

## 6. Economic Development Plan

### Issues

Issues identified by the Economic Development Subcommittee at the beginning of the planning process included:

- Local jobs and job creation. Today many students provide inexpensive labor, but are there sufficient middle-income jobs that can support families? What types of jobs should the City target for growth? Should an incubator with WSU be explored?
- Land use. Where is growth going to occur, what infrastructure is needed for it, and how much would it cost? How much land is available and how much is needed? What kind of jobs could new growth areas generate? What supporting land uses – such as housing – might be needed. Should coordination between City and County be improved?
- Entrepreneurship. Most companies are here because their founders are here. What types of business have been successful, and how do we grow the next generation of entrepreneurs?
- Workforce. Where does Winona's workforce come from, and how many leave for other employment areas? Where are the 'gaps' in employment? How can employees be retained and trained to be more productive?
- Health care. Winona's health care industry is smaller than it should be for its population. Is this an issue the plan can or should address?

### Goals

1. Quality of Life. Use the assurance of a continued high quality of life in the area through the responsible stewardship of our resources and heritage, to attract and retain employers and employees to Winona.

#### Objectives:

1. Highlight in all marketing and promotional activities Winona's excellent healthcare, educational, and recreational facilities.
2. Utilize the city's geography, heritage and natural resources to enhance its desirability as a place to live, study, work, and visit.



*River-dependent industries will remain in their current locations*



### 2. Business Development. Retain and grow existing businesses and attract new businesses.



#### Objectives:

1. Continue to partner with local businesses and educational institutions that will promote and support the strong entrepreneurial base of the city.
2. Support the development and retention of a productive workforce.
3. Attract businesses that will provide jobs that can provide a broad range of options for skills, wages and salaries, and development.
4. Collaborate with the State of Minnesota and the surrounding communities on the development of regional business opportunities.
5. Support and enhance the city's intermodal transportation facilities to support the domestic and foreign trading activities of industries.
6. Develop a tourism strategy that fully utilizes the area's heritage and natural resource endowments.
7. Support the use of renewable energy and other practices consistent with sustainable development.
8. In anticipation of demographic trends, support the development of private and public services that will cater to an aging population.

#### Policies and Actions

##### 1. Invest in Recreational and Cultural Amenities. To enhance the City's attractiveness to skilled workers and employers, it is necessary to provide a high level of recreational and cultural opportunities. This is particularly true of professional, health care and other "knowledge" workers, who have many choices as to where to live. The recommendations under Arts and Humanities, Downtown Revitalization, and Parks and Recreation include several strategies that support this policy, including:

- A variety of performing arts venues, art galleries and studios, and learning opportunities in the arts and humanities, taking advantage of the resources of Winona's universities;
- Better identification and marketing of City parks and other recreational facilities;
- A complete and regionally-connected recreational trail system;
- A focus on facilities for year-round sports, including winter sports;
- Downtown and riverfront housing and workplaces that offer a high degree of architectural character and an "urban" lifestyle, in proximity to many cultural and recreational opportunities.

2. Support and Expand the Composite Materials Cluster. Winona has a strong and successful industrial cluster centered on composite materials and components that gives the city a unique role in the national and international market. This cluster, anchored by RTP, dates from World War II and has created a series of spin-off firms based on a vibrant workforce knowledge and skills base and an entrepreneurial business community.<sup>1</sup> Economic development efforts should be focused on assisting the existing business base to expand, supporting new spin-off firms, and attracting new industrial and consumer applications. The Southern Minnesota Initiative Foundation sponsored a study of the composite cluster in 1996, and continues to support emerging high-potential businesses in the cluster.<sup>2</sup> The City should promote this cluster worldwide as a unique opportunity for other corporate and start-up firms in the same and related fields.

As with other industries, the long-term viability of the composite materials cluster depends on attracting a skilled workforce. Policy 1, above, offers recommendations on this issue.

3. Pursue Development of a Downtown Conference/Performing Arts Center. In 2006 the City received a state appropriation for a feasibility study for a downtown conference and performing arts center. A task force of City staff and other stakeholders has been appointed to oversee this effort. The downtown planning effort identifies a potential site for such a center and links it to other downtown attractions and facilities. The upcoming study will help refine the design, programming, costs and funding sources for this facility.

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<sup>1</sup> "Winona is the center of advanced composites manufacturing. Composite materials consist of 'a matrix of one material that has been reinforced by the fibers and/or particles of another material' which has the effect of making it stronger, more conductive, flame retardant, water resistant, etc. This cluster developed in the region after World War II to serve a fast-growing defense and aerospace market. Winona State University enhanced this cluster through the country's only undergraduate composite materials engineering program, and applied research and testing facilities for local firms. Today the cluster consists of firms producing advanced composite materials as well as firms applying these technologies to existing products such as electric heaters, stringed instrument bows, canoes, and softball bats.

*Source:* Rural Knowledge Clusters in Minnesota for Economic Development. By Lee Munnich, Director, State and Local Policy Program, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota. U. of Minnesota Extension Service. See also the following footnote.

<sup>2</sup> The 1996 "Southeastern and South Central Minnesota Industry Cluster Study" is available at [http://www.hhh.umn.edu/img/assets/9140/southeast\\_industry\\_cluster.pdf](http://www.hhh.umn.edu/img/assets/9140/southeast_industry_cluster.pdf). Industry clusters studied included composites, food processing, industrial machinery (including computer manufacturing), and printing and publishing (including software)

4. Develop a Regional Tourism Strategy. While tourism marketing efforts by the Convention and Visitor's Bureau have been increasingly effective, especially in working with tour groups and steamboat visitors, future efforts should strive to position the City and region as a tri-state destination opportunity for visitors. New or potential future attractions include:

- The new Minnesota Marine Art Museum
- The Great River Shakespeare Festival (including the potential for extending the festival season)
- The Beethoven Festival
- The historic Watkins complex and museum, an under-utilized attraction, and the nearby Polish Heritage Museum
- The proposed conference and performing arts center
- The planned riverfront trail system and enhanced recreational access

5. Workforce Training Strategies. In order to develop and retain a skilled workforce, training opportunities are needed for increasingly diverse populations, and for a variety of age groups that will dominate the workforce in the future. For example, Southeast Asian, Latino and North African immigrants contribute significant portions of the workforce in other cities and regions of Minnesota, but are under-represented in Winona. With appropriate training, these groups could help fill shortages in the manufacturing workforce. Likewise, an aging population nationwide will require employers to do more to attract younger workers (as discussed under Policy 1) and older workers. Winona already attracts retirees, some of whom may seek part-time or flexible work opportunities.

6. Foster Global Connections. Globalization is both a challenge and an opportunity for the U.S. economy, particularly manufacturing businesses. Winona's intermodal transportation connections give it an advantage in moving materials and products to and from overseas ports. Several local companies have begun working in China to source and import products or components, one example being a trading company established by Fastenal, Inc.

7. Maintain and Strengthen Partnerships. Take advantage of the community's major educational institutions to support academic/industry partnerships in research, employment and training. Cooperative efforts such as the Composite Materials Engineering program at Winona State University and traditional and custom training programs at Minnesota State College – Southeast Technical are successful examples of such partnerships.