

ECONOMIC COMPETITIVENESS

OVERVIEW

The City of Jordan is situated along U.S. Highway 169 between the Twin Cities and Mankato. The city is served not only by the interstate but also MN Highway 21, MN Highway 282 and County Roads 9, 10, 61, and 66. Located in Scott County, Jordan's economy has changed over the past twenty years and is anticipated to change significantly over the next twenty years. U.S. Highway 169 and the Highway 169 Shakopee bypass assisted in making the public more mobile; allowing Jordan to become a home to those working in other communities. This however, also made it easier for residents and nearby patrons to travel to larger shopping centers rather than shop locally. The composition of Jordan's business district changed as a result. Today, the central business district still features retail and service businesses, real estate services, insurance services, hair care, health care, home improvement, restaurants/coffee shops, churches, and government services. As recently experienced in neighboring Scott County cities of Shakopee, Savage, and Prior Lake, retail and service businesses follow residential development; therefore, as the population continues to increase, additional commercial growth along U.S. Highway 169 as well as within the downtown is anticipated.

The principal components of this section include:

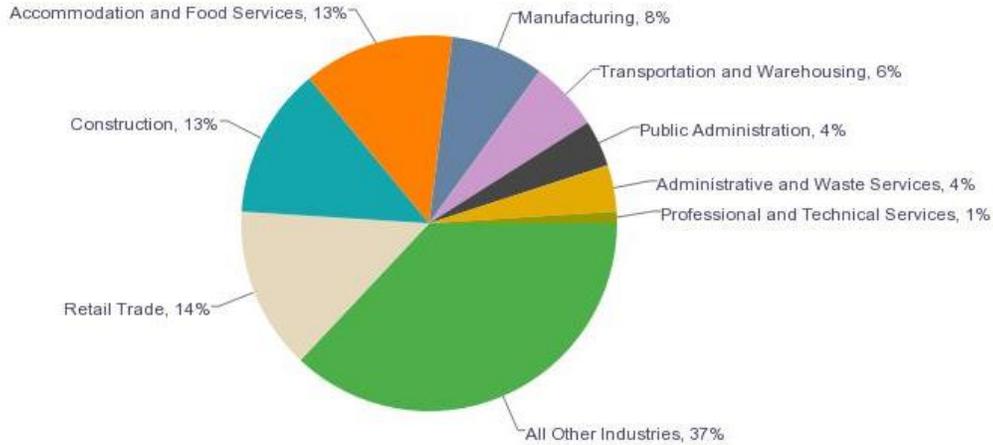
- A. Key Industries/Centers of Employment
- B. Redevelopment
- C. Education and Workforce
- D. Business Development
- E. Economic Information, Monitoring, and Strategic Initiatives

KEY INDUSTRIES/CENTERS OF EMPLOYMENT

Labor Force:

The following chart illustrates employment by industry in Jordan, as of 2016. The largest sector is Retail Trade (14%), followed by Construction (13%) and Accommodation and Food Services (13%). Generally speaking, the economy is diversified, without reliance on any one industry group.

Employment by Industry in Jordan



Source: Metropolitan Council, 2016

Major Employers Within the City

The major employers in the City of Jordan are identified in **Table 8-1**. Together, these represent around 1,200 employees – nearly three quarters of the overall jobs in the city.

**TABLE 8-1
MAJOR EMPLOYERS - JORDAN, 2016**

| Employer | Product/Service | # of Employees |
|--|---|----------------|
| Jordan Public School District 717 | Elementary and Secondary Schools | 240 |
| Minnesota River Valley Special Ed. Coop. | Specialty Education | 150 |
| S.M. Hentges and Sons | Excavation and Concrete Contractor | 150 |
| Minger Construction | Contractors | 80 |
| City of Jordan | City Government | 77 |
| Oak Terrace | Senior Housing Facilities | 75 |
| Engel Diversified Industries | Metal Stampings | 70 |
| Jordan Transformer LLC | Feeder Voltage Boosters | 67 |
| Wolf Motor Co. | Automobile Dealers | 54 |
| Rademacher's Foods | Grocery Stores | 50 |
| McDonald's | Restaurants | 40 |
| Benjamin Bus | Transportation Services | 40 |
| Elite Waste | Refuse Removal and Processing | 33 |
| Dynotech | Wholesale Distribution of Transmissions | 26 |
| Clancy's Bar and Pizza Restaurant | Restaurants | 25 |
| Siwek Lumber and Milling | Lumber Supplies | 25 |

Source: A Commercial/Industrial Demand Analysis for Scott County, Minnesota (2016)

Employment Forecast:

The Metropolitan Council has forecasted an increase of 1,213 jobs between 2010 and 2040, or a 76% increase. In 2010, Jordan provided just under 4% of all of the jobs within Scott County. It is projected that Jordan will slowly increase the percent of jobs it provides within the county, growing to 4.09% in 2040, as depicted below. It is worth noting that the Metropolitan Council estimate for Jordan's employment in 2016 was already at 1,923 jobs – so these forecasts may at some point need to be revised.

**TABLE 8-2
EMPLOYMENT PROJECTIONS
SCOTT COUNTY AND CITY OF JORDAN**

| Forecast Year | Scott Co. Employment | Jordan Employment | Jordan % of Co. Employment |
|---------------|----------------------|-------------------|----------------------------|
| 2010 | 41,534 | 1,587 | 3.82% |
| 2020 | 54,900 | 2,200 | 4.01% |
| 2030 | 61,990 | 2,500 | 4.03% |
| 2040 | 68,440 | 2,800 | 4.09% |

Source: Metropolitan Council Forecasts

REDEVELOPMENT

Redevelopment sites identified by the Planning Commission and business community include the following, as shown on **Map 2-3** in the Land Use chapter:

1. Industrial north of Downtown - 424 Broadway Street North and other adjacent industrial properties; guided for Highway Commercial
2. MAH Enterprises site – 300 Broadway Street North; guided for Neighborhood Commercial
3. Parcels on the southwest corner and southeast corner of the intersection of Highway 282 and Highway 21: guided for Central Business District
4. The four residential properties south of Mini-Met Stadium, along Highway 21: guided for Highway Commercial
5. Commercial/industrial building - 108-112 1st Street West; guided for Neighborhood Commercial
6. Vacant commercial building – 209 Broadway Street South; guided for Central Business District
7. Mixed use building – 216 Broadway Street South: guided for Central Business District
8. Single family home, currently vacant or seeking lease – 419 Broadway Street South: Guided for Central Business District.
9. An existing home located at near the intersection of Ervin Industrial and CR 9, currently surrounded by industrial development.

[Minnesota Statutes § 473.859 Subd. 1](#) states that local comprehensive plans “shall contain objectives, policies, standards, and programs to guide... redevelopment and preservation for all lands and waters within the jurisdiction of the local governmental unit.”

The EDA is asked to develop objectives, policies, standards to programs to guide redevelopment within the city.

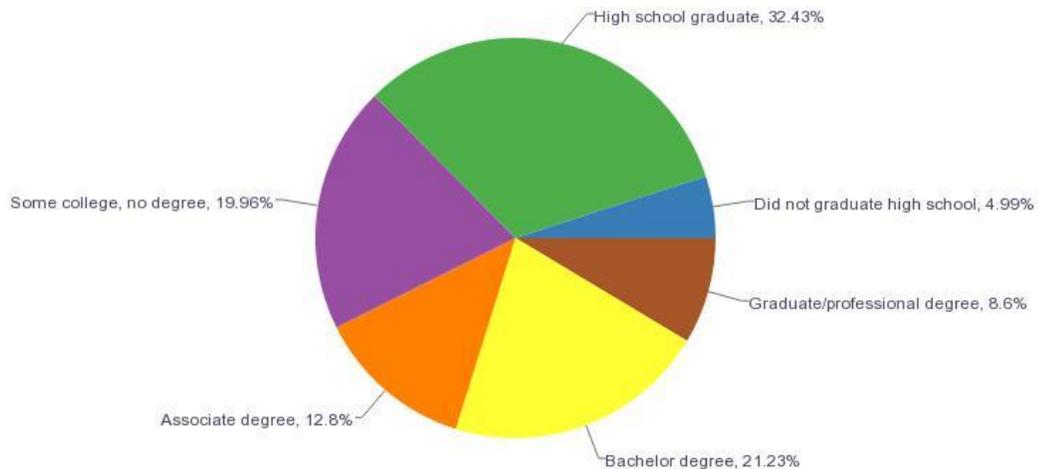
Programs provided by the City's EDA include:

- Matching Grant for Façade Improvements in the Downtown
- Matching Grant for Interior infrastructure improvements in the Downtown
- Redevelopment Tax Increment Financing

EDUCATION AND WORKFORCE

According to the 2016 American Community Survey (ACS), there were 3,688 people in Jordan 25 years of age and older. Of these, 95.0% have a high school graduate degree or higher and 29.8% have a bachelor's degree or higher.

Highest Level of Education Attained by Jordan Residents



Source: Metropolitan Council, 2016

Within Scott County, 94.9% have a high school graduate degree or higher and 38.8% have a bachelor's degree or higher. Within Minnesota 92.6% have a high school degree or higher and 34.2% have bachelor's degree or higher. Within the US, 87.0% have a high school degree or higher and 30.3% have a bachelor's degree or higher. According to the US Census, eight states have a higher percentage of their adult population possessing a bachelor's degree than Minnesota.

Employment Characteristics

Employment statistics from the 2016 American Community Survey (ACS) indicate there were 3,273 people age 16 and over employed in Jordan. The total civilian labor force was 3,358, with an unemployment rate of 2.5%.

The mean time traveled to work by commuters was 27.0 minutes, up from 25.3 minutes in 2000.

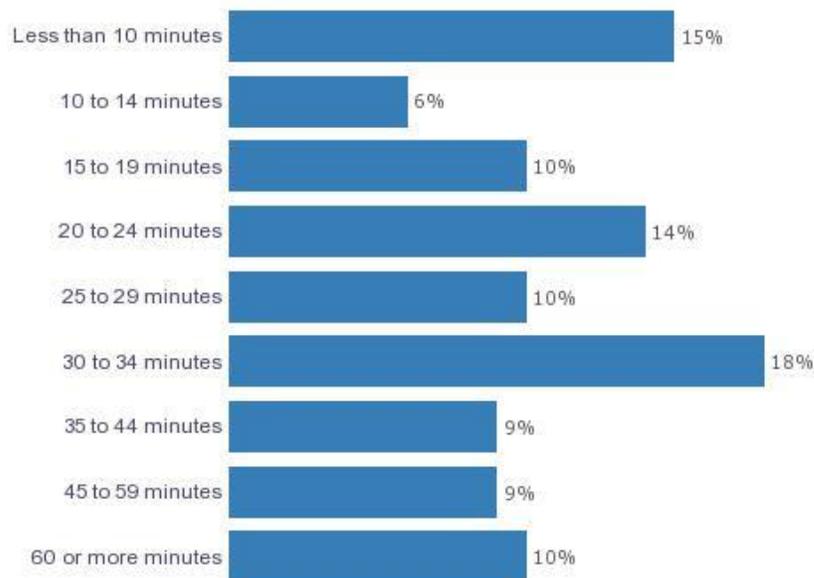
Average Travel Time to Work, Jordan Residents (in Minutes)



Source: Metropolitan Council, 2016

The following charts illustrates that while 15% of commuters spend less than 10 minutes commuting, 19% spend 45 minutes or more traveling to work.

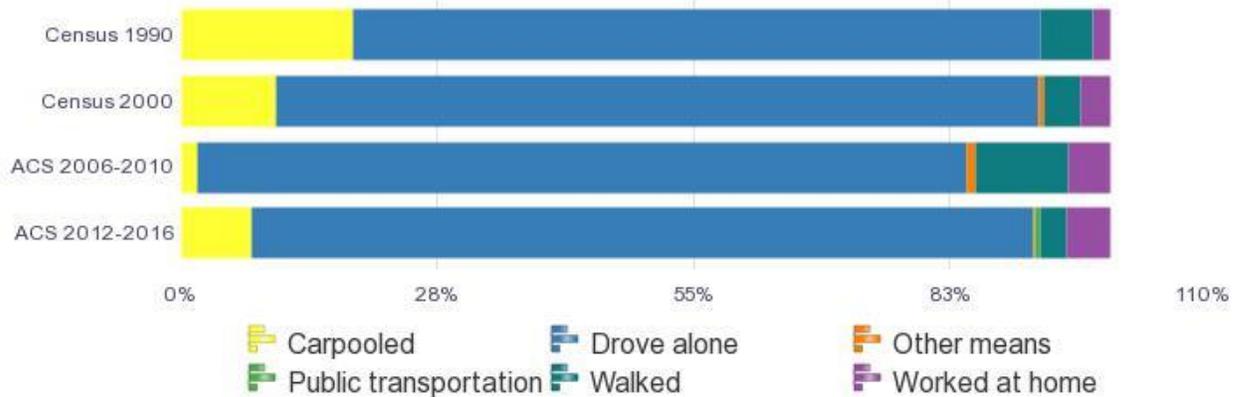
Travel Time to Work, Jordan Residents



Source: Metropolitan Council, 2016

As illustrated in the following chart, the percent of employees working from home is increasing; however, the percent of people carpooling has decreased from 1990 and 2000.

Means of Transportation to Work, Jordan Residents



Source: Metropolitan Council, 2016

**TABLE 8-3
MEANS OF TRANSPORTATION TO WORK- JORDAN, 2016**

| Transportation Mode | Percent |
|---|---------|
| Car, truck, or van | 91.6% |
| Drove alone | 83.9% |
| Carpooled | 7.7% |
| Public transportation (excluding taxicab) | 0.6% |
| Walked | 2.7% |
| Other means | 0.3% |
| Worked at home | 4.8% |

Source: Metropolitan Council, 2016

According to the American Community Survey (ACS) 2016, only 56.4% of Jordan workers, 16 years and older work within Scott County. Around 43.5% work elsewhere in Minnesota, and a few work outside of Minnesota.

The Minnesota State Demographic Center reports, "At 4.6%, Minnesota's unemployment rate in April 2014 (seasonally adjusted) was 1.6 percentage points lower than the rate nationwide. In 4th quarter 2013, there were 2.1 unemployed job seekers for each job vacancy statewide. During the recent "Great Recession," this ratio peaked at 8.2 in 4th quarter 2009. This figure is now much more in line with the 2.0 ratio that Minnesota averaged between 2004 and 2007. In 2012, 19% of American Indian workers and 18% of Black workers in Minnesota were unemployed, 2 to 3 times the unemployment rates for White and Asian workers. Additionally, 11% of Hispanics were unemployed."

BUSINESS DEVELOPMENT

The Jordan EDA will proactively encourage and promote economic development by attracting new business, cultivate existing business, improve the business environment, and strategically utilize resources to create jobs through commercial and industrial opportunities within the community. The EDA will work with Carver County, MN DEED, and other partners as appropriate to leverage applicable programs and initiatives to benefit business development in Jordan.

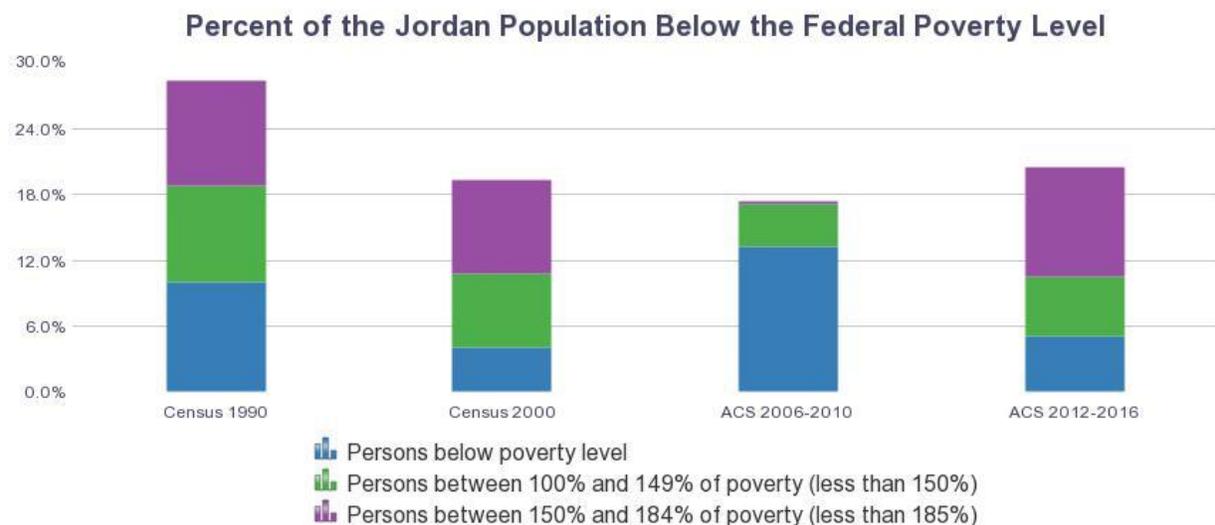
ECONOMIC INFORMATION AND MONITORING

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:

The 2010-2014 American Community Survey 5-Year Estimates report a Median *Family* Income of \$82,261 and a Median *Household* income for Jordan of \$68,091. The 2010 Census reported a median *family* income in Jordan of \$70,933 and median household income of \$61,689, suggesting a strong increase in incomes. The 2014 incomes compare to the median *household* income of \$86,510 in Scott County, and median household income of \$60,828 in Minnesota.

The 2012-2016 American Community Survey 5-Year Estimates report 5.1% of the population in Jordan was below the poverty level. This compares to 5.7% poverty level in Scott County and 10.8% in Minnesota. Poverty levels in Jordan returned to around 2000 levels after a sharp rise between 2006 and 2010.



Source: Metropolitan Council, 2016

The Minnesota State Demographer reports that Minnesota's median household income in 2012 was \$58,900, compared to \$51,400 for the U.S. as a whole. The typical Minnesota household,

however, has not made any gains in income in recent years, and has income about \$2,000 below 2008 levels, in real (inflation-adjusted) terms.

Employment Establishments, Employment and Wages:

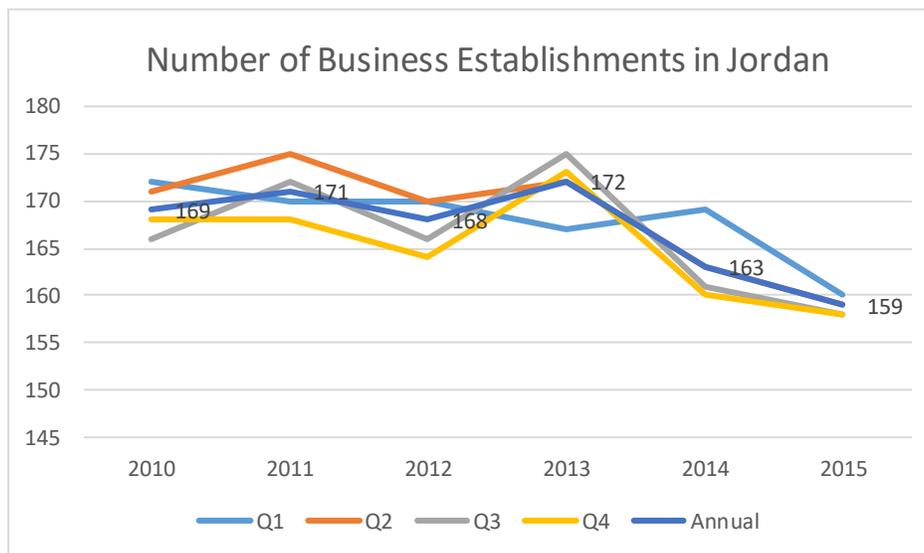
The Minnesota Department of Employment and Economic Development provides statistics on trends in the number of business establishments, number of jobs and wages paid by the establishments. Monitoring these trends may assist a city is establishing goals for economic development.

Table 8-4 summarizes data from the 2015 Economic Census, completed by the U.S. Census Bureau, for several employment sectors. The 2015 Economic Census data is the latest full year of statistics available at this time. It should be noted that while the number of business establishments has declined, the number of employees and wages paid in the community have increased.

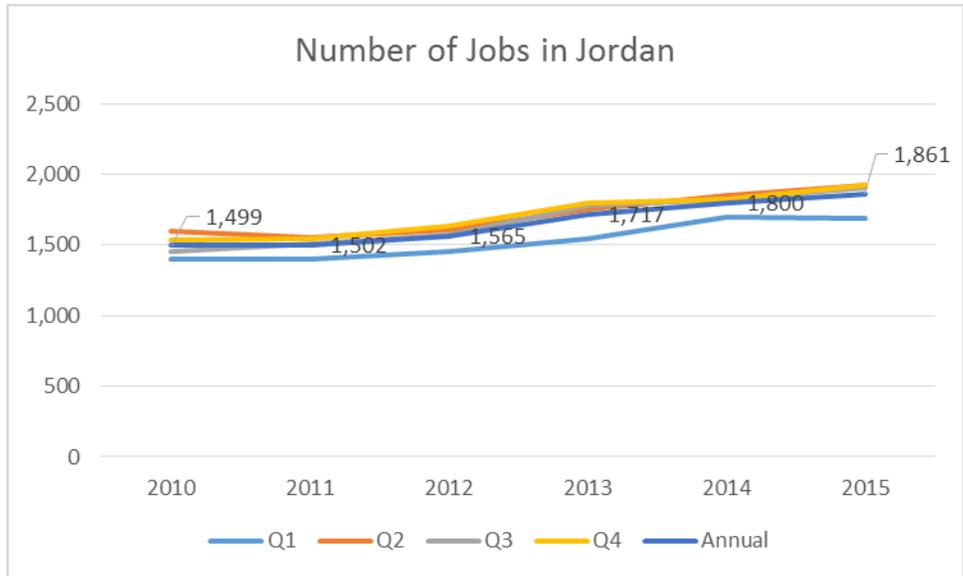
**TABLE 8-4
JORDAN COMPARATIVE ECONOMIC DATA – 2010 TO 2015**

| Year | Number of Establishments | Average Number of Employees | Total Wages |
|------|--------------------------|-----------------------------|--------------|
| 2010 | 169 | 1,499 | \$57,822,517 |
| 2011 | 171 | 1,502 | \$58,711,824 |
| 2012 | 168 | 1,565 | \$62,300,628 |
| 2013 | 172 | 1,717 | \$68,265,102 |
| 2014 | 163 | 1,800 | \$73,104,404 |
| 2015 | 159 | 1,861 | \$77,489,434 |

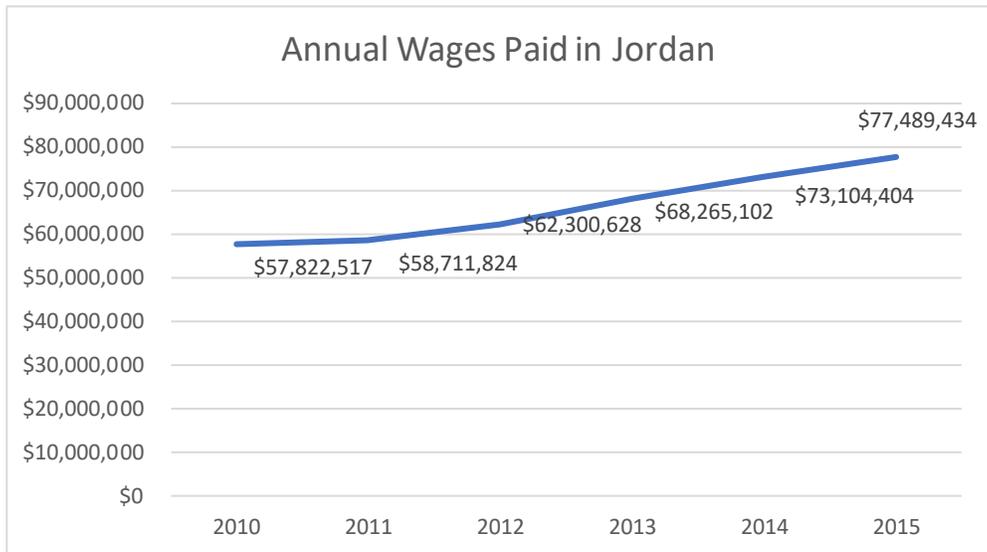
Source: MN Department of Employment and Economic Development, 2010-2015 Economic Census (U.S. Census Bureau)



Source: MN Department of Employment and Economic Development, 2010-2015 Economic Census (U.S. Census Bureau)



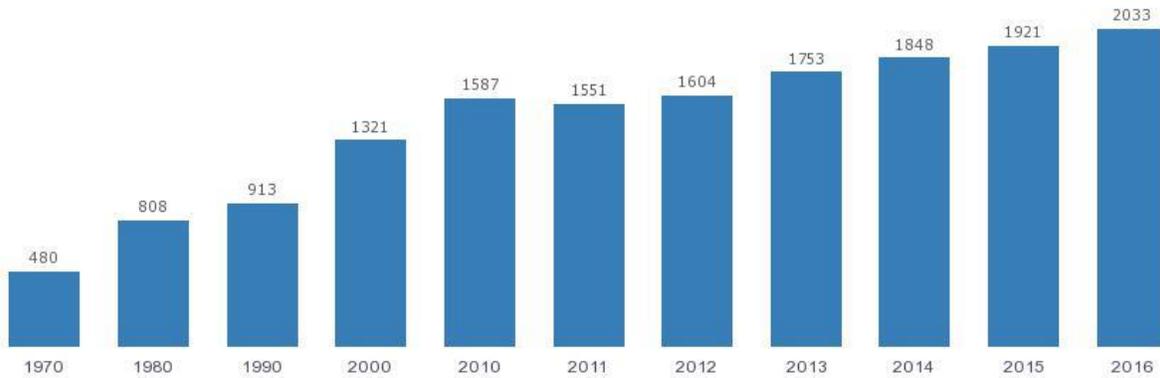
Source: MN Department of Employment and Economic Development, 2010-2015 Economic Census (U.S. Census Bureau)



Source: MN Department of Employment and Economic Development, 2010-2015 Economic Census (U.S. Census Bureau)

A more historical review of job creation in the city illustrates a strong increase in employment since 1970.

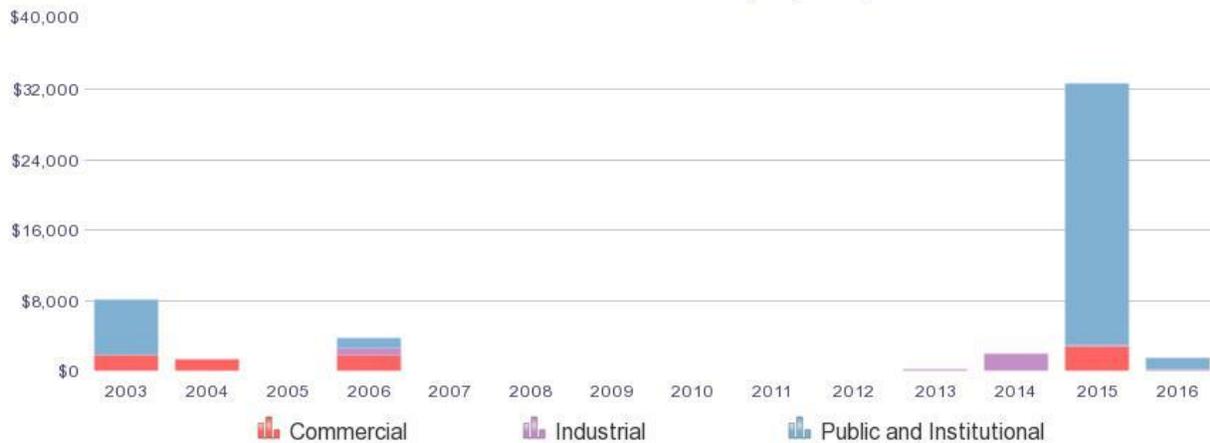
Employment in Jordan (place of work)



Source: Metropolitan Council, 2016

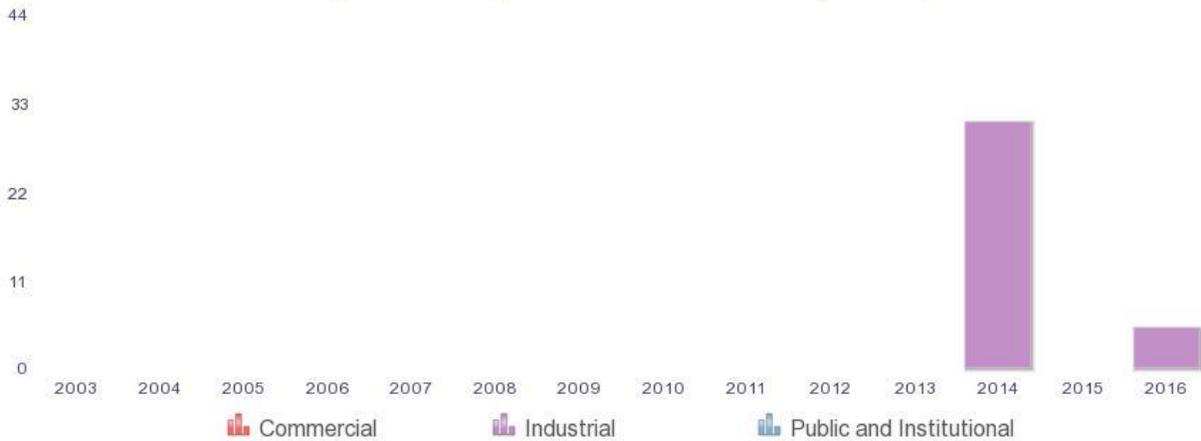
New construction is another indicator of economic strength. During the mid-2000's or recession period, there was no new commercial construction. As illustrated below, new industrial construction has increased since 2014, including the platting and construction of the Minger Construction headquarters.

Commercial, Industrial, and Public and Institutional Construction Projects: Total Permit Value in Jordan (in \$000s)



Source: Metropolitan Council, 2016

Commercial, Industrial, and Public and Institutional Construction Projects: Total Square Footage Permitted in Jordan (in 000s)



Source: Metropolitan Council, 2016

According to a *Commercial/Industrial Land Supply Analysis for Scott County; MN*, completed by Maxfield Research in 2016-2017, Jordan will have the lowest commercial/industrial land use demands between 2016 and 2040 within Scott County as identified in **Table 8-5**. The City of Jordan believes this is a conservative forecast and therefore is planning to preserve additional land for new development in long term future land use plans.

**TABLE 8-5
PROJECTED COMMERCIAL/INDUSTRIAL ACRE DEMAND 2015-2040**

| Submarket | 2015-2020 Acres | 2020-2030 Acres | 2030-2040 Acres |
|-----------------|--------------------|--------------------|--------------------|
| Belle Plaine | 21.2 | 37.3 | 38.8 |
| Elko New Market | 20.4 | 37.8 | 38.6 |
| Jordan | 12.5 | 23.7 | 24.8 |
| New Prague | 17.1 | 28.5 | 29.5 |
| Prior Lake | 30.1 | 55.3 | 54.2 |
| Savage | 25.3 | 32.7 | 32.8 |
| Shakopee | 89.8 | 154.3 | 159.2 |

Source: *Commercial/Industrial Land Supply Analysis for Scott County*,
Maxfield Research 2016-2017

Overall, the study estimates that commercial and industrial development could consume approximately 964 acres of land in Scott County between 2015 and 2040.

The study notes that the Twin Cities industrial market is in the expansion phase of the real estate cycle. Demand for industrial space has been robust and vacancy is at or below equilibrium, generally considered as being between 10-12% vacant.

Related to industrial development, the study estimates that Jordan will have a demand for around 461,000 additional square feet of industrial space. Based on past patterns, the study estimates that

the largest source of growth associated with industrial space will be in bulk warehouses, which will be over half of all projected demand. About a third of the demand will be for office warehouse space, followed by office showroom space. Economic development and business recruitment efforts certainly could impact the demand for industrial space and project types.

Relating to retail development, the study estimates that Jordan will have a demand for around 143,000 additional square feet of retail space by 2040. Retail demand comes from multiple sources, including households, employees, visitors, and people traveling through the area. The study states that the most likely retail uses to be drawn to retail submarkets would be neighborhood and convenience-oriented ones where there is currently significant leakage. In the case of Jordan, this includes health and personal care stores, as well as restaurants.

Related to office development, the study estimates that Jordan will have a demand for around 100,000 additional square feet of office space by 2040. It is anticipated that most of this will be due to growth in office-based businesses that serve households, such as medical, financial, and real estate offices.

STRATEGIC INITIATIVES

The City of Jordan has a number of agencies to support economic development efforts. Below is a summary of these groups.

The City of Jordan Economic Development Authority (JEDA), established in the mid to late 1990s coordinates economic development projects at a local level for the community. The seven-member commission meets monthly. JEDA is eager to assist businesses with tax increment and tax abatement financing, site selection, and other key components of business growth.

The strategic plan for economic development and goals identified by the EDA include:

- Downtown façade improvements
- Building Code Improvement Program
- Increase use of tax increment financing and tax abatement
- Continue with the Jobs for Fees program to encourage new businesses and enable existing businesses to grow
- TH 169/TH 282 interchange project support
- Shoppers' survey
- Support of tax increment financing or tax abatement for eligible and desirable projects
- Marketing and promotion of economic development efforts
- Marketing of Timberline Industrial Park

JEDA projects in recent years have provided tax abatement, tax increment financing and numerous matching grants for façade improvements in the downtown district. In addition, in 2015 the City completed a downtown redevelopment plan. The project included street and utility reconstruction, new sidewalks with enhancements, trash receptacles, trees, banners, wayfinder signage, and planters. The project was awarded funds by the Scott County CDA. In addition, the city received the American Public Works Association Project of the Year Award. The City Council feels the project was chosen due to the amount of public input, vast changes in the streetscaping, and some of the railroad underground boring difficulties it overcame during the project.

Jordan Commercial Club. The Jordan Commercial Club was established in 1912. The Club's website reports that it "is Jordan's oldest and longest running civic organization." The club meets

monthly. The goal of the Club is to pull together the business and farm interests of the community and be a combined counsel to make suggestions and flesh out ideas.

The Scott County Community Development Agency First Stop Shop, based in Shakopee MN. The Scott County CDA was established by Special Law, Minnesota Laws 1974, Chapter 473, primarily to undertake housing responsibilities within Scott County. The HRA has developed and owns a number of housing projects in Scott County, as well as administers a number of federal programs relating to housing. In 2001, the Scott County Board of Commissioners voted to expand the powers of the Scott County Community Development Agency to also exercise the powers of an economic development authority, with the exception of the authority to levy EDA taxes. The Scott County CDA's First Stop Shop provides communities with assistance, as needed, responding to business prospects as well as grants for economic development initiatives.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

Goals:

1. Proactively retain and attract businesses
2. Revitalize downtown and promote long-term success of downtown businesses
3. Enhance employment base
4. Create a vision for highway commercial areas along the north and south sides of Highway 169
5. Cultivate strong relationships with local businesses and other stakeholders

Short-Term Actions

- Continue working with Scott County on the Hwy 168/TH 282/CR 9 interchange
- Continue Business of the Week marketing campaign
- Conduct outreach to help determine how the City can strengthen and support the business community
- Establish and promote the vision of JEDA
- Update Implementation Section of Downtown Master Plan
- The City of Jordan will market industrial sites as they become available.

Long-Term Actions

- Research strategies, programs, and organizations to help strengthen existing businesses and attract new businesses, including those used by other towns with thriving main streets
- Perform a market analysis to determine the types of business uses that are needed and fit in the community
- Market the businesses of the community
- Market commercial and industrial properties as they become available, focusing on sites and properties outside the city limits (for annexation)
- Promote business development and growth

ECONOMIC DEVELOPMENT LAND USE PLAN

Neighborhood Commercial District

It is essential that a community understands the importance of all commercial and industrial areas and the overall impact each has on the community as a whole. The City's zoning ordinance classifies commercial areas as C-1 or Neighborhood Commercial, C-2 or Central Business District and C-3 or Highway Business. While the stated purpose of the C-1 or Neighborhood Commercial District in the Zoning Ordinance is "to allow commercial uses complementary to and in close proximity to residential uses; the primary emphasis is on local retail facilities such as grocery and convenience stores."

As part of the comprehensive plan update, the C-1 District in Downtown is being expanded to surrounding properties. The purpose of this expansion is to strengthen business vitality and activity in this core area. The EDA will work with the City regarding how business development will occur in this area moving forward.

Central Business District (Downtown)

The City completed a Downtown Master Vision in 2013 which identified a number of long and short-term goals. Following are goals which are remaining to be completed:

- Preserving and restoring historic structures, accommodating market-supported uses, and enhancing overall downtown aesthetics
- Addition of public parking in one or more lots around downtown is a long-term strategy which is largely dependent on the timing of redevelopment and availability of individual properties
- Public parking wayfinding signs: City Hall, Mini-Met, across the Rice Street Bridge
- Increasing downtown events: concert series, river related events, outdoor movies with locally catered box dinners.
- Provide additional residential options (could be part of increasing the mixed use in downtown)
- Expand public space, including plazas
- Pedestrian experience improvement
- Online guidebook
- Buy local
- Co-working/kitchen incubator downtown
- Downtown redevelopment guidelines

Highway Commercial

The purpose of the C-3 or Highway Commercial District is, "to recognize development opportunity and the need for commercial establishments fronting on or with direct access to major highways, a frontage road, or a street intersecting a highway. Permitted uses are to take advantage of the highway access in a manner which other business districts are not afforded. Also acceptable are quasi-industrial and wholesale enterprises that do not need an industrial setting but which have considerable customer contact." These areas should reflect a harmonious extension of the image and character of the downtown through the enforcement of design standards.

Jordan's Highway Commercial areas currently include a variety of retail and service businesses including but not limited to gas station/convenience stores, restaurants, banks, grocery store, hardware store, automobile sales, etc. A few blocks of residential homes exist between U.S. Highway 169 and the Downtown or Central Business District. A continuous sidewalk, for pedestrian

traffic, is not provided to connect the two areas. Lighting to connect the highway commercial districts with the Central Business District is provided on large overhead poles, rather than the decorative lighting found in the Central Business District.

Industrial Development

The City of Jordan is fortunate to have a growing industrial base. The City has two industrial zoning districts, the I-1 Light Industrial District and I-2 General Industrial District.

The City currently has two areas with industrial development. Industrial land uses are located primarily in the northwest portion of the city along U.S. Highway 169 and County Road 9 in Jordan Business Park. A second industrial park exists on the east side of the community, south of Highway 282. New industrial construction has occurred primarily in the industrial park along Highway 169 over the past several years. Approximately 95.5 acres of industrial land are available for new development.

Industrial locations were originally established due to access to the county road and highways. Additional industrial land is suggested to the south of the current industrial park, which is located along U.S. 169 and County Road 9.