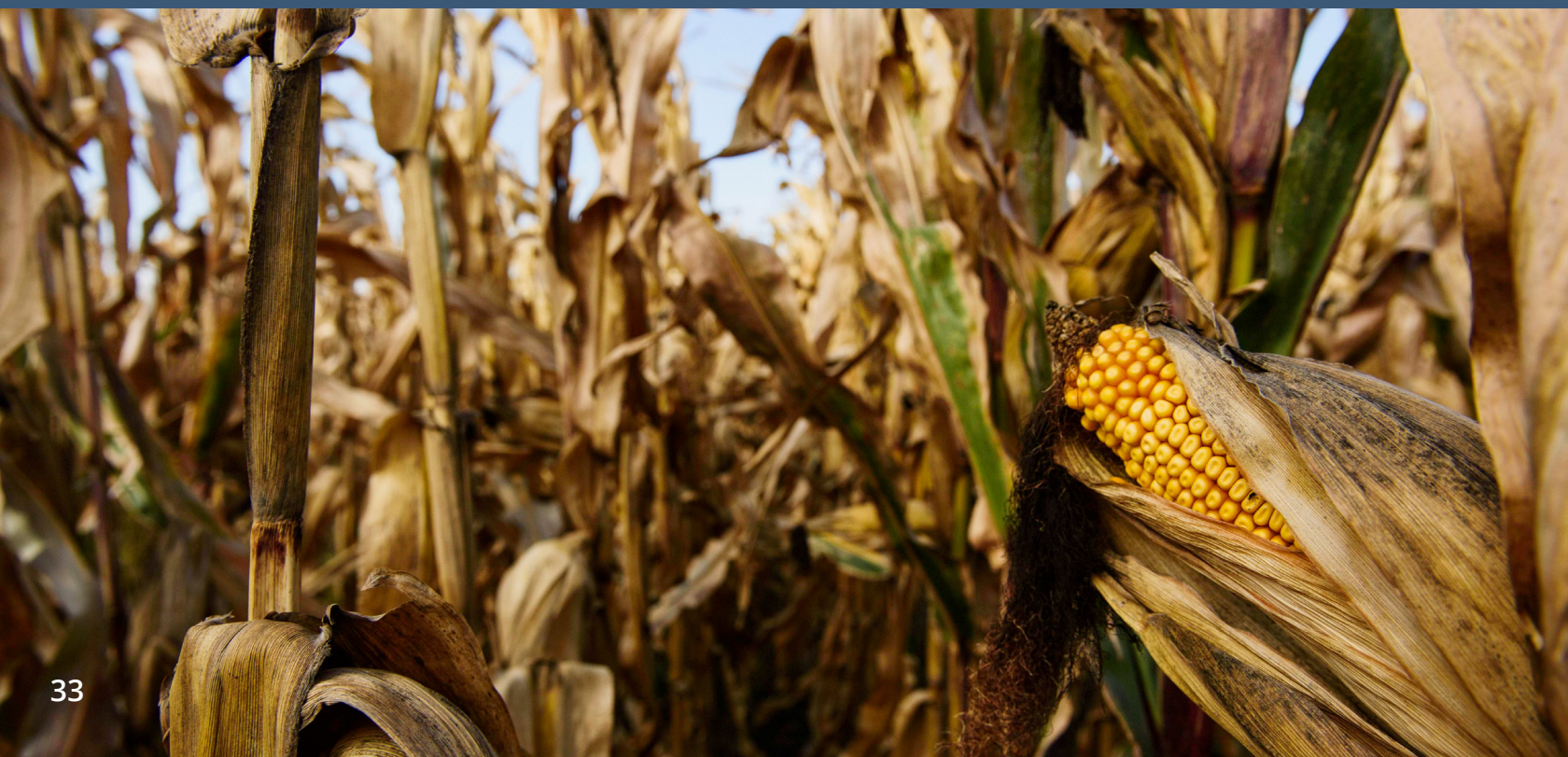
FIGURE 11: THE VALUE TRIANGLE



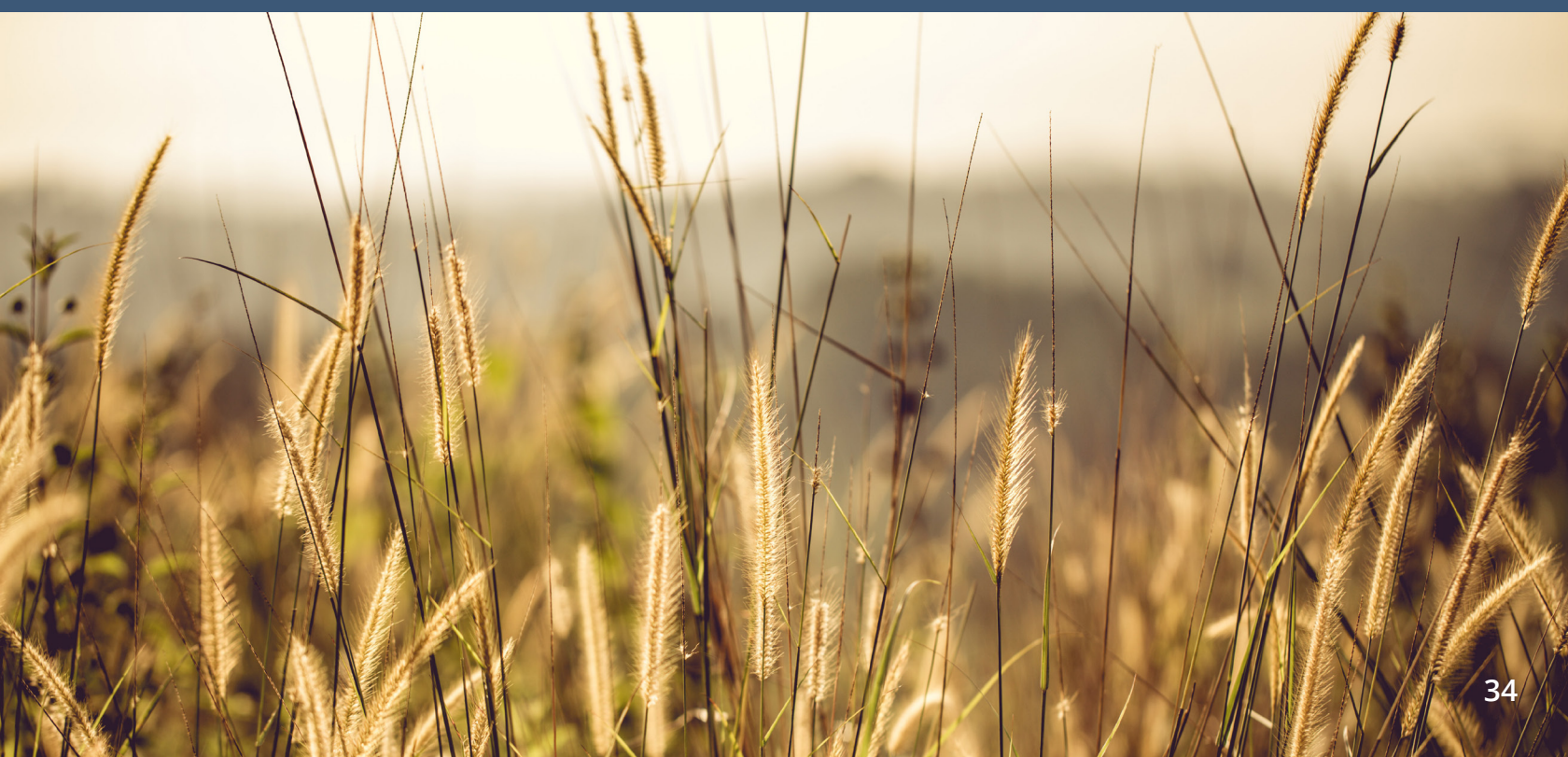
City of Lake Crystal - Five Year Work Plan Key Focus Areas						
Strategic Focus Areas and Action Steps		Promoting the City	Utilization of Existing Resources	Developing New Resources	Redevelopment	Attracting New Resources
Supporting Business (Develop + Redevelop + Leverage)						
Action Steps	Develop strategic marketing action plan (1.1)	X	X			X
	Develop/redevelop underutilized sites (1.2)		X	X	X	X
	Provide relocation incentives for businesses (1.3)	X	X	X	X	X
	Develop industrial park near highway (1.4)			X	X	X
	Establish manufacturing related business cluster (1.5)	X	X	X	X	X



Strategic Focus Areas and Action Steps		Promoting the City	Utilization of Existing Resources	Developing New Resources	Redevelopment	Attracting New Resources
Supporting Workers (Opportunities + Growth + Prosperity)						
Action Steps	Increase workforce multifamily housing (2.1)			X	X	X
	Invest in workforce development & training opportunities (2.2)		X	X	X	X
	Boost awareness of local job openings for the Lake Crystal and regional employees (2.3)	X	X	X		X
	Supporting & scaling pathways through apprenticeships (2.4)		X	X		X
	Align economic development projects with local/ regional workforce development & educational agencies (2.5)	X	X	X		X



Strategic Focus Areas and Action Steps		Promoting the City	Utilization of Existing Resources	Developing New Resources	Redevelopment	Attracting New Resources
Supporting Quality of Life (Housing + Leisure + Education)						
Action Steps	Increase walkability/trails/sidewalks (3.1)			X	X	
	Create dedicated local funding sources for improved infrastructure & lake pollution remediation (3.2)		X	X	X	X
	Expand service offerings of new and existing businesses (3.3)	X	X	X	X	X
	Increase availability of affordable housing options (3.4)			X	X	X
	Enhance downtown aesthetics (3.5)	X	X		X	





FIVE YEAR STRATEGIC PLAN IMPLEMENTATION GUIDE

Strategy Number	Economic Development Strategy	Tactic(s)	Priority Level	Timing	Implementation Partners	Funding	Benchmark(s)
1.1	Develop marketing materials to showcase Lake Crystal as a site for expansion and redevelopment	<p>Prepare a short booklet which highlights the resources that exist for potential new businesses</p> <p>Develop a video to showcase Lake Crystal's strategic location and existing workforce</p>	High	Short-term	<p>City Staff City Council Chamber EDA RNDC Otto Media Group</p>	Local EDA	Number of businesses expanding or relocating to Lake Crystal
1.2	Develop/redevelop underutilized sites	<p>Produce profiles of target sites</p> <p>Contact property owners to determine interest in participating in marketing for potential redevelopment and/or selling properties</p> <p>Consider rezoning land for industrial park developments</p>	High	Continuous	<p>City Staff City Council EDA RNDC</p>	Federal EDA Grants	Redevelopment projects
1.3	Provide relocation incentives for businesses	<p>Short-term tax incentives to employers adding more than 50 jobs with a minimum five year commitment</p> <p>Rezoning areas near the highway would make redevelopments easier</p>	Medium	Mid-term	<p>City Council Chamber EDA</p>	Nominal	New employers
1.4	Develop industrial park near highway	<p>It would be difficult to expand the local economy and attract larger employers without a designated industrial park near Highway 60</p>	High	Long-term	<p>City Council Chamber EDA RNDC GMG MnDOT</p>	Federal EDA DEED MnDOT	Rezoning Tenants New industry
1.5	Leverage grant opportunities to implement identified strategies	<p>The City should take advantage of economic development opportunities from federal EDA, DEED, and other state and federal resources designed to increase employment and the City's tax base</p>	High	Mid-term	<p>City Staff City Council EDA RNDC</p>	Federal EDA DEED	<p>Federal & State grants submitted Federal & State grants awarded</p>

Strategy Number	Economic Development Strategy	Tactic(s)	Priority Level	Timing	Implementation Partners	Funding	Benchmark(s)
2.1	Increase workforce multi-family housing	Rezoning of single-family areas to accommodate growth	Medium	Long Term	City Staff City Council EDA Local developers	N/A Incentives for developers	Re-zoning Multifamily units
2.2	Invest in workforce development & training opportunities	Opportunities to retain and attract a talented workforce Utilize existing resources to offer local workforce opportunities to obtain licenses/certificate programs	High	Mid-term	City staff School District RNDC State Engineering Center of Excellence SCC PIPELINE	State grants USDA grants Federal EDA grants	Private employment retention Private employment growth
2.3	Boost awareness of local job openings for Lake Crystal and regional employees	Develop partnerships with regional workforce council Chamber events to highlight specific needs Close working relationships with regional institutions of higher education	Medium	Long term	City staff Chamber MSU Mankato SCC GMG	Nominal	N/A
2.4	Supporting & scaling pathways through apprenticeships	Partnerships with local industry, technical colleges, and school district to leverage human resources and labor shortages in regional economy	Medium	Long term	City staff SCC School district State Engineering Center of Excellence RNDC	N/A	N/A
2.5	Align economic development projects with local/regional workforce development and educational agencies	Link employers/employees with training opportunities available through South Central College and MSU-Mankato; work with SCC and MSU to bring high demand training opportunities to Lake Crystal; work with the SBDC and RNDC to provide business resources and Training	High	Mid-term	City Staff EDA MSU - Mankato RNDC SBDC SCC	N/A	N/A

Strategy Number	Economic Development Strategy	Tactic(s)	Priority Level	Timing	Implementation Partners	Funding	Benchmark(s)
3.1	Increase walkability/ trails/ sidewalks	Pursue funding opportunities to meet goals of SRTS and ATP plans as well as improve sidewalks and trails; Create Active Living Coalition to promote the benefits of walkability	Medium	Mid-term	City Staff City Council Public Works	Funding will depend on measures to be implemented	Number of new trails and sidewalks (DNR, USDA, MnDOT)
3.2	Create dedicated local funding sources for improved infrastructure and lake pollution remediation	Leverage grant opportunities with internal funding to implement identified strategies	Medium	Mid-term	City Staff City Council Public Works RNDC	USDA Department of Natural Resources	Development and/ or improvement of marina facilities Water quality measures
3.3	Expand service offerings of new and existing businesses	Conduct feasibility studies on retail and hospitality opportunities	High	Short-term	City Council EDA RNDC	Federal EDA SMIF USDA	Number of businesses opened
3.4	Increase availability of affordable housing options	Promote sites to developers, including redevelopment sites close to downtown; establish land bank & incentives for multifamily development; approach local lenders investors/ HUD/USDA to establish a favorable financing package; explore the potential of pre-leasing units	High	Long term	EDA Southwest Minnesota Housing Partnership	USDA HUD	Dwelling Units constructed
3.5	Enhance downtown aesthetics	Facilitate opportunity for businesses to meet with experts on marketing via storefront displays; participate in Minnesota Main Street Network	High	Short-term	City Staff EDA RNDC GMG Minnesota Mainstreet Project	Nominal	Storefronts enhanced

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APPENDIX IV

Unemployment Rates for Minnesota Counties



APPENDIX I: BUSINESS & COMMUNITY RESOURCE GUIDE

There are multiple organizations and resources available to Lake Crystal as it moves forward with implementing this plan. Some resources which may be particularly useful are provided below, grouped according to purpose and focus. Of course, many resources are also available locally within the community and should be utilized whenever possible.

STARTUPS AND SMALL BUSINESSES

Small Business Development Center (SBDC): www.myminnesotabusiness.com/

SBDCs, located in Mankato, provides expertise and guidance for business owners to flourish in today's competitive economy. SBDC is funded by the U.S. Small Business Administration and regional support partners, which allows the Center to provide professional services at no cost. The Center offers one-on-one, confidential consulting to established businesses and start-ups. It also helps to find and secure capital needed to operate and expand. Finally, SBDC offers an array of training sessions at no cost or nominal cost. Their consultants are experienced business people, most of whom have owned their own businesses. They help identify, understand and overcome challenges of running a successful business and competing in the global marketplace.

Center for Innovation & Entrepreneurship: cob.mnsu.edu/center-for-innovation-and-entrepreneurship//

Established in late 2016, The College of Business Center for Innovation and Entrepreneurship is the newest center at Minnesota State University, Mankato. Located on the second floor of the Hubbard Building in Old Town Mankato, the center is uniquely situated to foster relationships between students and local business members. The mission of the center is to facilitate the launch of the next generation entrepreneurs, innovators and dynamic organizations through education, research, and outreach. Resources include access to talented students, university faculty experts, a space for videotaping business pitches and presentations, open collaboration space where multiple groups can meet and work on projects, several meeting rooms, prototyping materials to help teams visualize and communicate ideas, 3D printer and scanner for prototype creation, and unique spaces and furnishings to stimulate creativity.

South Central MN SCORE: southcentralminnesota.score.org/

South Central MN SCORE, Chapter 710, Counselors to America's Small Business, is part of a national nonprofit association dedicated to entrepreneur education and the formation, growth and success of the nation's small business. The experts at South Central Minnesota SCORE Chapter can help with no-cost business counseling and low-cost workshops and small business classes. SCORE offers aspiring business owners and entrepreneurs with free confidential small business advice, entrepreneur training, business plan templates and more. Aspiring business people, as well as those with existing businesses, may schedule an appointment with a SCORE expert to discuss all varieties of business-related topics.

DOWNTOWN, COMMUNITY MARKETING, AND LOCAL ARTS & RETAIL

Greater Mankato Growth: greatermankato.com/

Greater Mankato Growth (GMG) is committed to Advancing Business for a Stronger Community as the regional Chamber of Commerce and Economic Development Organization and is a business unit of Greater Mankato Growth, Inc. Greater Mankato Growth, Inc. also includes three other business units: Visit Mankato, which focuses on visitor attraction and servicing, the City Center Partnership, which focuses on development in the City Center and GreenSeam, which focuses to build on existing ag business prominence across southern Minnesota – northern Iowa maximizing a growing economic marketplace in order to be the premier ag business epicenter in the United States.

Minnesota Main Street: www.mnpreservation.org/services/minnesota-main-street/

Minnesota Main Street is a 501(c)(3) nonprofit organization working statewide for the use of old buildings and sites. At the Preservation Alliance of Minnesota (PAM), the organization's core services help educate, motivate, and strengthen communities. Board, staff, and partners protect and promote Minnesota's shared environment and culture.

The Minnesota Historical Society and the Bush Foundation are just two of the many groups supporting this mission. Other organizations include neighborhood groups who need advice on historic designations or saving important structures; developers who support the need to work with legislators on the historic tax credits and for investment partnerships; homeowners who want to learn more through unique classes and experiential tours; and Main Street communities for a proven path to economic strength; and others.

EDUCATION, TRAINING, AND WORKFORCE DEVELOPMENT

Minnesota State Engineering Center of Excellence: engineering.mnsu.edu/

The Minnesota State Engineering Center of Excellence facilitates relationships by engaging academic institutions with industry and provides educational outreach by inspiring interest in science, technology, engineering, and math (STEM). These efforts shape the next generation of engineers who will solve real-world problems. The Engineering Center of Excellence fosters accessibility to the latest technologies, workforce programs, and post-secondary education. Collectively, advancing Minnesota's engineering innovation and competitiveness by enhancing education, engaging industry and inspiring students.

Pipeline Program: www.dli.mn.gov/pipeline

The Minnesota PIPELINE (Private Investment, Public Education, Labor and Industry Experience) Program is an approach to address current and future workforce needs. The program works with employers to change the conversation from "How do we find workers with the skills we need?" to "How do we GIVE workers the skills we need?" PIPELINE exists to support employers in creating or enhancing a competency based dual-training approach where workers receive a combination of related instruction strategically paired with on-the-job training. Dual-training grants through the Minnesota Office of Higher Education provide funding for employers to create new and expand existing dual-training initiatives. The program targets four, high-growth industries with limited history with Minnesota's apprenticeship system: advanced manufacturing, agriculture, health care services, and information technology.

South Central Workforce Council: www.workforcecouncil.org/

The WorkForce Council was incorporated in 1983 to administer job training programs in the nine-county area of South Central Minnesota and expanded its role to include welfare reform and oversight responsibilities for the WorkForce Center System. The Council is responsible for designing and marketing employment services, selecting organizations to deliver those services and monitor service delivery.

BUSINESS FINANCE & GRANTS

RNDC Revolving Loan Funds: www.rndc.org/what-we-do/

RNDC administers a Revolving Loan Fund (RLF) to assist existing businesses, as well as new businesses and entrepreneurs, in securing financing they otherwise unable to secure through traditional channels. The primary goal of the program is to create new jobs, or retain existing jobs, in the nine-county region. Preference is given to businesses that add full-time skilled or semi-skilled positions. The source of the funding is the Federal Economic Development Administration (EDA). RNDC welcomes partnering with other lenders to assist local businesses to succeed and thrive.

Southern Minnesota Initiative Foundation (SMIF): smifoundation.org/

Southern Minnesota Initiative Foundation is a regional development and philanthropic organization that fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership. SMIF collaborates widely to support community vitality through investments in early childhood, economic and community development. SMIF got its start in the farm crisis of the 1980s to help diversify Greater Minnesota economies and ensure vibrant communities for future generations. SMIF invests about \$5 million annually through loans and grants, in addition to specific programming.

PROPERTY LISTINGS

CoStar: www.costar.com

Free service for property owners to list properties. City may submit listings but must be confirmed by property owner at follow-up call.

LoopNet: www.loopnet.com

Free service for City or property owners to list properties. Account can be setup online. Tracking information to view number of property hits and downloads.

Property drive: www.propertydrive.com

Fee-based listing services for property listings commonly used by brokers.



USEFUL GUIDES FOR BUSINESS INFORMATION AND ASSISTANCE

Minnesota Trade Office: mn.gov/deed/business/exporting/

The Minnesota Trade Office helps turn opportunities into profits in foreign markets by providing the training and expertise that small and mid-sized companies need to export goods and services successfully worldwide.

Minnesota Department of Agriculture: www.mda.state.mn.us/exporting-and-international-trade

The MDA helps companies and individuals export raw and processed ag products out of Minnesota. We provided needed certificates and paperwork, and help companies expand their reach through business and trade development.

RNDC : www.rndc.org/what-we-do/international-partnerships/

RNDC works closely with local industry to leverage comparative advantages in today's global markets. As the designated regional development organization in South Central Minnesota, RNDC fosters partnerships with entities from both the public and private sections to strengthen everything from regional food clusters to medical device manufacturing.

COMMUNITY DEVELOPMENT FUNDING RESOURCES

U.S. Department of Agriculture: www.usda.gov/topics/farming/grants-and-loans

The USDA offers a variety of programs for assisting in community development, housing, and community facilities.

Community Development Block Grant Program: www.hud.gov/program_offices/comm_planning/community_development/programs

The CDBG Program offers assistance for a variety of community development activities, such as construction of public facilities (CDBG-PF), planning efforts (CDBG-PLNG), and housing development (CDBG-Housing).

Explore Minnesota/MN Department of Tourism: www.exploreminnesota.com/index.aspx

Explore Minnesota offers assistance for event planning and associated marketing.

Minnesota Department of Natural Resources: www.dnr.state.mn.us/

The DNR offers funding assistance for a variety of environmental initiatives from park and trail acquisition to water quality to clean up of environmentally contaminated "brownfield" sites.

Minnesota Department of Transportation: www.dot.state.mn.us/

MnDOT has programs for major street reconstruction projects and trail projects.

APPENDIX II: SURVEY QUESTIONS

A public survey was developed to solicit feedback from Lake Crystal residents on the future vision of the community and to help identify priorities. Feedback from 211 responses were incorporated into the plan.

Survey Questions:

- What is your age range?
- What is your gender identity?
- With what race do you most closely associate?
- What is your ethnicity?
- Do you regularly commute to a different municipality/city for work?
- If you live in Lake Crystal but work elsewhere, how long is your commute in minutes each way?
- What activities do you participate in locally in Lake Crystal?
- How frequently do you patronize Lake Crystal businesses?
- If you answered “a few time per month” or less, what would help to increase that frequency?
- What three destinations do you visit most frequently?
- What three things do you like most about Lake Crystal?
- What is the biggest challenge Lake Crystal faces?
- What stores/businesses do you feel are missing that could be successful in Lake Crystal?
- What three words describe your vision for Lake Crystal in 20 years?
- What amenities, activities, or offerings would you like to see located here in the future?
- Within the next FIVE YEARS what improvements are most important to Lake Crystal?
- Within the next TWO YEARS what improvements are most important to Lake Crystal?
- Which of the items you mentioned above do you feel is the most important to address?



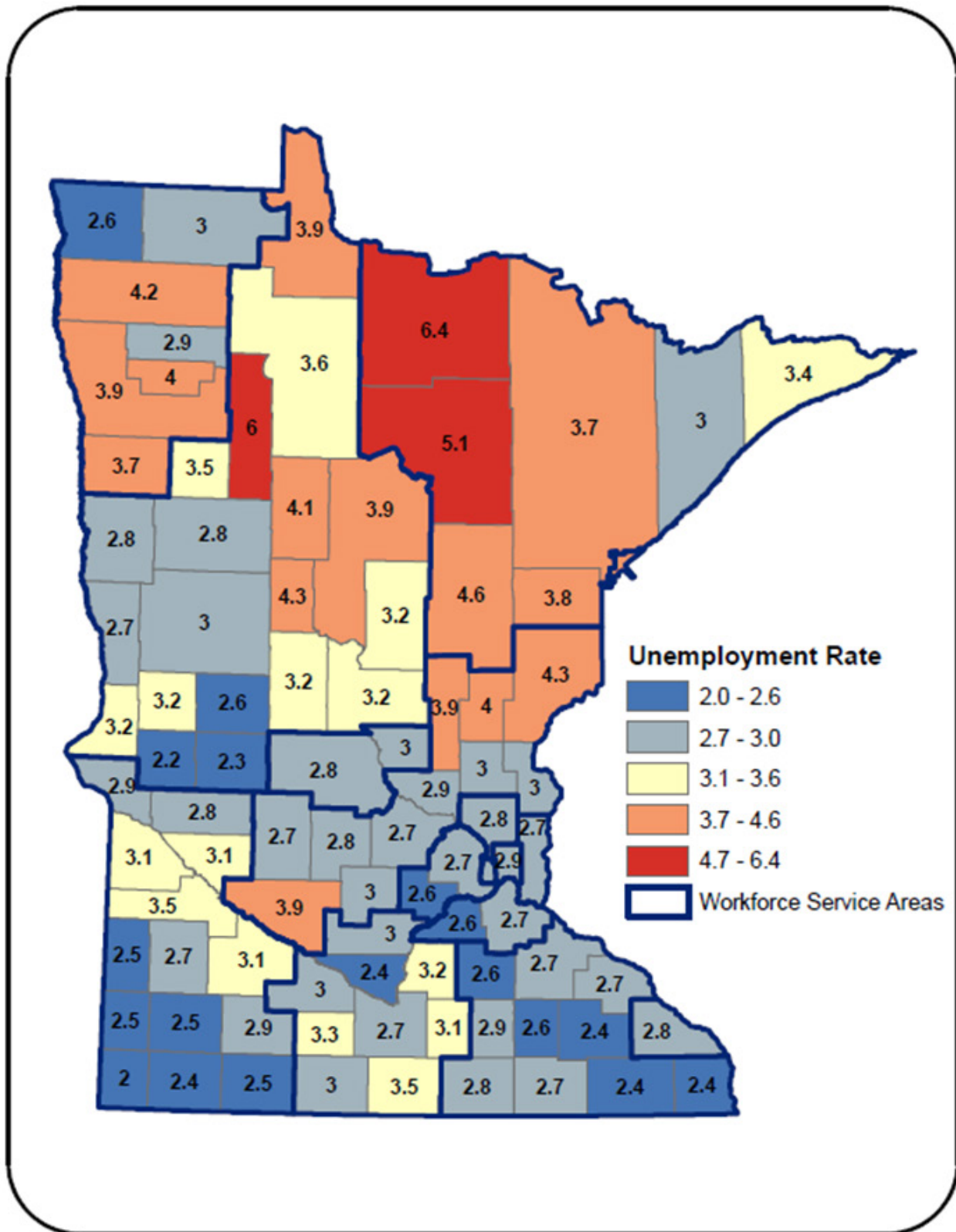
Sample of survey responses to *What three words describe your vision for Lake Crystal in 20 years?*

APPENDIX III: EDR 9 SOUTH CENTRAL MINNESOTA EMPLOYMENT DATA

Occupation	Total job vacancies	Job vacancy rate	Part time	Temporary/seasonal	Requires Post-secondary education	Requires at least a year of experience	Requires certificate or license	Median wage offer
Total, all occupations	6,050	5.6%	34%	5%	34%	36%	34%	\$14.25
Management occupations	81	1.6%	0%	0%	88%	100%	22%	\$36.00
Business & financial operations occupations	125	3.8%	4%	0%	76%	96%	16%	\$26.42
Computer & mathematical occupations	89	5.9%	0%	0%	80%	84%	33%	\$25.23
Architecture & Engineering Occupations	201	25.8%	0%	0%	36%	38%	4%	\$14.84
Life, Physical, & Social Science Occupations	201	25.8%	0%	0%	36%	38%	4%	\$14.84
Community & Social Service Occupations	45	1.9%	5%	0%	48%	90%	43%	\$18.93
Education, Training, & Library Occupations	195	2.4%	62%	43%	97%	78%	93%	\$13.48
Healthcare Practitioners & Technical Occupations	622	10.5%	44%	0%	98%	41%	96%	\$21.46
Healthcare Support Occupations	175	4.9%	53%	0%	36%	4%	52%	\$12.45
Protective Service Occupations	26	1.6%	92%	0%	8%	50%	74%	\$11.82
Food Preparation & Serving Related Occupations	990	9.6%	49%	1%	19%	18%	2%	\$11.42
Building and Grounds Cleaning & Maintenance Occupations	498	13.8%	6%	5%	1%	5%	4%	\$12.37
Personal Care & Service Occupations	701	11.3%	65%	0%	7%	3%	44%	\$12.01
Sales & Other Related Occupations	417	4.0%	41%	4%	45%	51%	1%	\$12.81
Office & Administrative Support Occupations	187	1.2%	34%	5%	11%	49%	3%	\$14.11
Farming, Fishing, & Forestry Occupations	177	67.9%	65%	0%	1%	5%	15%	\$11.84
Construction & Extraction Occupations	33	0.7%	8%	54%	20%	26%	61%	\$18.51
Installation, Maintenance, & Repair Occupations	213	5.4%	3%	0%	68%	75%	34%	\$19.32
Production Occupations	575	6.1%	4%	1%	15%	29%	5%	\$14.80

Source: Minnesota Department of Employment and Economic Development, Q1 2019 Data.

APPENDIX IV: UNEMPLOYMENT RATES FOR MINNESOTA COUNTIES



Source: MN DEED, LAUS
Prepared by DEED (ABR)
Jun 25, 2019



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