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# Barnesville Business Retention and Expansion (BR&E) Strategies Program

Summary Report





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## SUMMARY REPORT

April 2014

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  Barnesville BR&E



## **BARNESVILLE BUSINESS RETENTION AND EXPANSION PROGRAM**

Communities recognize that helping existing businesses to survive and grow is a vital economic development strategy. The Barnesville Business Retention and Expansion Program (BR&E) is designed to assist local businesses in thriving and expanding in the city. While attracting businesses from outside the community or encouraging new business start-ups are important components of any economic development strategy, research has shown that up to 86 percent of new jobs are created by businesses already in the community. Minnesota data from 2012 showed four times as many new jobs created by existing business as from either business attraction or entrepreneurship.

The Barnesville BR&E Program is a comprehensive and coordinated community approach to assisting existing businesses. Visiting local businesses and learning their concerns is only one component of the process. The BR&E program builds awareness in the community of issues that face businesses and builds capacity for the community to address these issues. The program also assists local leaders and community members in working together to provide solutions to business concerns.

### **Objectives**

The Barnesville BR&E Program has five objectives:

- To demonstrate support for local businesses
- To help solve immediate business concerns

- To increase local businesses' ability to compete in the global economy
- To establish and implement a strategic plan for economic development
- To build community capacity to sustain growth and development

### **Sponsorship**

This program is sponsored locally by the Barnesville Economic Development Authority (EDA) and the Barnesville Main Street Program. In addition, West Central Initiative, the Minnesota Department of Employment and Economic Development (DEED) and University of Minnesota Extension also sponsored or participated in the Barnesville BR&E program.

### **BR&E Timeline and Key Meetings**

April 2013 - EDA Director Karen Lauer completes her BR&E training through the University of Minnesota Extension.

May 2013 - Lauer puts together written proposal to launch new BR&E program

The EDA and Main Street Boards then agreed to move forward with the BR&E program and the Leadership Team was put in place

June 2013 - Leadership Team makes contacts with prospective Task Force members

Task Force Meetings were held on July 19, August 6 and September 13.

The community contracted to have Michael Darger, Extension's BR&E Specialist, provide applied research services to the BR&E project.

### **Volunteer Training**

A volunteer visitor training session was held on September 30, 2013. The session oriented volunteer visitors to the BR&E

process and trained them on interviewing the businesses. Volunteers work in teams of two during business interviews. One person holds primary responsibility for asking the questions while the second person records the responses.

### **Interview Guide**

Barnesville adopted Extension's interview guide (aka survey instrument) with a few adjustments. The interview guide was used by volunteer visitors on the business visits.

### **Business Selection & Visits**

Participants in the Barnesville BR&E Program visited 69 businesses. Visits were conducted from October to early December, of 2013. Here is the selection process as described by Karen Lauer:

*The Task Force prepared a list of 110 businesses in the Barnesville area which included both businesses in the community as well as in the rural areas surrounding Barnesville. This list included storefront type businesses as well as home-based businesses. Our perspective on who to survey was this - we believe that every business, large or small, is important to the local economy. If business owners are open to meeting with visitors and completing the survey, we're going. We had anticipated that 60% of those businesses that were contacted would agree to a visit, so based on our formula that each volunteer team of 2 would complete 3 businesses, we knew that we needed to get 44 volunteers. To get those volunteers, the Task Force members personally asked 80 people on a list that we put together of 129 prospective visitors.*

### **Warning Flag Review**

Reviewing the surveys individually for follow-up opportunities is an important community opportunity in a BR&E program. This is probably the single most important activity that a BR&E

initiative can do - responding appropriately and confidentially to businesses on issues such as business relocations, concerns with public service, needs for resources, etc. Barnesville Task Force members conducted warning flag review sessions on October 30th, November 8th and December 6<sup>th</sup>, 2013.

### **Research Report Development**

Barnesville sent the surveys to the University of Minnesota for tabulation and analysis. A summary of the data was prepared for the February 7, 2014 state research review meeting, where a group of eighteen individuals (listed later in this report) reviewed the results and composed project ideas that might respond to the businesses' and community needs. Michael Darger then prepared the Research Report based on the input of the state research review panel, as well as economic development research.

The Research Report identifies four overarching strategies as a strategic framework of issues for Barnesville to consider for implementation. It also provides a list of potential project ideas under each strategy. The Barnesville BR&E Task Force has the knowledge of its community and what projects would be suitable locally. The potential projects in the report were only suggestions for Barnesville to consider.

### **Task Force Retreat**

A 4.5 hour Task Force retreat was held on March 27, 2014 in Barnesville. At this retreat, the Task Force was presented with the Research Report. The presentation included a DEED overview of the Barnesville and Clay County economy and demographic situation, the composite results of the business interviews, and the three strategies. The Research Report can be viewed by

contacting Karen Lauer, Barnesville EDA, or by contacting one of the Task Force members.

The Task Force reviewed and discussed the potential projects and developed new project ideas. Ultimately, five priority projects were created (see below).

## **PEOPLE IN THE BARNESVILLE BR&E PROGRAM**

Four groups of people have been very important to Barnesville's success in its BR&E program. These are: 1) the Leadership Team 2) the Task Force 3) other volunteers, and 4) the businesses visited. The State Research Review participants also deserve acknowledgement for their participation in the process.

### **BR&E Leadership Team**

Catherine Enstad - representing the EDA Board of Directors

Pete Larson - representing the Main Street Board of Directors

Karen Lauer - Executive Director, Barnesville Economic Development Authority

Karen Hagen - Director, Barnesville Main Street Program

### **Barnesville BR&E Task Force** (in addition to Leadership Team listed above)

Mike Rietz - City Administrator, City of Barnesville

Scott Loeslie - Superintendent, Barnesville School District

Terry Olson - Owner, Willow Creek Insurance

Pam Aakre - Staff Writer/Bookkeeper, Barnesville Record-Review

Curt Cossette - Owner, Lodestar Transport Services

### **BR&E Volunteer Visitors**

In addition to the Leadership Team and Task Force members listed above, these community members also conducted business visits.

|                      |   |
|----------------------|---|
| Rhonda Spilde        | Barnesville School District               |
| Kristy Loeks         | Stoneridge Software                       |
| Carol Dodge          | Barnesville Park Board                    |
| Ron Salber           | Salber & Associates                       |
| Mary Ann Scheffler   | Barnesville VFW                           |
| Don Goedtke          | Barnesville EDA                           |
| Larry Davis, Jr      | Barnesville City Council                  |
| Jon Pauna            | KLJ                                       |
| Heather Weber        | Barnesville Park Board                    |
| Jaynie Halverson     | Barnesville Nutrition                     |
| Laura Anderson       | Barnesville School District               |
| Betty Stom           | Barnesville City Council                  |
| Sara Lien            | Firehall Liquors                          |
| Tammy Heiden         | Cenex                                     |
| Dar Hines            | St. James United Church of Christ         |
| Margaret Follingstad | Barnesville Planning Commission           |
| Troy Weber           | TEC Advisory Board                        |
| Kyle Gylland         | Barnesville School District               |
| Dean Ernst           | Barnesville Police Department             |
| Pat Berndt           | Barnesville School District               |
| Guy Swenson          | TEC Manager                               |
| John Allen           | Allen Law Firm                            |
| Nicky Nelson         | Barnesville School District               |
| Shelly Dunham        | Barnesville Community Fund                |
| Eric Newell          | Stoneridge Software                       |
| Ryan Tonsfeldt       | DBS Inc.                                  |
| Del Ellefson         | Barnesville EDC                           |
| Jaye Abarr           | Barnesville PTA                           |
| Randy Kempfer        | Barnesville Eye Clinic                    |
| Jane Salber          | Carlson Bankruptcy Office                 |
| Jerry Feigum         | Barnesville Lions                         |
| Sean Wahl            | Barnesville Chiropractic & Fitness Center |
| Shirley Bredman      | Retired Teacher                           |
| Brad Cook            | Cook Insurance                            |
| Lenora Arntson       | Cornerstone Bank                          |

### BR&E Retreat Volunteers

In addition to the Leadership Team and Task Force members, additional community leaders were invited to the BR&E retreat to consider the BR&E interview results and discuss implementation options.

|                      |  |
|----------------------|--|
| Gene Prim            | Mayor                                  |
| Ken Bauer            | Former Mayor,<br>Lions Member          |
| Jane Salber          | Thursday Nite<br>Lions                 |
| Karla Volrath        | School Board                           |
| Mark Rustad          | Clayco Care<br>Center<br>Administrator |
| Leah Thompson        | Galaxie Sports Bar<br>& Supper Club    |
| Ryan Tonsfeldt       | DBS Inc.                               |
| Dean Ernst           | Police Chief                           |
| Eric Newell          | Stoneridge<br>Software                 |
| Eric Spilde          | EDA Board Chair                        |
| Brad Field           | EDA Board                              |
| Mary Ann Scheffler   | VFW Club                               |
| Heather Weber        | Park Board                             |
| Michael Stetz        | Rothsay Farmer's<br>Co-op              |
| Margaret Follingstad | EDA Board                              |
| Jim Braton           | Local Investor                         |
| Don Goedtke          | City Council                           |

### Businesses Visited

Sixty-nine businesses participated in the BR&E process. Their willingness to help the community understand their needs is greatly appreciated. Their survey responses are confidential, yet it is important to honor their participation by listing their names here.

Advantage Realtors  
Agassiz Valley Grain LLC  
All Seasons Car Wash  
Allen Law Office  
American Legion Post #153  
Anytime Fitness  
Appearances 203

ARC Appraisals  
Barnesville Animal Clinic  
Barnesville Area Clinic  
Barnesville Child Day Care  
Barnesville Chiropractic & Fitness  
Center  
Barnesville Dairy Queen, Inc.  
Barnesville Eye Clinic  
Barnesville Homes  
Barnesville Nutrition  
Barnesville Telephone, Electric &  
Cable  
Berg Auto Body  
Biewer Tractor Salvage  
Brian's Affordable Computers  
C & S Cleaning & Restoration  
Chris Hoppe Lawn Care Service,  
LLC  
City Center Drug & Hardware  
Clayco Care Center  
Cook Insurance  
Country Classic Cabinets  
Crown Appraisals  
Darrell Dodge Signs & Murals  
Dean's Bulk Service Inc.  
Dean's Auto Repair  
Designs by Becky  
Dobmeier Funeral Home  
Dr. Jonathan Dahl, DDS PCDr. R.A.  
Rostad, DDS  
Eagle Café  
Farmers Co-op Oil Co.  
Firehall Liquors  
Galaxie Sports Bar/Supper Club  
Golden Manor Corp  
Halverson Potato Warehouse  
Houston Engineering, Inc.  
J & B Deer Processing  
J & S Farmer's Mill  
Janssen Machine Co.  
K & M Tire  
Kelli's Bridal & Formal  
Kyle Carlson Bankruptcy Trustee  
Langerud Saddles  
Larry Davis Garage Inc  
Lodestar Transport  
Midwest Bank  
New Image Beauty Salon  
Peterson Painting & Staining  
Priority Real Estate  
Ratzos Pool Hall  
Record Review  
Rehab PLUS Barnesville  
Rick's Tires & Towing  
Salber & Associates  
Seifert Custom Cabinetry

State Farm Insurance  
Stoneridge Software  
Subway  
Thompson Greenery  
US Post Office  
Valley Fresh Bakery  
We Travel PC  
Wells Fargo  
Willow Creek Insurance

### **State Research Review Panel**

The panel reviewed tabulated survey results and suggested potential actions that might be taken by Barnesville leaders in response to local business concerns. The participants of the February 7, 2014 meeting were:

#### *Barnesville BR&E Task Force*

Karen Lauer, Barnesville EDA Executive Director

Karen Hagen, Barnesville Main Street Program Director

Mike Rietz, Barnesville City Administrator

Pete Larson, business owner and Barnesville Main Street board member

#### *Minnesota Department of Employment and Economic Development*

Tim O'Neill, Labor Market Information

Brad Brzezinski, Project Manager – West Central Minnesota

#### *Economic Development Professionals*

Kathi Schaff, Minnesota Chamber of Commerce

Emily Northey, Minnesota Main Street

#### *University of Minnesota*

Ben Anderson, Extension Moorhead Regional Office

Neil Anderson, Extension Resource Development Unit

Will Craig, Center for Urban and Regional Affairs (CURA)

Michael Darger, Extension Center for Community Vitality

Brent Hales, Extension Center for Community Vitality

Josh Hill, Graduate Student Assistant, Extension Center for Community Vitality

Matt Kane, Extension Center for Community Vitality

Lee Munnich, Humphrey School of Public Affairs

Ward Nefstead, Department of Applied Economics

Ryan Pesch, Extension Center for Community Vitality

### **BARNESVILLE'S ECONOMIC AND DEMOGRAPHIC PROFILE**

A profile of Barnesville's economy and demographics was prepared for the Research Report and presented at the Task Force retreat in March. The profile was created and written by Tim O'Neill of the Minnesota Department of Employment and Economic Development. The profile contains statistics on population, employment, income, commuting and labor sheds, occupations, and education attainment.

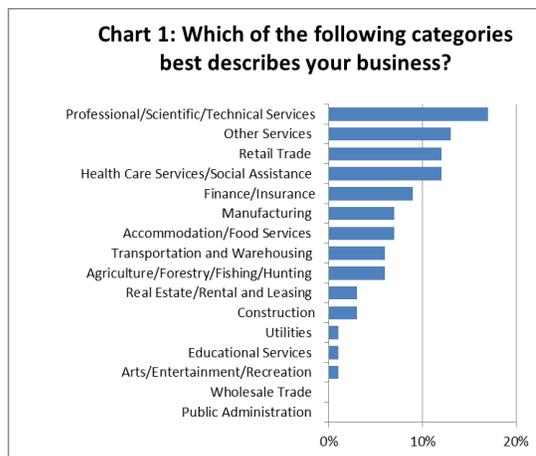
A full copy of the profile can be viewed in the BR&E research report by contacting Karen Lauer, Barnesville EDA, or by contacting one of the Task Force members.

## BARNESVILLE BR&E SURVEY RESULTS

### Characteristics of Businesses Visited

Of the 69 businesses visited, 83 percent are locally-owned. Thirty percent of the companies have other locations as well.

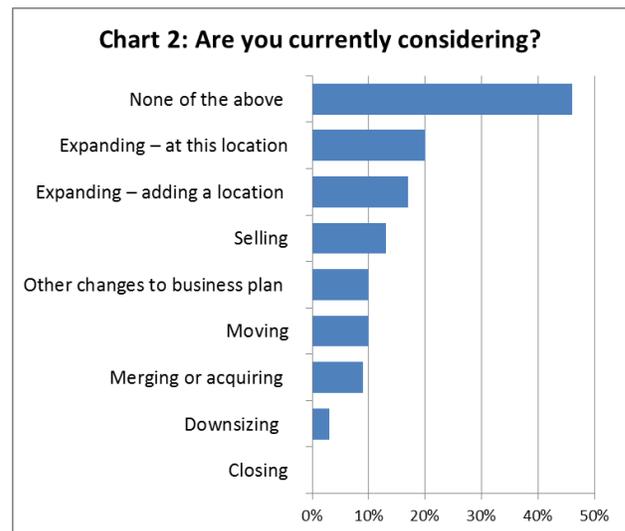
Barnesville decided on a mixed sector sample of businesses to invite to have a BR&E visit (see p. 2). The final mix of visits to 69 companies resulted in the most common visits being to professional/scientific/technical services (17%), other services (13%), retail (12%), and health care services/social assistance (12%). See Chart 1.



Surveyed businesses in Barnesville currently employ a total of 528 individuals, up from 407 three years ago. According to DEED (chapter 2 of research report), there are 565 jobs in Barnesville. Therefore, the BR&E visits covered 93 percent of the jobs known to be in the community. This is a remarkable feat by the BR&E Task Force to have visited the employers that essentially represent the local economy. Total employment grew by 121 jobs over employment three years prior to the visits. On average, each visited business employs 3.8 full-time workers and 4.9 part-time workers.

Businesses in Barnesville are planning for change. While 46 percent of responding

businesses indicated no change, 20 percent are considering expanding at this location and 17 percent are considering adding a location, as shown in Chart 2. Only three percent are thinking about downsizing but none contemplated closing. Thirteen percent are considering selling, other changes (ten percent), moving (ten percent), and merging with or acquiring another business (eight percent) and downsizing (three percent).

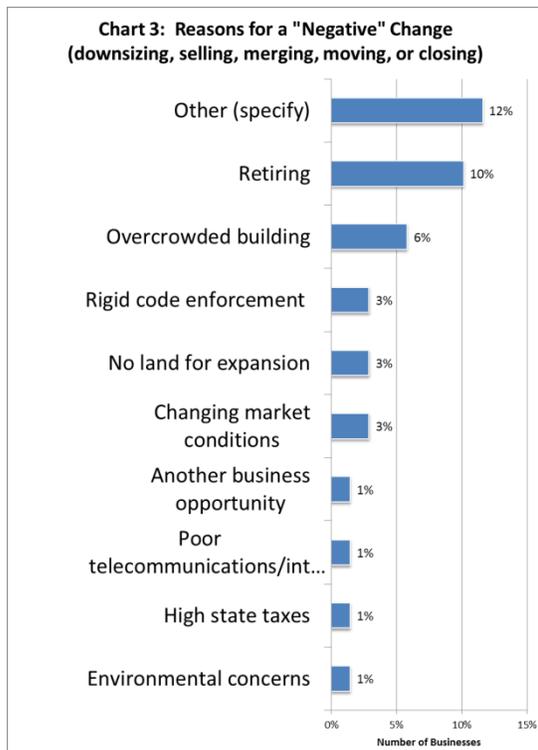


Seventeen percent are considering expansions outside of Barnesville and ten percent a possible move. A follow-up question revealed that twelve percent are considering another county in Minnesota, ten percent another state, and three percent another city in this county. There is a real opportunity for the community to convince some of these businesses to re-invest in Barnesville.

The firms indicating that they are not considering expansion were asked why. The leading reasons can be roughly categorized as “satisfied now, no need, not ready” (12 businesses), “lack of

demand, clients, caseload” (11), and “finances, lack of capital, existing debtload” (9).

Among the reasons for possible “negative changes” in the businesses, “retiring” is the single biggest reason (10 percent of the respondents). Negative potential changes at the businesses include: closing, moving, downsizing, or selling. See Chart 3.



The businesses shared their opinion of Barnesville as a place to do business and as a place to live. On average, businesses feel Barnesville is a better place to live than to do business. On a scale where five equals “excellent” and one equals “poor”, Barnesville earned an average score of 3.63 as a place to do business. For perspective, the University of Minnesota BR&E program has a benchmark weighted average score for

this question of 3.82 from 37 previous BR&Es dating back to 1993.

On the question “what is your opinion of your community as a place to live.” Barnesville earned a 4.10 average rating. Barnesville is right on the average because in 28 previous BR&E communities, the weighted average score on this question was 4.09.

### Strategic Themes

Four primary themes emerged from an analysis of the survey results and from discussions by the State Research Review panel. These themes, called strategies, provide a framework for studying the issues raised in the Barnesville BR&E process. The four strategies identified are: 1) Improve Business Retention and Expansion by Developing and Strengthening Local Capacity, 2) Enhance Services Needed for Business to Flourish in Barnesville, 3) Improve Labor Force Through Training, Analysis and Recruitment, and 4) Enhance Quality for both Barnesville Community Members and Visitors

Under each strategy, the Research Report listed potential projects the Barnesville BR&E Task Force could select to help accomplish the strategy. The Task Force, during their March 27th retreat, developed five priority projects to address the business concerns. The Task Force built on project ideas as written in the Research Report to create projects that were suitable for Barnesville. These priority projects are described below.

Each description below was created by the project team. They include the general reasoning for each project and the plans developed by the project committee. In addition, the survey results which highlight the need for the

project are included, if appropriate. If you are interested in assisting in any of the project implementations, please contact one of the committee members listed.

### **Priority Project #1: Facilitate Succession Planning and Connect Retiring Businesses with Interested Entrepreneurs**

Plans from the Committee: The committee will collaborate to assist business owners who wish to develop a succession plan in order to transition their business to new ownership in the future. The committee's goal is to improve the level of succession planning by businesses in the community by increasing awareness of the process, connecting businesses with resources for succession planning development and to connect soon-to- retire business owners with interested entrepreneurs. As an outcome, the committee hopes this process will help maintain a robust business community in Barnesville and to enhance attractiveness of Barnesville as a place to do business.

To achieve these goals the committee plans to:

- Use the BR&E survey data to identify businesses that are most likely to be interested in succession planning.
- Identify a local organization or individual that is interested in providing a workshop on succession planning.
- Invite businesses to the workshop to discuss the reasons for succession planning and the tools for doing it.
- Follow up with workshop attendees and help them get connected with

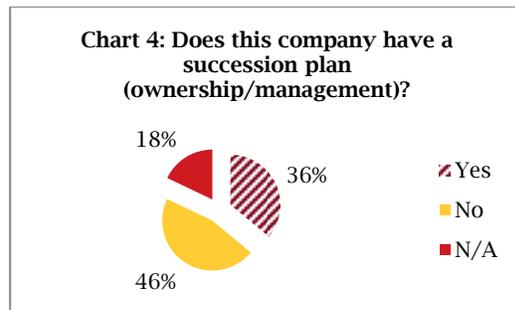
resources to help them develop a succession plan.

- Distribute sample succession plans and list of resources to businesses that were not able to attend the workshop.
- The committee will contact local universities and trade schools, West Central Initiative, the local SBDC organization and SCORE chapter in an attempt to foster connections between business owners and people interested in getting into their particular field.

The committee is led by: Terry Olson, Pete Larson and Mike Rietz.

### **Related Research Results**

Thirty-six percent of the interviewed companies have a succession plan (see Chart 4) and 39 percent have a written business plan.



### **Priority Project #2: Create Business Networking Opportunities**

Plans from the Committee: The Business-2-Business committee is intended to address survey concerns regarding business networking of Barnesville's business owners, managers and employees. The goal is to connect those individuals with each other as well as with residents who work at Fargo-Moorhead businesses. The purpose includes professional networking, increasing business connections within

the community and strengthening the local business climate.

Action steps would include, but are not limited to the following:

- Create Business-2-Business event opportunities to be held throughout the year at local businesses or event venues at a minimal cost or no cost.
- Feature local businesses at Business After Hours through booth format or location format.
- Feature & foster local sharing, networking and referrals at “TIP” events on regular basis.
- Offer Lunch N Learn series.
- Periodically survey businesses as to what educational topics they would like to see presented.
- Utilize local knowledge & regional expertise in the presentation of educational topic events.
- Include attendance of city council, city staff representatives and EDA staff to promote communication with businesses.

The Business-2-Business Committee is led by the Main Street Program with committee members Sydni Mansager, Cindy Sillerud, Mary Ann Scheffler, Dave Gross, Jolynn Jegtvig, and Karen Hagen.

### **Related Research Results**

In response to the catch-all question at the end of the interview guide, three interviewed businesses specifically mentioned chamber of commerce as something that used to be in Barnesville and/or should be there again. Two related comments suggested: 1) that businesses cooperate with each other (coupons or cross-trafficking) and 2) that

more face-to-face visits (like the BR&E) would be helpful.

### **Priority Project #3: Expand Availability of Rental Housing Options in Barnesville**

Plans from the Committee: Having adequate rental housing options for new residents has challenged Barnesville for some time. In addition, it is a challenge to connect local residents who are looking for rental housing with rental opportunities. With many Barnesville area businesses planning to add employees in the next few years, a critical part of being able to attract those needed employees will be the City’s ability to provide rental housing options that will appeal to a variety of age groups.

Rental housing also fills an important niche as transitional housing for those considering moving to Barnesville and buying a home – allowing them to experience the community and various neighborhoods before purchasing a home.

Expanding the availability of rental housing will require a partnership between the public and private sectors: first in terms of identifying current and future needs, second in determining what the community is missing and third, bringing together the strategic partners that can put in place the needed housing options.

To achieve these goals the committee plans to:

- Put together a complete inventory of existing rental housing units and determine what types of rental housing units are missing from the list.
- Assemble a list of vacant houses and create a grading system with regard to highest rental opportunities.

- Put together a list of owners of non-homestead houses, make them aware of the community’s need for rental housing and provide them with a rental toolkit.
- Identify grants that may be available to help owners fix-up vacant homes and make them available for rent.
- Educate existing apartment owners about programs available to rehab units.
- Utilize the City’s website or mobile application as a way for potential renters and rental facilities to connect by posting rental requests or available rental housing.
- Investigate available property which is zoned correctly or could be rezoned to construct new multi-family rental housing units.
- Talk with owners of two-story downtown commercial buildings to educate them about Barnesville’s need for rental housing.
- Research grant or tax abatement programs which would encourage downtown property owners to rehab and rent second story apartments.
- Identify investors and/or contractors who may be interested in constructing needed rental housing units.

This committee is led by Cathy Enstad, Margaret Follingstad and Eric Spilde.

**Related Research Results**

Housing supply and costs get good rating from the businesses (see Table 1).

**Table 1: Quality of Life Ratings for Barnesville (sorted highest to lowest, 4 = Very Satisfied, 1 = Very Dissatisfied)**

| G. Quality of Life                   | Average Score |
|--------------------------------------|---------------|
| 5) Housing costs                     | 3.4           |
| 1) Recreational opportunities        | 3.3           |
| 4) Housing supply                    | 3.2           |
| 6) Health care facilities            | 3.2           |
| 3) Social organizations and networks | 3.1           |
| 7) Availability of child care        | 3.1           |
| 2) Cultural opportunities            | 2.7           |

However, the hiring plans of some employers are ambitious; 185 new jobs were estimated to be added over three years’ time. See Table 2.

**Table 2: If you expect a change, how many employees will be added in the next three years? (sorted by aggregate number of new jobs, i.e. “Sum”)**

| Category                                    | Increase (% of firms) | By How Many? Sum / Avg. |
|---|-----------------------|-------------------------|
| Professional/ Managerial                    | 17%                   | 84.5 / 8                |
| Information Technology                      | 4%                    | 42 / 14                 |
| Unskilled Service                           | 9%                    | 18 / 3                  |
| Transportation                              | 7%                    | 10.5 / 3                |
| Healthcare Related                          | 6%                    | 8 / 2                   |
| Office and Administrative                   | 10%                   | 7 / 1                   |
| Repair and Skilled Maintenance              | 6%                    | 4 / 1                   |
| Skilled Manufacturing                       | 4%                    | 3.5 / 2                 |
| Arts, Design and other Creative Occupations | 4%                    | 3.5 / 1                 |
| Agricultural                                | 1%                    | 2 / 2                   |
| Engineers, Scientists and Technicians       | 1%                    | 1 / 1                   |
| Unskilled Manufacturing                     | 1%                    |                         |
| Construction                                | 1%                    | 0 / 0                   |

If these predictions prove accurate, will the housing situation be sufficient in the next three years? Is there a good mix of single family and rental housing?

#### **Priority Project #4: Research the Types of Businesses Desired to Fill Retail Gaps**

Plans from the Committee: The committee plans to utilize a wide variety of research methods to determine which products and services are needed to fill the retail gaps in Barnesville. Having a robust retail business sector is critical to helping existing businesses remain profitable and grow.

The committee's goal is to not only research the retail gap but to use that information to fill vacant buildings within the community.

To achieve these goals the committee plans to:

- Survey the public to find out what businesses, products or services they would like to see in the community.
- Survey our existing businesses to determine what businesses they feel would be complementary to our current businesses.
- Review all the answers to the open ended questions on the BR&E Survey to document suggested businesses from that process.
- Review the findings of the U of MN Market Area Profile Report from June 2010 to try and capitalize on gaps identified in that study.
- Put together a list summarizing all the desired businesses determined from all the research methods, then contact our existing businesses to ask if they

would like to add identified products or services.

- Post the list of desired businesses on the City's website to create interest from entrepreneurs or other areas businesses to expand here.
- Put together a complete inventory of all available commercial buildings, whether for sale or rent to include pictures, traffic counts and contact info.
- Expand the information currently listed on the City of Barnesville website with regard to available commercial land and buildings.
- Identify people in a position to open the needed businesses, such as entrepreneurs, while making them aware of available buildings.
- Identify local investors who may be interested in helping entrepreneurs start some of the identified businesses.

This committee is led by Leah Thompson, Mary Ann Scheffler and Karen Lauer.

#### **Related Research Results**

On a list of twenty retail factors, Barnesville was rated pretty highly on most factors by the interviewed businesses. On a scale where 4 = Excellent and 1 = Poor, eight of the factors were rated 3 or above, on average, and six were rated 2.7 to 2.9. Among the lowest rated factors were Variety of Businesses (2.3) and Variety of Places to Eat (2.4). See Table 3.

When asked which of the retail factors listed were most important to be improved, the businesses gave the highest number of first choice votes (10) to Variety of Places to Eat. However, Variety of Businesses tied Variety of Places to Eat for the most combined first,

second, and third choice votes (22 each). No other factor came close.

**Table 3: Ratings of Retail Factors (sorted highest to lowest)**

| Ratings of Retail Factors sorted highest to lowest   | Average Score |
|--|---------------|
| (e) Feeling of safety (e.g. lighting, security)  |               |
| (j) Knowledge and friendliness of local personnel  | 3.6           |
| (c) Customer service   | 3.5           |
| (d) Exterior atmosphere of the area (e.g. front entrances, rear entrances, landscaping, street trees, store fronts, sidewalks, cleanliness, signage) | 3.2           |
| (p) Quality of merchandise handled by merchants  | 3.1           |
| (r) Traffic flow / signage   | 3.1           |
| (l) Other (specify)  | 3.1           |
| (q) Special events or promotions in the shopping area  | 3.0           |
| (a) Advertising  | 3.0           |
| (k) Merchandising by retailers   | 2.9           |
| (n) Prices   | 2.9           |
| (m) Parking situation (e.g. number of spaces, location)  | 2.8           |
| (f) Group advertising  | 2.8           |
| (i) Internet presence (i.e. can you find community retailers online?)  | 2.7           |
| (b) Coordinated store hours  | 2.7           |
| (g) Hours - Evening  | 2.5           |
| (t) Variety of places to eat   | 2.4           |
| (o) Public restrooms   | 2.4           |
| (s) Variety of businesses  | 2.3           |
| (h) Hours - Weekend  | 2.3           |

**Priority Project #5: Research Ways to Address the Identified Downtown Parking Problems**

Plans from the Committee: Multiple interviewed downtown business owners indicated concerns with the availability of parking, both for customers and employees.

Many of these parking problems seem to stem from the number of new and expanding businesses located in the downtown area. While this is a good problem to have, it is a problem that needs to be addressed.

To address the parking problems the committee plans to continue to work closely with affected businesses and discuss some possible solutions which could include:

- Scheduling a meeting with businesses in the congested areas to develop collaborative solutions.
- Developing some fun promotions to reward and encourage employees to park in existing public parking areas.
- Continue to educate business owners and their employees about the competitive advantage of providing front door parking for customers.
- Working with Farmer’s Co-op on the possibility of acquiring their vacant property, demolishing the building and creating a new public parking lot.
- Adding additional “No Parking 2 AM - 6 AM” signing on 2<sup>nd</sup> Avenue to open up more parking spaces for employees in that area.
- Painting diagonal lines on 2<sup>nd</sup> Avenue SW along with adding signage to identify that area as being diagonal parking.

- Designating a few strategically located “2 Hour Parking only from 7 AM - 5 PM” parking spots in busy areas.
- Researching the possibility of paving existing public parking lots to make those areas more appealing to both downtown employees and business customers.

This committee is led by Dean Ernst, Mike Rietz, Karen Hagen and Karen Lauer.

### **Related Research Results**

The rating for Parking Situation in the data was an average of 2.8 on the 4 point scale, which was about in the middle of the pack of 20 retail factors that were evaluated (see Table 3). Seven businesses ranked this issue as the most important retail issue to address and three ranked it second most important. These rankings are not as high as the retail gap items described in Priority Project 4 above. Nevertheless, the ten businesses that feel very strongly represent 14 percent of those interviewed. See Table 3.

### **CREDITS**

The Barnesville BR&E Task Force selected the priority projects. This summary report was prepared by Michael Darger with the University of Minnesota Extension’s Center for Community Vitality.