

ECONOMIC DEVELOPMENT

I. ECONOMIC DEVELOPMENT OVERVIEW

The City of Montgomery is situated along Highways 13 and 21. Located in Le Sueur County, Montgomery's economy has changed over the past twenty years and is anticipated to change over the next twenty years. The expansion of the first and second ring suburbs and associated road improvements has resulted in a more mobile society; allowing Montgomery to become a home to those working in other communities. This however, also has made it easier for residents and nearby patrons to travel to larger shopping centers rather than shop locally. The make-up of Montgomery's business districts has changed as a result. This section will discuss trends in economic development, the community's input related to the topic, locations for future development, types of business development, economic development agencies, and goals and policies for the future growth and redevelopment of Montgomery's commercial and industrial sectors.

II. ECONOMIC TRENDS

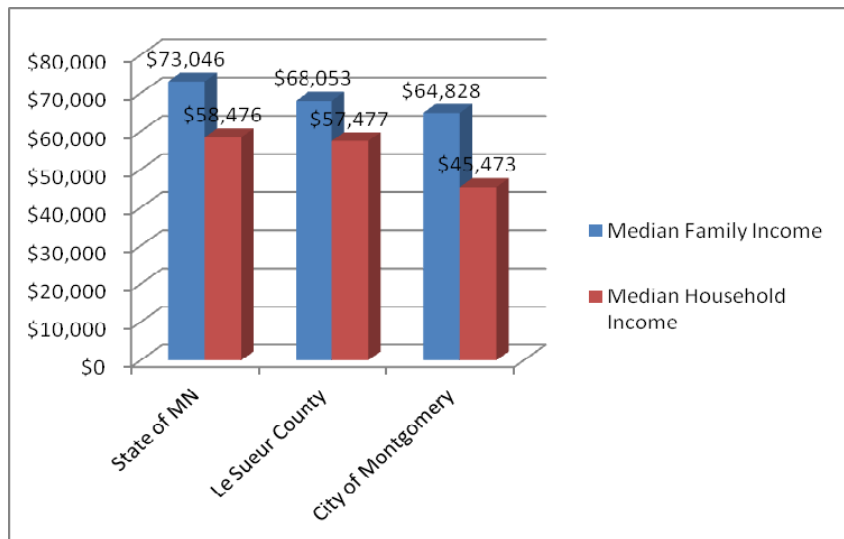
Economic trends can be important indicators as to the economic health of the community. Following is a summary of several economic indicators including income/wages, labor force and commercial and industrial construction.

Income and Wages.

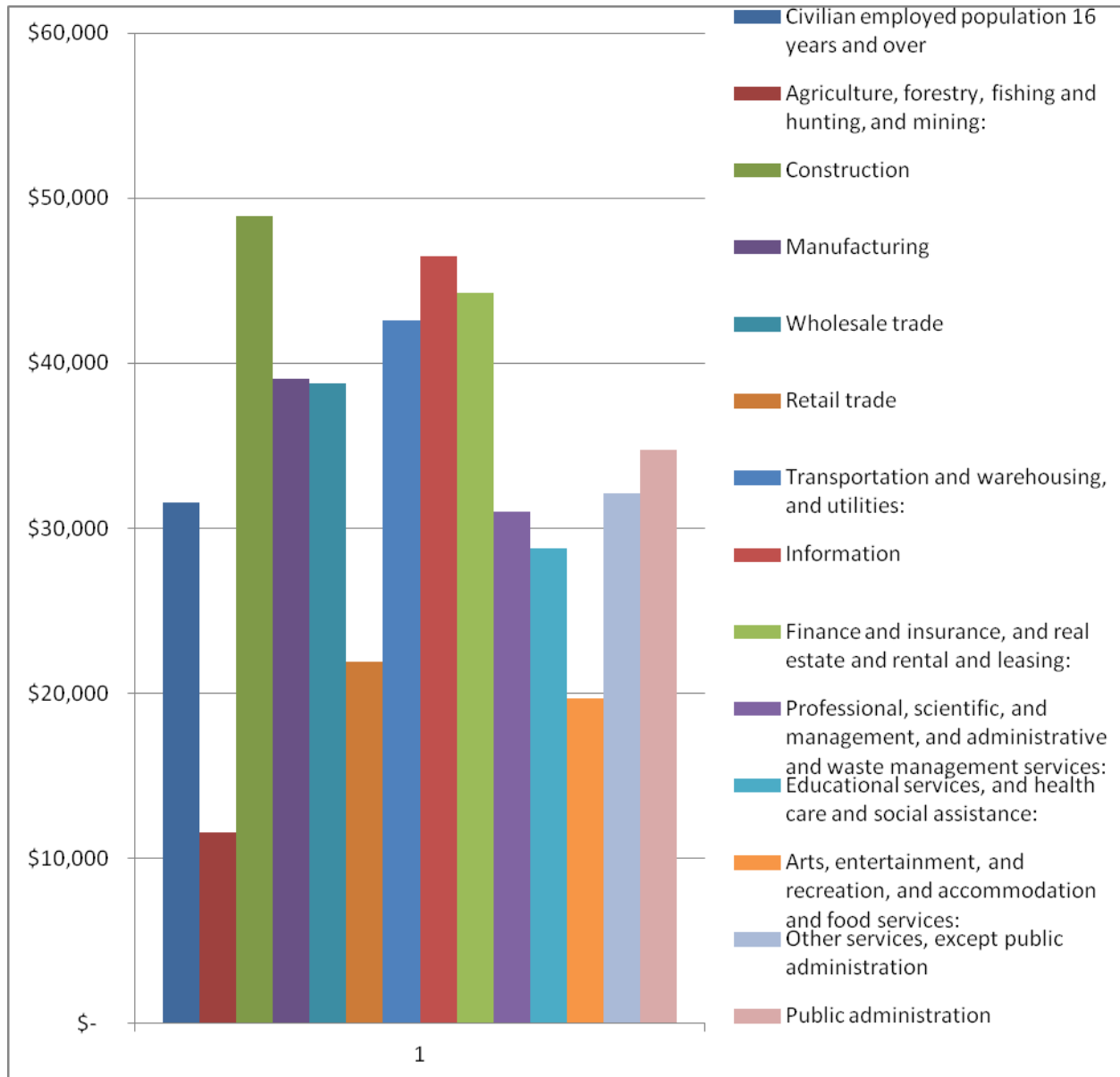
The 2010 Census reports a median family income in Montgomery of \$64,828. This compares to a 2000 Census median family income of \$48,011.

The median *household* income in Montgomery was \$45,473, compared to a 2000 Census median household income of \$34,145.

Montgomery residents, who were employed in 2010, had median earnings of \$31,585 per year, with male full-time year-round workers earning an average of \$38,851 per year while female full-time year-round workers earn an average \$26,827 per year. The occupations with the highest median earnings for Montgomery residents included "Construction", "Information" and "Finance, insurance and real estate". The gap in wages between the genders may be attributed partially to the lack of females reportedly working in the construction occupation category.



Median Earnings by Occupation City of Montgomery 2010 Census



Local Trends.

According to statistics provided by the MN Department of Employment and Economic Development's Economic Census, as of the third quarter of 2013, a total of 84 business establishments were located within Montgomery. While the number of business establishments fluctuated over the past five years, employment numbers and wages increased from 937 jobs in 2009 to 1,187 in the third quarter of 2013 and annual wages paid to employees increased from \$29.9 million in 2009 to over \$31.6 million in 2012. The wages in the first three quarters of 2013 increased from 2012, suggesting a continued trend.

TABLE 6-1
NUMBER OF BUSINESS ESTABLISHMENTS IN MONTGOMERY 2009-2013
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Year	Q1	Q2	Q3	Q4	Annual
2013	80	83	84	NA	NA
2012	79	76	78	79	78
2011	84	81	79	79	81
2010	92	89	88	86	89
2009	89	90	91	93	91

Source: MN Department of Employment and Economic Development

TABLE 6-2
EMPLOYMENT IN MONTGOMERY 2009-2013
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Year	Q1	Q2	Q3	Q4	Annual
2013	949	1,052	1,187	NA	NA
2012	763	893	1,164	1,114	984
2011	736	819	1,050	876	870
2010	784	861	1,056	924	906
2009	785	866	1,151	945	937

Source: MN Department of Employment and Economic Development

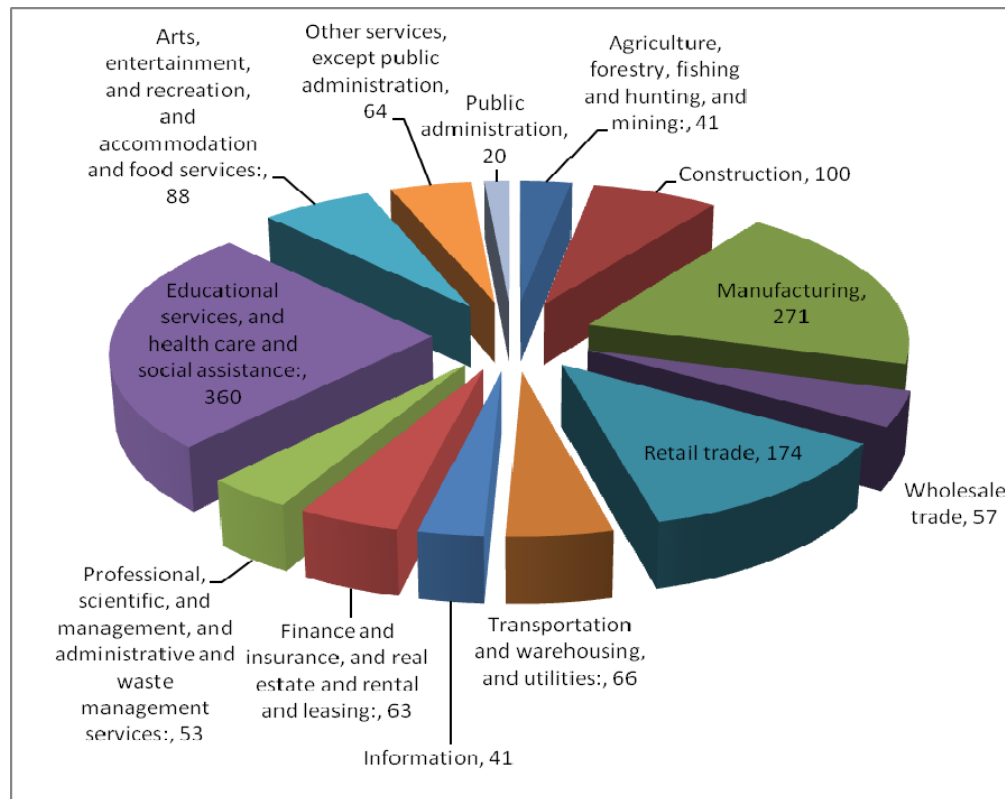
TABLE 6-3
WAGES PAID BY MONTGOMERY BUSINESS ESTABLISHMENTS 2013
MN DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Year	Q1	Q2	Q3	Q4	Annual
2013	\$7,658,155	\$8,825,290	\$11,001,207	NA	NA
2012	\$6,044,497	\$7,558,163	\$9,452,558	\$8,575,409	\$31,630,627
2011	\$6,240,101	\$6,776,908	\$9,284,869	\$7,074,371	\$29,376,249
2010	\$5,866,387	\$6,910,530	\$9,092,494	\$7,377,188	\$29,246,599
2009	\$6,160,298	\$6,677,138	\$9,298,727	\$7,756,382	\$29,892,545

Source: MN Department of Employment and Economic Development

Labor Force.

Employment statistics from the 2010 census indicate an available civilian workforce (over the age of 16) in Montgomery of 1,398 persons. The following chart illustrates the occupational industry or category Montgomery residents are employed within. This includes employment within as well as outside of the City limits. The largest occupational categories include education services, health care and social assistance followed by manufacturing and retail trade.



Major Employers within the City.

The major employers in the City of Montgomery are identified in Table 6-4 which follows.

TABLE 6-4
MAJOR EMPLOYERS IN MONTGOMERY, 2014
(Over 17 Employees)

Employer	Business Sector	Employees2
ISD No. 2905, Tri-City United Public Schools	Public Education	253
Seneca Foods Corp./Green Giant	Food Processing Facility	120
USP Structural Connectors	Construction Hardware	75
Aging Services	Nonprofit Service In-home / Eldercare	44
Traditions of Montgomery	Assisted Living / Memory Care	32
Fred's Market Place Foods	Retail Grocery Store	25
City of Montgomery3	City Government	22
Casey's General Store	Specialty Food Stores	20
Frandsen Bank & Trust	Banking/Financial Services	19
Holy Redeemer School	Private Education	17

1 Sources: City and 2013 Minnesota Manufacturers Register. 2 Includes full-time, part-time, and seasonal employees. 3. Constitutes twelve full-time and eight part-time employees.

Employment Forecast.

Table 6-5 illustrates employment forecasts within the various industries and projected growth from 2010 to 2020. Employment is anticipated to increase by 13% within the state with the highest percentage gains in employment in the construction, education and health services and trade and transportation industries. The slowest growing industries for employment include self-employed in the agricultural industry, information and public administration.

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

**TABLE 6-5
EMPLOYMENT FORECASTS MINNESOTA 2010-2020**

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

Commuting Time.

According to the 2010 Census, workers in Montgomery traveled a mean travel time of 27.2 minutes to work. This compares to 24.4 minutes for workers in Le Sueur County and 22.4 mean travel minutes in Minnesota. Through the expansion of existing businesses and recruitment of additional businesses, it is a goal to provide additional

local employment opportunities to reduce commuting time, keep residents in the community to work, shop and participate in local activities.

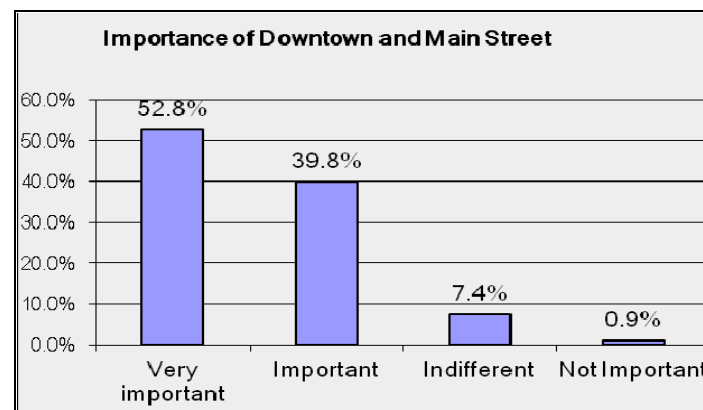
III. COMMUNITY INPUT

Based on Community Survey input by 112 participants, economic development is a high priority for Montgomery residents and businesses.

Strengths. As a part of a Community Survey, residents were asked to identify the greatest strengths of the City. Businesses, business leaders and jobs were listed as the 3rd greatest strength, following education/schools and the small town atmosphere.

Challenges. Participants were also asked to identify the greatest challenges facing the City. Business recruitment, additional employment and downtown development were listed as the greatest challenge, followed by fiscal management of the city and street improvements.

Importance of Downtown. Over ½ of the survey respondents noted it is “Very Important” to preserve the downtown and “Main Street” as a retail center and gathering place for the community. Another 40% rated it as “Important”. Less than 1% felt it was not important.



Types of Business Desired. Survey participants were asked what types of retail or service businesses they would like to see in Montgomery. Following is a summary of the most requested businesses.

TABLE 6-6
TYPES OF BUSINESSES DESIRED- MONTGOMERY COMMUNITY SURVEY 2013

# of Responses	Type of Business Desired
55	Restaurants: sit-down, fast food and cafes
9	Clothing stores
7	Grocery store (another)
7	Boutiques or Gift Shops
6	Hardware store
6	Coffee shop
5	Vet Clinic

Locations for Future Commercial/Industrial Development. Participants were asked to recommend locations for future industrial and commercial development. The majority of survey respondents recommended industrial development be located on the southwest, southeast and northwest sides of the City. Residents recommended commercial developments occur on vacant spaces in the downtown and along Highway 13 (infill) followed by expansion of the downtown and highway commercial districts.

One Major Improvement Recommended. Residents were asked what one major improvement they would like to see in the City in the next five years. Responses varied with the following top three responses:

- Recruitment of more businesses and jobs including industrial and commercial/service.
- Downtown revitalization and filling of vacant buildings.
- Improvements to streets and a street improvement plan.

The Comprehensive Planning Committee also identified strengths and challenges in the downtown, highway commercial and industrial districts. A summary follows

Strengths of the Downtown

- Available sites to move into
- Excellent library in the downtown
- Small area which is to walk around
- Variety of businesses
- Available parking
- Niche businesses/trip generators
- Clean and attractive
- Historic buildings

Challenges facing Downtown

- Location is off the highway
- Older buildings, some deteriorating
- Small lot sizes present challenges to building
- Limited directional signage from Highway
- Perception/attitudes
- Lack of public gathering spaces
- Need for more entertainment in downtown
- Competition with other communities/internet
- No Chamber of Commerce

Solutions to address challenges and build on strengths

- Pursue signage on the highway promoting downtown
- Create walking tours which identify niche businesses, the history of the community and points of interest
- Work with the newspaper to promote commercial businesses
- Improve alleys behind businesses for parking
- Promote use of EDA's revolving loan fund for commercial rehabilitation.
- Strategically place handicap parking

Strengths of the Highway Commercial District

- Easy access, on Highway 13
- High traffic counts and visibility
- Available sites for (re)development
- Utilities are available to all sites
- Close to the high school
- Growing –new businesses

Challenges facing the Highway Commercial District

- Mix of businesses and homes and zoning which allows homes as a permitted use and businesses as conditional uses.
- MnDOT sign regulations and access restrictions
- Safety issues and traffic control by the school
- Small lot sizes may be challenging for businesses
- Gateways need improvement- compost on north side, vacant on south side
- Limited parking in some locations

Solutions to address challenges and build on strengths

- Update the Zoning Ordinance to allow businesses as permitted uses and residential as interim or conditional uses.
- Market available sites

- More aggressively address brownfield sites
- Move the compost site
- Work with MnDOT and the School District to address safety issues by the school
-

Strengths of Industrial Development

- Ability to expand to the south
- Railroad access
- Strong stable industrial base
- State Highways/Access
- Workforce availability
- Corporate businesses – exposure with national and international businesses already in the city

Challenges facing Industrial Development

- Cost associated with new industrial park development
- Lack of shovel-ready sites
- Current industries within residential areas are land locked.
- Need to annex land for an industrial park

Solutions to address industrial challenges and build on strengths

- Meet with local industry representatives to discuss their plans
- Investigate industrial park development to the south

IV. LOCATION OF FUTURE BUSINESS DEVELOPMENT

When planning for the future, the City should take into account its historical rate of (re) development in the commercial and industrial sectors as well as available land to accommodate additional growth.

COMMERCIAL/INDUSTRIAL CONSTRUCTION.

Building permit reports indicate commercial and industrial building construction has fluctuated greatly over the past ten (10) years. Table 6-7 illustrates the number of building permits for commercial and industrial new construction and redevelopment. Over \$15 million in new construction has occurred over the past decade.

**TABLE 6-7
MONTGOMERY BUILDING PERMITS 2004-2013**

Year	Commercial – Industrial Building Permit Construction	
	#	\$ Value
2004	25	\$ 2,353,747
2005	8	\$ 412,500
2006	13	\$ 1,088,672
2007	17	\$ 1,756,383
2008	11	\$ 6,313,774
2009	4	\$ 898,460
2010	11	\$ 303,285
2011	11	\$ 560,505
2012	10	\$ 1,024,174
2013	2	\$ 164,884
Total	135	\$ 15,443,591

• Source: City of Montgomery Building Permits.

REDEVELOPMENT SITES.

The City's Comprehensive Plan Committee and EDA were asked to identify potential redevelopment sites which could support commercial development. Map 4-6 illustrates the locations of possible infill and redevelopment. Chapter 4 – Land Use also provides a description of these sites. Areas guided for future commercial or industrial uses follow:

1. 501 4th St. NW / 22.003.8900 / Storage Building N of Medical Clinic / Demo & acquired by Medical Clinic – Future land use Commercial
2. 506 1st St. N / 22.003.8700 / Vacant Parcel N of Elevators on the gravel section of 1st St. N – Future land use I-1, Light Industrial
3. 600 1st St. N / 22.003.8400 / Vacant Parcel N of Elevators and N of Linden Ave. NE –Future land use I-1, Light Industrial
4. 101 Blvd. Ave NW / 22.003.8600 / Vacant Parcel owned by Grain Co. N of Mill Ave. NE –Future land use I-1 Light Industrial
5. 409 4th St. NW / 22.643.0060 / Former Skluzacek Oil Company – Future land use Commercial
6. 303 4th St. NW / 22.643.0080 / Former Office Etc. or Video Store –Future land use Commercial
7. Vacant Parcel of underutilized section of 1st St. N located east of Edel's Realty from Vine Ave. E to Blvd Ave. NW – Future land use B-3 Downtown Commercial
8. Property between Laundromat and the barber shop- Future land use B-3 Downtown
9. 4th St. NW and 4th St. SW (TH 13) currently residential– Future land use as B-3 Downtown Redevelopment.
10. Former Cemstone Site & building to the North – Now I-1, Future land use to LDR, Low Density Residential.

*There are a number of properties in the downtown which could benefit from additional preservation or redevelopment assistance.

Although primarily brick buildings, the architecture of the downtown buildings varies. Two buildings are listed on the National Register of Historic Places. These include (1) the Hilltop Hall, located at 206 N. 1st Street. This brick building was built in 1892 and housed a dance hall and (2) The Westerman Lumber Office and House, located at 201 S. 1st Street. This structure was built in 1895 and was the home and office of lumberman Henry E. Westerman. Preservation of these and other historic structures is recommended to further enhance the downtown.

The Economic Development Authority received a Small Cities Development Grant in 2009, with a supplemental grant in 2011, which assisted 14 buildings with commercial rehabilitation. This grant was in conjunction with the City of Lonsdale. Based on survey comments, the continued redevelopment and preservation of the downtown has been identified as a priority.

VACANT LAND INVENTORY.

The following vacant sites have been identified as available for infill:

Vacant Commercial & Industrial Zoned Land	Acreage	Comments
203 Hickory Avenue NE	1.85 acres	Zoned I-1, Light Industrial
506 1st Street NE	0.95 acres	Zoned B-2, Community Commercial
101 Boulevard Avenue NE	3.0 acres	Zoned I-1, Light Industrial
Lot 2, Block 1, Milwaukee Addition	1.35 acres	Zoned B-2, Community Commercial
Lot 3, Block 1, Milwaukee Addition	1.0 acres	Zoned B-2, Community Commercial
City owned property on 1st Street South	18.13 acres	Zoned I-2, Medium Industrial
SW corner of HWY 13 and Montgomery Ave	2.75 acres	Zoned B-1, Highway Business
100 Ash Avenue SE	0.22 acres	Zoned B-3, Central Business

Property in Downtown on 1st Street South	0.3 acres	Zoned B-3, Central Business
Total Commercial & Industrial Acres	29.55 acres	

Source: MDG, Inc. Inventory, December, 2013

LAND FOR FUTURE COMMERCIAL AND INDUSTRIAL DEVELOPMENT.

The current ratio of residential to commercial/industrial acreage in the City of Montgomery is 72% to 28%. If this land use ratio continues, the Land Use Chapter projects an additional 20 acres will be needed for commercial expansion and 67 acres for industrial expansion to support growth to the year 2035. Industrial developments may range from one acre to over 40 acres. With the metropolitan area becoming more “built up” the potential for industries to seek large industrial lots in greater Minnesota exists. This Plan recommends planning for additional industrial land to support the growth of existing industries as well as future developments. Sites near the wastewater treatment plant (NW side of the City) as well as the south side of the City are recommended. The Committee also recommends existing industrial sites which are located in the north central part of the city be redeveloped to residential uses with efforts to assist existing businesses in locating to new sites within the community. This is proposed to reduce the impact on adjacent residential properties with industrial traffic on local streets, hours of operation, etc.

Factors to consider for new industrial parks include ability to serve with municipal infrastructure including collector roadways, water, sewer and storm water; compatibility with adjacent land uses, topography and soil conditions.

Map 4-7, in the Land Use Chapter, identifies the proposed “Future Land Uses” in the City.

V. TYPES OF BUSINESS DEVELOPMENT.

The City currently has three zoning classifications for commercial developments and two zoning districts to accommodate industrial development.

B-1 Highway and Business Service. Permitted uses within the B-1 district per the zoning ordinance include grocery stores, restaurants, pharmacy/variety stores, liquor store, financial institutions, hotels, insurance, pet stores, fitness, gas stations, etc. Commercial development of this kind can sometimes be seen as competing with goals to retain a strong, vibrant downtown; however, this type of commercial is supported by the major traffic corridor running through the city known as State Highways 13/21.

Strengths of the Highway Commercial District identified by the EDA and Comprehensive Planning Committee included its location along State Highway 13, traffic counts, conveniences, businesses such as restaurants and financial institutions and the location of the high school as an anchor on the north end of the commercial corridor.

Challenges included lot sizes, mixed uses which may be incompatible (residential/commercial), curb appeal, zoning regulations which require conditional use permits for commercial businesses and allow continued residential development, MnDOT access regulations, aesthetics associated with the compost area on the north side of the district and wetland areas which restrict commercial development.

B-2 Community Commercial. This commercial district is mainly located on the north side of the community along State Highways 13/21 north of the B-1 zoned areas. This district includes a variety of commercial uses that are supported by local residents as well as traffic generated by State Highways 13/21. Types of B-2 commercial uses allowed within this district include restaurants, auto repair, heating contractor, etc. These uses tend to be more focused on local customers.

B-3 Central Business. The central business district has historically served as the city's primary area of commerce. The central business district is located near the middle of the community. This area includes large brick buildings which house a mix of commercial uses including professional offices, service businesses such as hair salons, retail businesses such as flooring, furniture, financial institutions, cafes and restaurants, real estate offices, dry cleaning, shoe repair, bowling, a bakery, insurance offices, optometrist, tanning salon, barber shop, law offices, medical clinic, hotel and many specialty retail shops. Residential uses typically are located on the upper levels of these buildings creating a mixed use district. Destination or niche businesses including meat markets, a museum of unnatural history, quilt shop, music studio/theater are also in the Central Business District. A downtown is typically more pedestrian oriented; however, needs to provide on-street as well as off-street parking options for business owners, customers and residential tenants.

Strengths of the Downtown Commercial District identified by the EDA and Comprehensive Planning Committee included the size and walkability of the district, parking availability, the unique architecture, the historic buildings, niche businesses in the downtown and cleanliness of the downtown.

Challenges identified included limited parking during daytime hours, empty buildings, structural improvements needed to buildings due to age/historic nature, improving the aesthetics including small spaces between buildings, retention of businesses, marketing existing businesses and raising awareness of offerings to local residents and area consumers.

I-1 Light Industrial. The I-1 District allows manufacturing, warehousing, and similar industrial uses. The I-1 District typically has access to thoroughfares, urban services such as sewer and water, and are not immediate adjacent to residential districts. These areas are intended to encourage the development of industrial uses which are clean, quiet, and free of hazardous or objectionable elements such as noise, odor, dust, smoke, glare, or other pollutants. These industries should be compatible with each other and with surrounding land uses.

I-2 General Industrial. The I-2 District is intended to accommodate more intense manufacturing and processing that would not be allowed in the I-1, Light Industrial District. Uses include manufacturing, production, warehousing with heavy truck traffic and other uses which may generate nominal off-site impacts. It is recommended the Planning Commission and Council review the list of conditional uses and update the I-2 District zoning regulations.

Strengths of Industrial Districts identified by the EDA and Comprehensive Planning Committee included the availability of rail service and opportunities for new industrial park development. Challenges include relocating and assisting landlocked industries within residential neighborhoods to ensure they grow and expand within the community and recruiting an anchor tenant for a new industrial park to assist in qualifying for grants and programs to help fund infrastructure costs associated with new industrial park development.

VI. ECONOMIC DEVELOPMENT AGENCIES

The City of Montgomery Economic Development Authority is comprised of five (5) members who are recommended by the Mayor and approved by the City Council and two (2) members of the City Council. The EDA bylaws currently indicate members serve three year terms. It is recommended the EDA/Council update this to be consistent with MS. 469.095, Subd. 2 which calls for six year terms.

The Economic Development Authority (EDA) Board provides business assistance and referral services; offers historic preservation assistance; assists existing businesses and industry within the community; and promotes the continued growth and development of the city of Montgomery. The EDA works to add job opportunities for the residents of Montgomery and the surrounding area and increase the commercial and industrial tax base. The EDA has a variety of tools at its disposal to promote this development through loans, grants and other financial resources as granted by the City Council.

The City of Montgomery EDA projects in recent years have included coordination of Traditions Assisted Living, a community entrance sign, coordination of a revolving loan fund, marketing of a Small Cities Development Grant for downtown commercial rehabilitation, business round tables and research for the development of a new industrial park.

Short term goals identified by the EDA include establishment of an industrial park, promotion of available commercial sites, promotion of the downtown with signage and a second community entrance sign.

EDA Programs. The EDA offers a Revolving Loan Fund program which offers two options: (1) a Small Loan Fund, which provides assistance for service and retail businesses and (2) a Commercial/Industrial Loan Fund which provides gap financing.

Montgomery HRA. The City of Montgomery has an active Housing and Redevelopment Authority (HRA) which advises the City Council and staff on a variety of matters pertaining to affordable housing and redevelopment. The Authority is responsible for oversight of Park Manor and all public housing in the City of Montgomery. Additional information on the HRA may be found in the Housing Chapter.

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

The Southern Minnesota Initiative Foundation. The SW MN Initiative Foundation serves 20 counties in southwest Minnesota. The Foundation provides technical assistance, loans and grants to encourage “asset based community development” (ABCD).

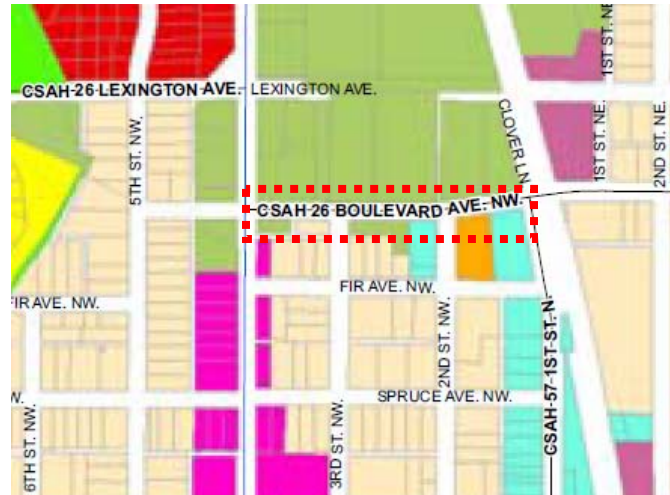
VII. ECONOMIC DEVELOPMENT GOALS

A. DOWNTOWN (B-3 DISTRICT) GOALS

- 1. Maintain Downtown Montgomery as a Focal Point.** Montgomery’s Central Business District should be promoted as a community center for retail, community events and social gatherings.
- 2. Landscaping Treatments.** Landscaping treatments can be used to enhance the pedestrian experience, compliment architectural features and/or screen utility areas. The use of flower boxes, planters and hanging flower baskets by individual businesses should be encouraged.
- 3. Setbacks.** In order to reinforce the existing building line and to facilitate pedestrian access and circulation, principal buildings within the downtown should be built to the front property line and shall be oriented so that the front of the building faces the public street. New construction and infill buildings should maintain the alignment of facades along the sidewalk edge. Exceptions may be granted if the setback is pedestrian-oriented and contributes to the quality and character of the streetscape. An example would be for outdoor dining.
- 4. Building Design Standards.** In order to preserve the architectural significance of buildings in the B-3 District and build on the unique character of the downtown, the EDA and City should work with business and building owners to develop Downtown Building Standards which build on a theme, such as the Czechoslovakian heritage, historic character of the existing buildings, etc.
- 5. Market the Downtown and its Businesses.** Montgomery’s downtown includes many niche businesses and destinations including a quilt shop, meat market, bakery, cafes and service businesses. Marketing the downtown and its offerings through print and social media to residents and other communities is recommended.

6. **Preserve the historical Character of the Downtown.** Two sites in the downtown are listed on the National Register of Historic Places. Efforts to protect these and other historic buildings should be made.
7. **Parking.** The City should investigate the feasibility of including diagonal parking in the downtown to allow additional parking during daytime hours as well as more convenient parking for patrons.

8. **Connectivity between Commercial Districts.** The north side of Boulevard Street (CSAH 26), from 1st Street to 4th Street, should be redeveloped with commercial and/or government uses and enhanced with a pedestrian walk way, decorative lighting and landscape features to connect the Highway commercial corridor to the downtown and encourage vehicular traffic to visit the historic district. This section of Boulevard Street includes a municipal park, City Police Department, Public Works and State Highway Department. Redeveloping this area with commercial uses would enhance the connection between Highway 13 and the downtown.



The City should investigate redevelopment opportunities along Oak Avenue SW (CSAH 56) as a southerly gateway or connection from the Highway Commercial District to the downtown.

9. **Identify Retail Needs.** The City should identify retail needs in the community, either through a community survey or retail market analysis. Target marketing to retail and service businesses which could be supported is recommended.

10. **Downtown Task Force.** The City should consider developing a Downtown Task Force to promote business opportunities (marketing, available properties, pop up businesses, summer events, historic walking tours, etc), via a Downtown Vibrancy Plan. Members could include representatives from the EDA, Park Board, City Staff, Planning Commission and Downtown business owners.

B. HIGHWAY COMMERCIAL (B-1 DISTRICT) GOALS

Montgomery should plan to utilize the properties abutting Highway 13 to establish attractive commercial areas, as this corridor is the gateway into the community. The development should be complimentary to the services in the Downtown District. These developments should be of a specialized nature exhibiting needs of highway access and visibility.

1. **Parking and Access.** Commercial and service center shall be developed as cohesive, highly interrelated and coordinated units with adequate off-street parking, and appropriate regulated points of access. Access to highway commercial areas should be planned from collector and local streets to minimize the impact and access points to Highway 13/21.
2. **Design Standards.** The City should work with business and land owners in the B-1 District to establish design standards to promote quality construction in the highly visible highway corridor, while taking the cost of development into consideration.
3. **Aesthetics and Zoning Regulations.** Outdoor commercial storage should be consistently regulated and enforced.
4. **Zoning which Encourages Commercial Development Along the Highway 13 Corridor.** The Zoning Ordinance, at the time of this Comprehensive Plan, allows only five uses as "Permitted Uses" in the Highway Commercial or B-1 District. These include essential services, public utilities, seasonal produce stands, single and two-family dwellings and parks and playgrounds owned and operated by a government agency. Commercial uses are allowed with the issuance of a conditional use permit. In order to encourage and facilitate commercial development in the B-1, Highway Commercial District, and encourage the eventual redevelopment of mixed residential units within the commercial core, it is recommended the B-1 Zoning Regulations be updated to allow commercial uses as permitted and further study areas in which residential units may be appropriate as conditional or interim uses. The minimum lot size, which is at this time 10,000 square feet with a 50 foot minimum width, should also be reviewed to ensure sufficient space to accommodate off-street parking, setbacks and green space on commercial lots.
5. **Transitions from commercial to residential.** An orderly transition between the highway commercial district and adjacent residential neighborhoods shall be established through appropriate allowable uses in transition areas, appropriate screening and landscaping.
6. **Future Highway Commercial Areas.** Future highway commercial areas as identified on Map 4-6 should be encouraged, with technical and financial assistance as appropriate.

C. INDUSTRIAL DEVELOPMENT

Following are goals and objectives for the future development and redevelopment of the industrial district(s):

1. **Traffic and Access.** Traffic generated by industrial activity should be discouraged from penetrating residential neighborhoods. Future industrial parks should be developed with more than one access point and designed to discourage industrial traffic from traversing through residential neighborhoods. Access to industrial lots should be provided via collector roads whenever possible.
2. **Coordination.** The City should continue to work with local, regional and state economic development agencies and take a proactive approach to business retention and expansion.

3. **Promotion and Financial Assistance.** The Economic Development Authority should actively promote industrial developments that maximize the return on city investments in public facilities and services, provide quality employment opportunities and compliment existing services. The City should consider economic incentives for industries that will contribute substantially to the City's tax and employment bases without substantial negative impacts on the City's infrastructure system.
4. **Impact on Utilities.** Consideration should be given to facility demands (i.e., traffic generation, sewer and water demands, etc) of any proposed industrial development, to ensure the City has the capacity to serve the proposed project(s). Extension of utilities and annexation of areas about to become industrial in nature should occur prior to the issuance of building permits for the industrial construction.
5. **Design Standards and Minimum Lot Sizes.** As the City continues to grow and expands industrial areas near higher visible roadways, the city may wish to include additional design standards or landscaping/screening requirements. The City should continue to minimize the impact of industrial properties on adjacent land uses by continuing to require additional setbacks, screening and/or fencing and landscaping. In addition, the City should review the zoning ordinance and consider increasing the minimum lot size required for industrial uses in the I-1 District from the current minimum lot size of 20,000 square feet to ensure these lots have sufficient size for off-street parking, traffic movements, screening and landscaping.
6. **Expansion and Relocation of Existing Industries.** As opportunities arise, the EDA and City should work closely with local industries to identify industrial sites within the city to accommodate their growth, and redevelop sites which are within residential neighborhoods.
7. **Promotion of Rail for Industrial Development.** The EDA and City should promote rail access for industrial users which would benefit from this mode of transportation, as a method of marketing Montgomery industrial development.
8. **Shovel Ready Industrial Lots.** The City and EDA should pursue the development of shovel ready industrial lots. Long term, the City should investigate the acquisition of land near the Wastewater Treatment Plant, or work with a developer for industrial development.

D. GENERAL ECONOMIC DEVELOPMENT GOALS

1. **Business Retention and Expansion** – Expansion of existing businesses accounts for 80% of business growth, while incoming new businesses comprise 11% of business growth and Business Start-up make up 9% of business growth.ⁱ The EDA will strive to work with local businesses to retain their facilities in the community as well as assist them with growth needs.
2. **Market Montgomery** – Develop a Brand for Montgomery and market the community as a place for business development, tourism and for new residents. Promote new housing developments (infill).
3. **Provide additional local employment opportunities.** Through the expansion of existing businesses and recruitment of additional businesses, it is a goal to provide additional local employment opportunities to reduce commuting time, keep residents in the community to work, shop and participate in local activities.
4. **Business Association or Chamber of Commerce.** Encourage the establishment of a Business Association or Chamber of Commerce to assist in uniting the business community, developing cooperative marketing efforts and furthering community efforts.
5. **Create a Support Structure.** Create a development tool box, educate businesses and the EDA on services available to them, promote "Buy Local" campaigns, etc. to create a better business climate.

6. **Develop Economic Development Opportunities.** Consider hiring an Economic Development Coordinator for the City, hiring an Economic Development Coordinator who could serve all TCU communities or encouraging Le Sueur County to hire a county position to assist all communities in the county.
 7. **Non-Profit Development Corporation.** Explore the development of a non-profit Economic Development Corporation with membership by local business owners.
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¹ Source: Blane, Canada, Ltd. "Beyond the Basics – Advanced Business Retention"