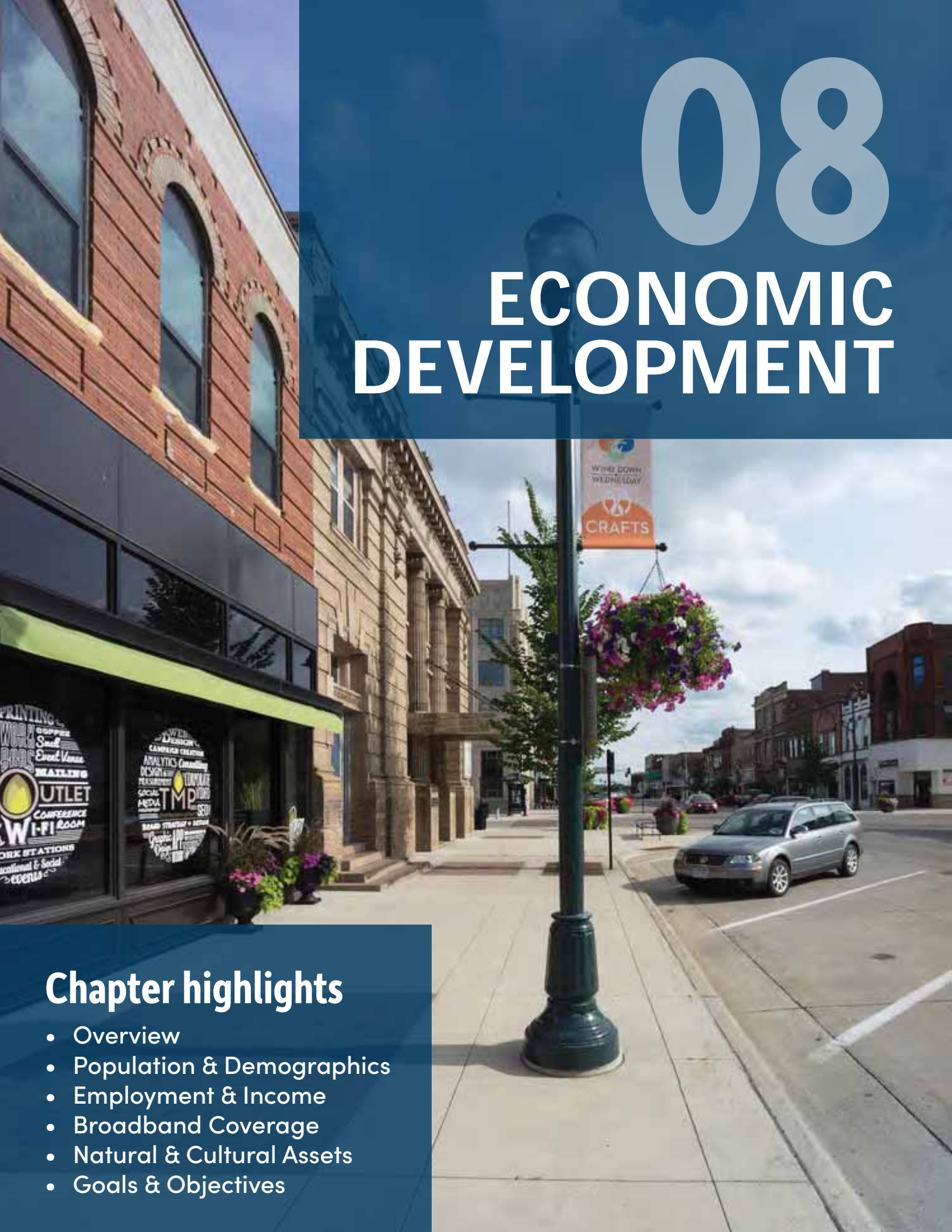


08

ECONOMIC DEVELOPMENT

Chapter highlights

- Overview
- Population & Demographics
- Employment & Income
- Broadband Coverage
- Natural & Cultural Assets
- Goals & Objectives





OVERVIEW

Albert Lea, the economically diverse and growing hub of Southern Minnesota, has the potential to further its economic vitality and reveal hidden assets to businesses, residents, and visitors. Recent regional, national, and international affairs have required the city's economy to become more diversified, elastic, and resilient to weather singular event fluctuations and sustain smart growth. As other cities compete for the same growth, there is an opportunity to discern its efforts from others and focus on specific star market opportunities exclusive to Albert Lea. Strategic renewal of goals and associated actions can help integrate economic growth that fosters lasting prosperity.

The following chapter is organized by key data points, with corresponding actions to address potential issues. Specific goals and objectives are at the end of the chapter.

POPULATION AND DEMOGRAPHICS

Key Demographic Points

The overall population growth in Albert Lea is expected to remain relatively stable over the next 20 years; however, the make-up of the community will continue to evolve. Albert Lea, along with all of Freeborn County, is becoming more racially diverse, and the population is aging. To prepare for an aging population, Albert Lea will change zoning regulations to allow for care facilities and childcare, specifically single-story housing, located near health facilities and support services. The city will work to brand itself as a family-friendly place to attract the young family age group. Albert Lea will also work to attract technical training institutes to adapt high school skills and education to new emerging North American Industry Classification System (NAICS) employers.

FIGURE 8-1 2020 CENSUS DATA INFOGRAPHIC

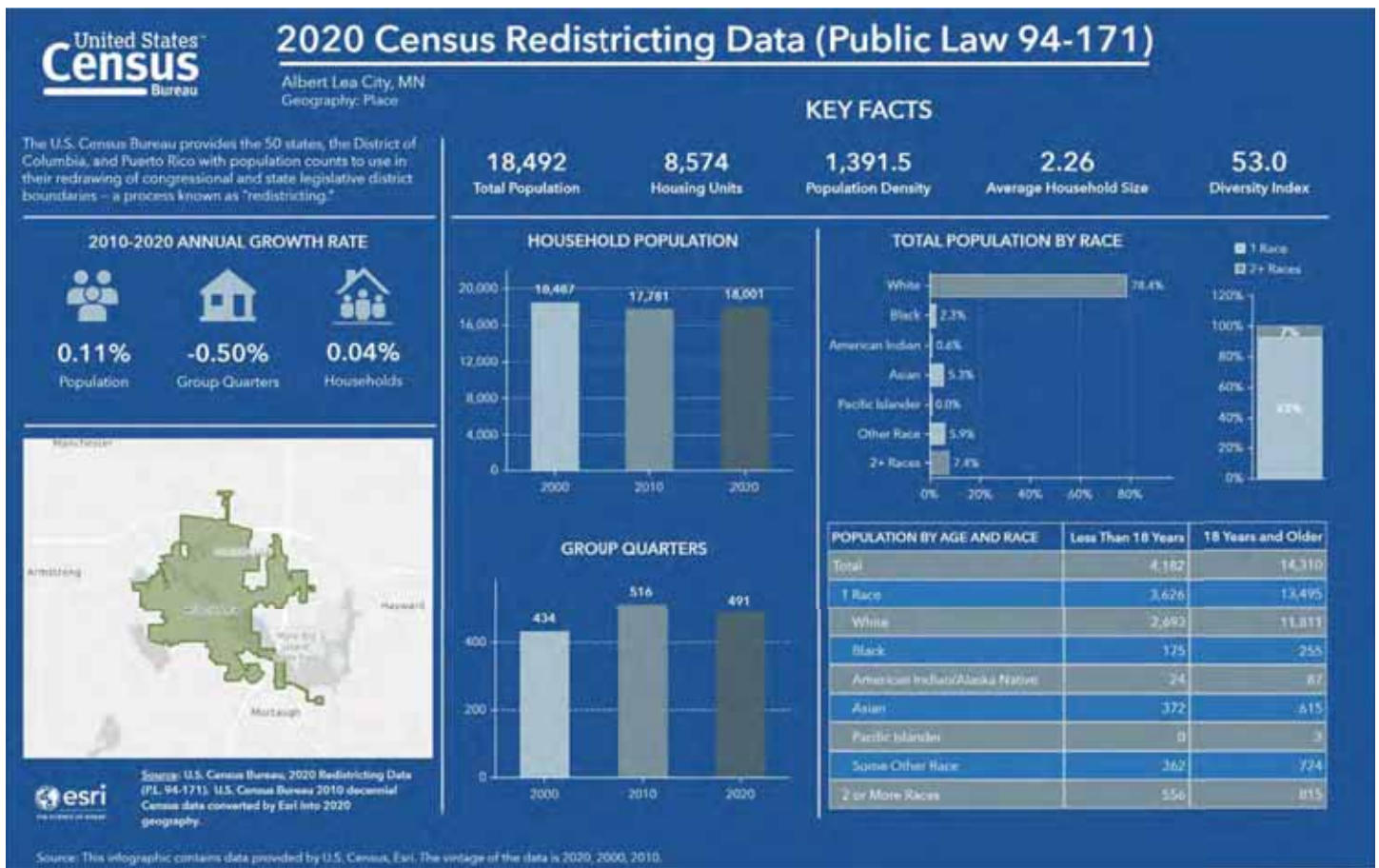
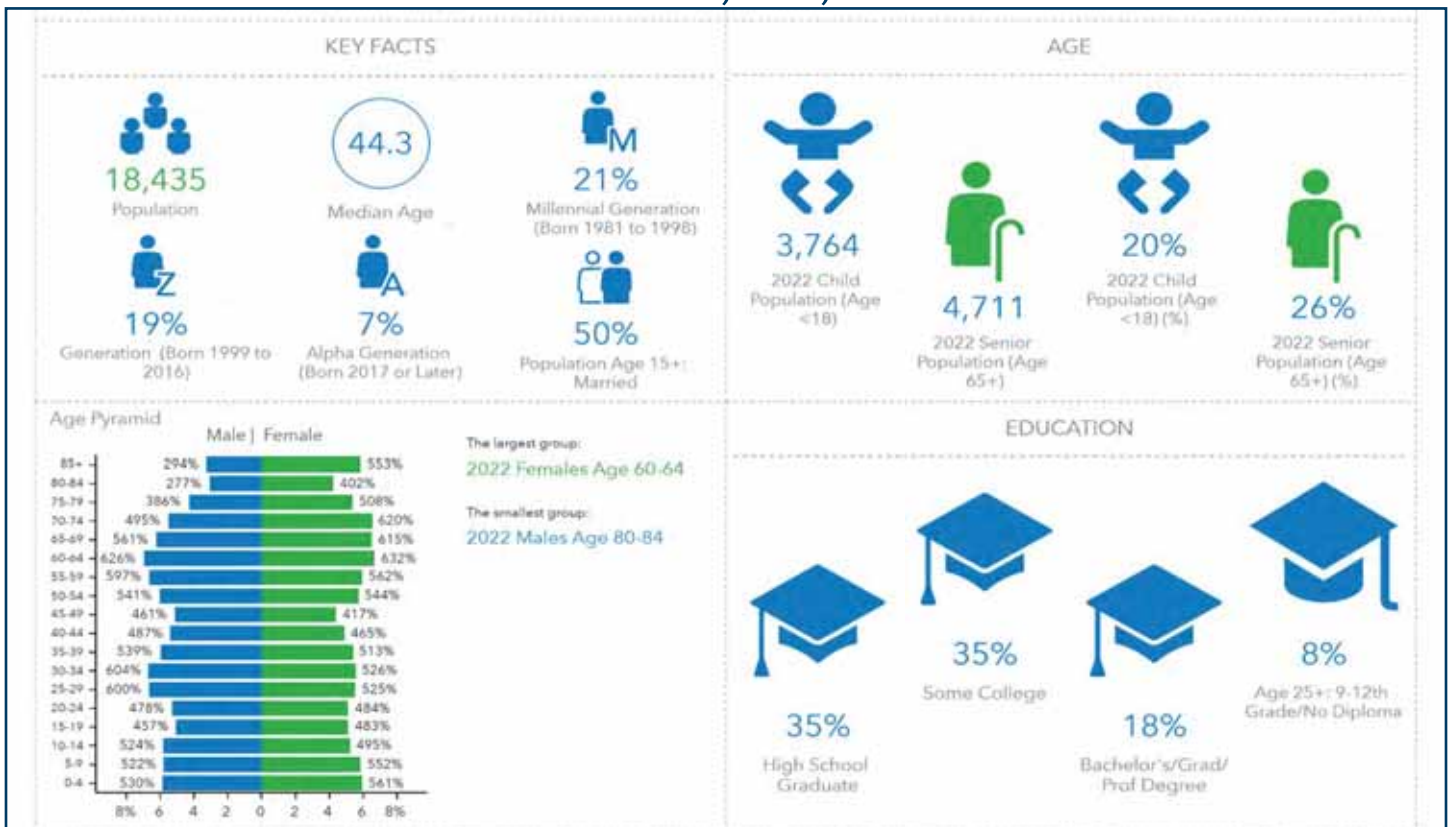


FIGURE 8-2 KEY FACTS, AGE, AND EDUCATION

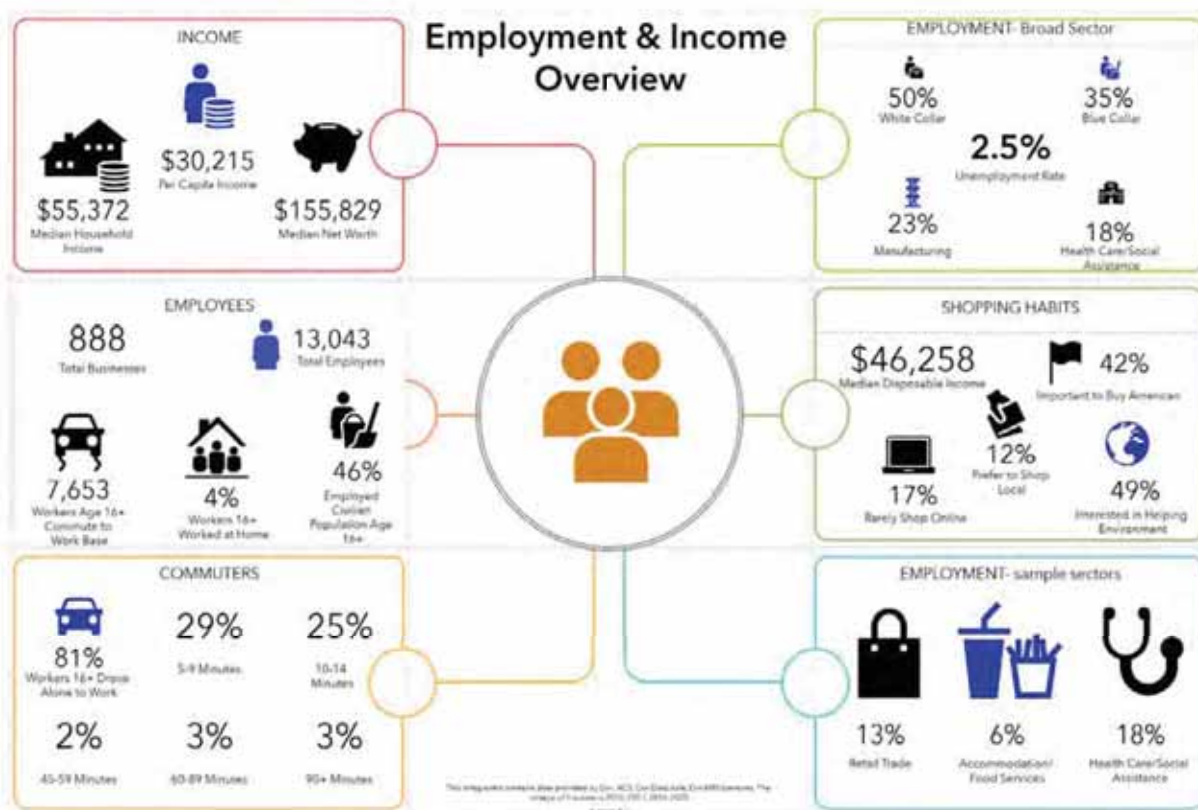


EMPLOYMENT & INCOME

Key Employment Points

Skills are mostly in the manufacturing and service industry, trending towards job sectors that are reactive, thus declining in long term. Advanced education degrees are lower than in the region. The broadband map shows a lack of coverage impeding enterprise. New, green industries are in demand and said businesses require a ready workforce and quick internet access.

FIGURE 8-3



Employment Sectors

It is important to identify receding and reactive sectors (existing skills that do not have long-term viability) and focus on star/opportunity sectors to foster growth and satisfy market changes. Data on emerging demand and untapped potential in existing labor skills are optimally aligned to transition to cleaner and more environmentally conscious industries. Animal and crop production was identified as a reactive industry. Yet, rising interest in plant-based diets shows a specialty market demand for local, organic produce and products which can be accommodated by existing food processing systems. There is potential for adapting current agricultural activities to specialty markets which offer less competition and higher compensation.

The emerging opportunity sector is in computer design, data centers, and software platforms. Focus efforts on re-training programs that transition manufacturing and service labor force sectors to green industries (solar, wind, battery, components) and computer (coding) services. Attract coding academy programs to convert declining manufacturing skills into high-demand, high-tech skills with relatively little training time (usually 8 weeks in a coding academy). Strengthen the pipeline from education to local businesses to support R&D to guarantee innovation in the base economy. There is a unique opportunity to use computer skills to provide an augmented reality platform for visitors and tourists to experience Albert Lea in a gamified way (differentiating from other tourist attraction tools).

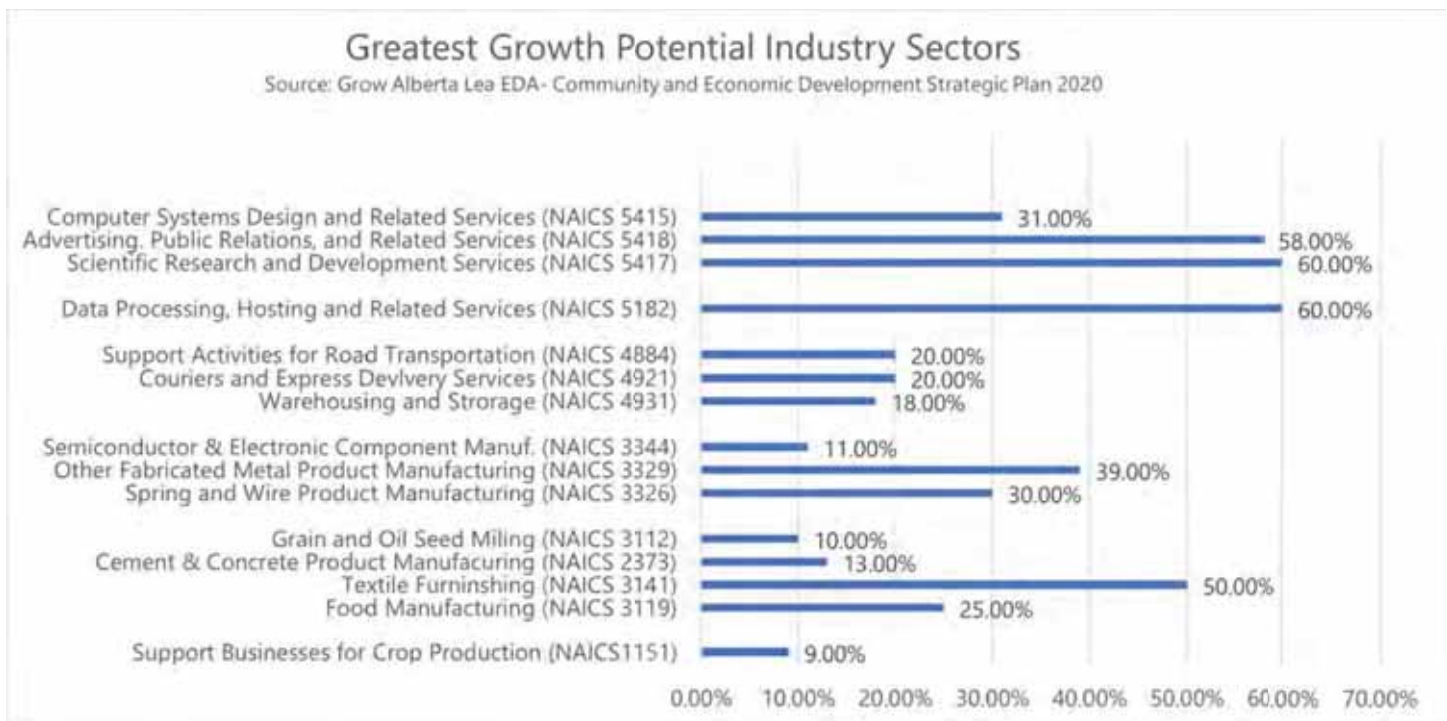
Strategic Partnerships

Further incentivize the creative and adaptive reuse of buildings that are currently not used and may even be obsolete to new hosts. Facilitate apprenticeship and other collaborations between educational institutes and local businesses, creating a campus in areas that are zoned for complimentary mixed uses. Provide a test kitchen, maker spaces, and a place for local angel investor sessions could further unlock local talent potential and overcome traditional start-up obstacles while promoting a “keep it local” movement. To accommodate industrial uses, Albert Lea must invest in its water and wastewater infrastructure more aggressively. Possible funding through federal and state infrastructure grants and structuring of reimbursement agreements in private/public partnerships may help accelerate these efforts.

The following recommendations focus on sectors that are stars and opportunities for existing skills and businesses to transform, update to current market needs, and differentiate themselves from surrounding area potentials. The top 3 recommended star sectors for economic growth are shown in Figure 8-4:

1. Food Processing (NAICS 3112, 3119): this is a good fit for Albert Lea and the region. There are already several large players in the region and there is a strong agricultural base. Especially with crops such as corn, peas, beans, and soy.
2. Equipment and Component Manufacturing (NAICS 3329, 3326, 3344): this sector is reactive, and to grow, it will require transitioning and adapting to more sustainable/ clean manufacturing of components related to solar, wind, or battery fabrication.
3. Computer Services (NAICS 5415, 5182), Research and Development (5417): computer systems and design, data centers, hosting, quantum computing, augmented reality, artificial intelligence, and coding can use existing factory skills with minimal training (8-week course) and support Research and Development (R&D) in manufacturing. This can transition jobs to higher, in-demand wages and respond to emergent environmental market demands.

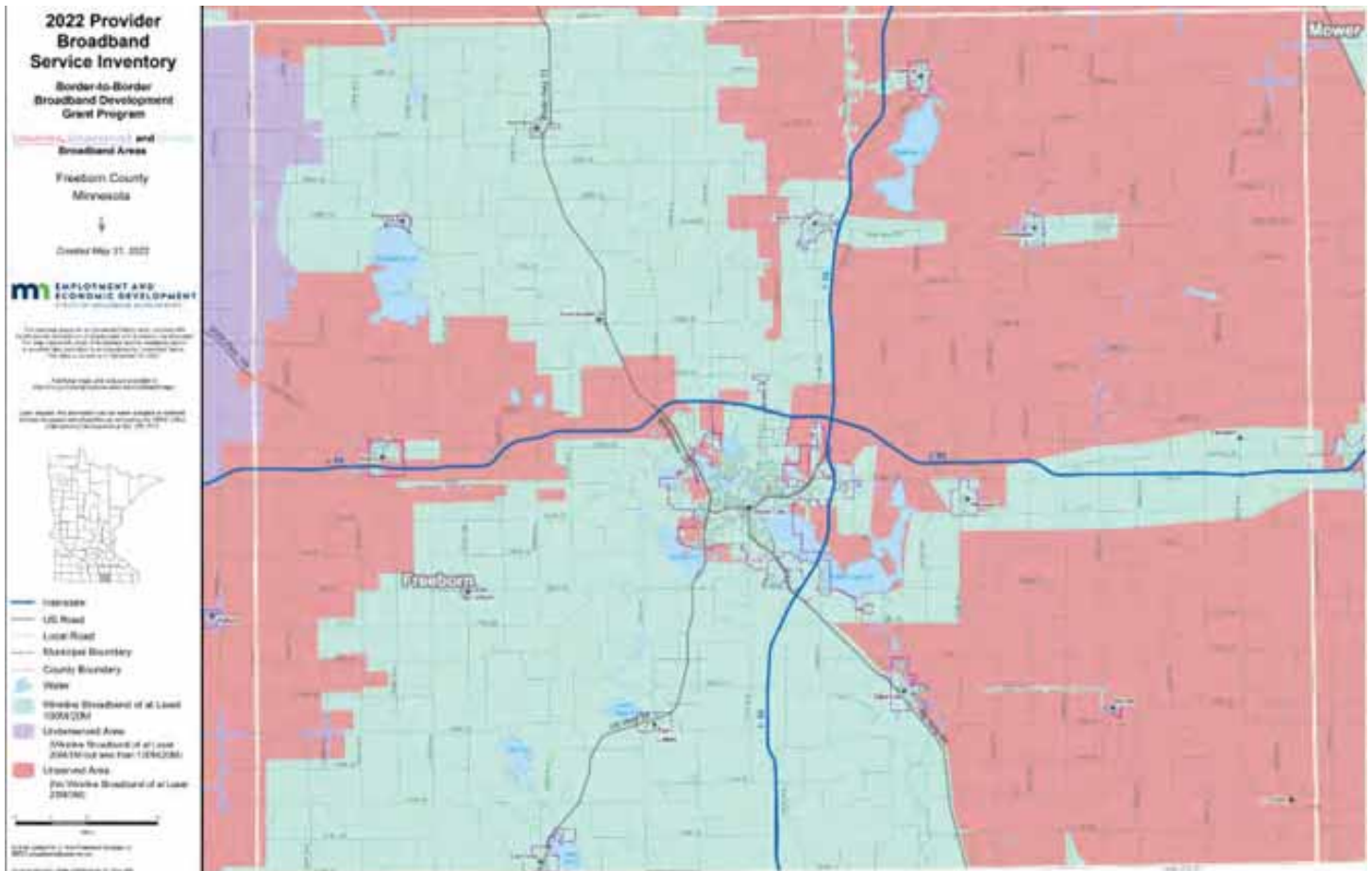
FIGURE 8-4



BROADBAND COVERAGE

Per the 2022 Provider Broadband service inventory map in Figure 8-5 there are areas inside the city limits that are underserved by broadband, greatly impeding development. Broadband should be prioritized and integrated into the City's infrastructure planning, to sustain growth and innovation.

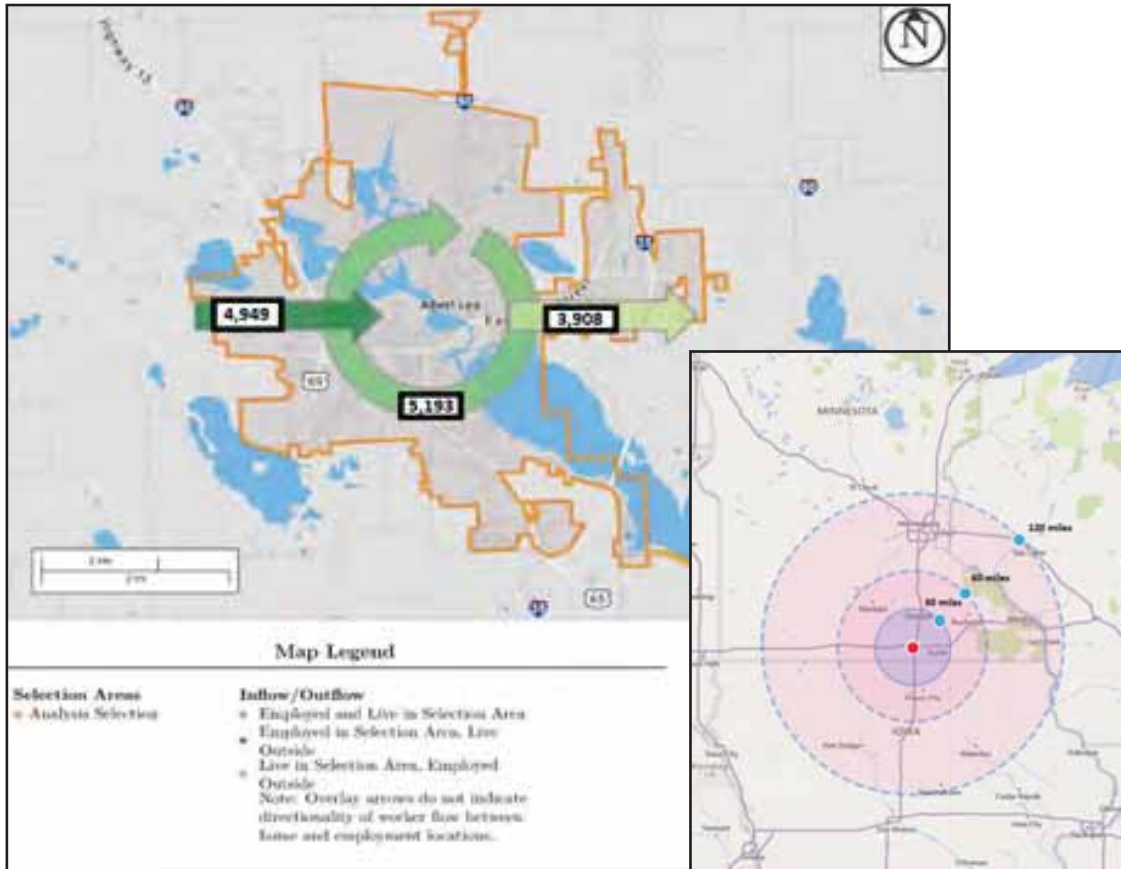
FIGURE 8-5 ALBERT LEA BROADBAND COVERAGE



Commuting and Work-from-Home

Resolving broadband coverage would also benefit the City of Albert Lea by retaining those commuting outside its boundaries, increasing daytime spending, and attracting remote workers to relocate to the city based on quality of life.

FIGURE 8-6 ALBERT LEA COMMUTE PATTERNS



NATURAL AND CULTURAL ASSETS

The City of Albert Lea is rich in natural assets. It offers a host of recreation programs and provides a range of services for much of Freeborn County. The natural resources near Albert Lea, like Myre-Big Island State Park, its greenways, wet lowlands, oak savanna, and grasslands, which in turn attract hundreds of waterfowl during migration, have major tourism potential. In addition, its golf courses, trails, shoreland, and lakes could become an Eco-Tourism destination for activities involving wildlife, trails, biking, kayaking, hiking, camping, golfing, fishing, swimming, water sports, as well as boat or nature tours. Additional information on the city's parks, recreation and natural resources is in Chapter 7.

These practical recommendations are made to capitalize on existing qualities, transform them into competitive advantages and ultimately revitalize the city of Albert Lea. Any investment, program, or project should be aligned with selected goals and actions and carefully planned and vetted through fiscal accountability measures before being initiated.

Promote Healthy Lifestyles

We live in a time when there is unprecedented demand for recreation and leisure time activities. Albert Lea is part of the AARP Blue Zones- Vitality Project and could host AARP and other Health/Wellness initiatives.

Promote History

Albert Lea Monument, Freeborn County Historical Museum, Library & Village: connect with film, fashion, and fair organizations to promote its historic village for movie sets, photo shoots, historical re-enactments, fairs, and signature events.

Promote Arts

Albert Lea is a regional center for the arts, including the Marion Ross Performing Arts Center, the Albert Lea Art Center, the Freeborn County Historical Museum, and the Civic Music Concert series. At least two of these venues are located downtown, and the other two are within a short distance of the downtown Local and surrounding area residents will and do travel to Albert Lea for these events. The city can take advantage of these resources by promoting local shows to greater Minnesota area residents, packaging show tickets with dinner at local restaurants, or promoting other local events in conjunction with the arts community.

Promote A Digital Presence

Social Media comments from visitors indicate a need to revitalize the downtown and shoreline, but also to utilize more contemporary platforms to brand the city. The development of digital applications (Apps) could broadcast Albert Lea's endeavors to a wider audience if marketed correctly. For example, Apps that provide self-guided tours of natural and cultural amenities, digital advertising to promote events to targeted demographics, and strategically locating billboards along highways could further help actualize Albert Lea's Economic Development Goals.

Promote Eco and Sports Tourism

Extend existing trails to adjacent trail systems and work with the Rails to Trails program to develop local trail loops that link to regional ones; reach out to sports associations (fishing, water skiing, boating) and environmental organizations to host events. There is also an opportunity to provide educational tours and environmental classes. A gap analysis reveals several watercraft businesses in the area, but no marina. Consider developing a marina with contemporary water-focused amenities, even though required dredging may require further environmental approvals.

Developing an elevated boardwalk along the water shoreline that is linked to the trails system and/or educational areas could create an eco-tourism/ active lifestyle destination that also promotes patronage of the local businesses .



GOALS AND OBJECTIVES

The following Goals were developed by the community in the 2020 Albert Lea EDA - Joint Vision & Economic Development Strategic Plan and remain valid pursuits to affect economic growth. While instead the Actions are based on more recent data from 2022, projections for 2027, and emerging local currents. Together the Goals and Actions should be implemented using the Future Land Use Map as a guide:

Goal 1: Create a strong economic development system.

Objective 1.1. Leverage stakeholder organizations.

Objective 1.2 Attract and retain successful businesses.

Goal 2: Help connect schools/higher education and employers to strengthen the talent Pipeline.

Objective 2.1. Establish a continuous pipeline from educational institutes to local employers.

Objective 2.2. Seek regional industry partnerships.

Objective 2.3. Update zoning and other regulations to encourage innovative activities.

Goal 3: Enhance and promote quality of life amenities to help attract talent, retain residents and increase levels of community engagement.

Objective 3.1. Provide financial and other incentives to create business opportunities.

Objective 3.2. Expand and diversify the City's tax base.

Objective 3.3. Capitalize on natural resources and become a destination for eco-tourism.

Goal 4: Prioritize activities to ensure the city is prepared for business growth opportunities.

Objective 4.1. Expand technology to assist business and industry.

Objective 4.2. Recognize climate change and recent local data showing emerging demand for environmental, sustainable services and products.

Objective 4.3. Use digital technology to promote the city and expand business opportunities.