



# MINNESOTA MAIN STREETS

## SEEKING STATE INVESTMENT TO BUILD STRONGER COMMUNITIES

### MINNESOTA MAIN STREETS

The Minnesota Main Streets program supports small businesses through comprehensive community revitalization. The Main Streets program drives entrepreneurship by embracing building reuse strategies, promoting existing cultural assets, and engaging local talent.

Rethos has been the statewide Coordinating Program of Minnesota Main Streets since 2010. Rethos' expert staff provide hands-on training, site visits, program guidance, and on-demand resources to build a robust, statewide network of active Main Streets communities. This network has grown from 4 initial communities to now 20, with additional project-based partners. With new funding and strategic investment from the State of Minnesota, even more communities will be able to achieve this kind of impact.

From 2010 through 2022, participating Main Streets districts demonstrated these successes:

- \$459,005,621 of public and private investment in physical infrastructure
- 456 net new businesses and expansions
- 1,742 net new jobs
- 65,599 volunteer hours valued at \$2,850,717

### WHY SUPPORT MINNESOTA MAIN STREETS

People in the rural communities, historic downtowns, and urban neighborhood business districts served by the Minnesota Main Streets program rely on these places for their economic and social stability. These districts are hubs for small businesses and community activities, providing retail options, entertainment, and services for residents and visitors alike. Stable and resilient downtowns are critical for active community and social engagement.

With sufficient funding for the Minnesota Main Streets program at Rethos, we will increase our direct supports to communities and districts around the state, empowering local residents to work together on revitalization-focused efforts. As the coordinating entity for the National Main Street Center, Rethos is the only entity in Minnesota able to scale up this successful Main Street model.

## CURRENT FUNDING

Main Street America™ does not provide operational funding for program partners. Currently, the Minnesota Main Streets program receives funding as a partner with the Minnesota Historical Society through the Clean Water Land & Legacy Amendment. This funding covers only a fraction of the program operating expenses and greatly limits the amount of technical assistance each local Main Street program can receive.

Rethos, an established 501(c)(3) non-profit, covers most of the Minnesota Main Streets program expenses through its annual operating budget. Special projects are funded by competitive grants or project-specific funding applied for and administered by Rethos. A balance of public funding, philanthropic contributions, and earned income is the formula that ensures long-term, sustainable programs at both the statewide and local levels.



## IMPACT OF INCREASED FUNDING

- Bring Minnesota Main Streets to new communities and audiences
  - Expand focus to Central, Northern, and Southwestern Minnesota
  - Include historic downtowns in Anoka, Washington, Dakota, Scott, and Carver counties
- Offer in-depth and hands-on onboarding for local Main Street programs
- Grow support for existing Minnesota Main Streets communities
  - Support regional staffing options for small communities
  - Provide increased on-demand trainings—videos, resource guides, specialty services, and program evaluation—to allow for ongoing local education and development of program participants
- Hire design staff at Rethos
  - Offer architectural design services to local communities to help them envision a vibrant future
  - Assist in evaluating redevelopment and rehabilitation options
  - Institute more regular program review and guidance
- Increase funding for direct technical support to local programs
  - Provide \$150,000 in technical assistance grants directly to participating Main Streets communities
  - Build a steady pipeline of support for local programs
  - Maximize the impact of local projects with increased dollars focused on downtowns' greatest needs



## RETHOS MINNESOTA MAIN STREETS PROGRAM REQUEST:

**\$1 MILLION IN FY26-27**

[WWW.RETHOS.ORG/MINNESOTA-MAIN-STREETS](http://WWW.RETHOS.ORG/MINNESOTA-MAIN-STREETS)

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**WITH CURRENT FISCAL CONSTRAINTS, THIS ECONOMIC DEVELOPMENT TOOL IS NOT ABLE TO CONTINUE ITS IMPACT. RETHOS REQUESTS \$1 MILLION IN NEW STATE FUNDING BEGINNING FY26-FY27 TO MEET THE NEEDS OF MAIN STREETS COMMUNITIES IN UNDERSERVED RURAL, URBAN, AND SUBURBAN AREAS & TO EXPAND THE REACH OF THE PROGRAM TO NEW REGIONS OF MN, WITH THE GOAL OF GROWING THE MAIN STREETS PROGRAM TO 30 PARTICIPATING COMMUNITIES BY 2030.**

# What is Minnesota Main Streets?

**An asset-based economic development program that uses historic preservation as a core strategy for downtown revitalization.**

- **Main Street is data focused.** Local programs track multiple data pieces to follow revitalization activity in their districts and provide tangible evidence of the revitalization of their district and value of their program.
- **Main Streets Minnesota at Rethos** is a long-term partner. Since 1980, the Main Street America network has helped over 2,000 districts nationwide through coordinating programs like Minnesota Main Street ours and the National Main Street Center. Together, we offer support, resources, and connection to Main Street communities around the state and country, responding to the challenges and changes our unique downtown districts face.

- **Main Street America** is a national movement committed to strengthening communities through preservation-based economic development in older and historic downtowns and neighborhood commercial districts. But...
- **Minnesota Main Streets** leads locally. The MN Main Streets program provides resources for local programs to learn, grow, and act, but ultimately decisions are made, and actions led by a team of community stakeholders and local staff. The Main Street Approach works in any sized community or urban neighborhood district.
- **Main Streets are for everyone.** At the core of our approach to revitalization is a commitment to creating places of shared prosperity, equal access to opportunity, and inclusive engagement. Main Street America models and champions this vision through actions and programs like the Equitable Entrepreneurship Ecosystem program with five Minnesota communities currently participating.





## WHAT MAKES MAIN STREET™ WORK?

Minnesota Main Streets promotes vitality in downtown and neighborhood districts in small towns and urban areas by leveraging communities' existing assets: people, businesses, places, and unique stories.

Rather than providing a list of tasks for a community to undertake without considering local needs, the **Main Street Four Point Approach™** (Economic Vitality, Design, Promotion, and Organization) helps to empower communities to create the vision and goals for each unique downtown district from built infrastructure to entrepreneurs, public events to private investment, zoning and use to beautification and placemaking. Main Street implements a time-tested framework centered around **Transformation Strategies** for community driven, comprehensive revitalization. Transformation Strategies articulate a focused, deliberate path to revitalizing or strengthening a downtown or commercial district's economy.

To put it in simpler terms, **Main Street provides a road map, but each district plans their own route, timeline, and details.**



Rethos is the coordinating partner in Minnesota for Main Street America™. This partnership allows for enhanced resources provided to communities through Main Street America, Rethos, and other revitalization partners.

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*“Our community has benefited from the partnerships we have created [through Main Street] with local businesses, organizations, and the City of Wabasha. Since 2016 we have created a thriving and inviting downtown community. We could not have done it without the support of Rethos.”*

*-Mary Flicek, Wabasha Main Street Program Director*

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**Minnesota Main Streets provides resources that make it easier for downtown districts to succeed:**

- Monthly community group check-ins & district relevant Deep Dives
- Annual Main Street Basic Training
- Annual program evaluation
- Semiannual community site visits
- Consultation opportunities for your district
- Project Assistance funding
- Access to Main Street toolkits, planning documents, and resources.
- Connection to the national, regional, and local Main Street Network of communities and partners.
- Grant funding and other competitive funding opportunities.
- Minnesota Main Streets State Conference
- Main Street NOW! National Conference
- Conference scholarships
- Main Street Day at the Capitol
- Use of “Main Street” branding.

*Note: These resources may vary based on membership level and availability. This is a preliminary list and is not comprehensive.*





# What Are Transformation Strategies?

Transformation Strategies – generated through meaningful community engagement and informed by an analysis of the district’s market position — help to guide a revitalization program’s work. An effective Transformation Strategy serves a particular customer segment, responds to an underserved market demand, or creates a differentiated destination.

## What Are the Four Points?



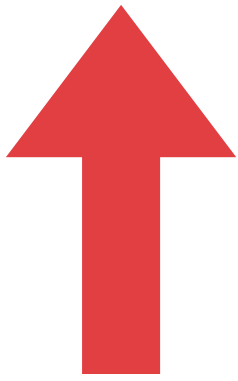
What sets Main Street America™ apart is the powerful network: the unique combination of grassroots dedication to comprehensively improving quality of life at the local level, integral support and expertise provided by Coordinating Programs at the city, county, and state level, and leadership and direction from Main Street America.

Main Street America is also a special mark of distinction. It is a seal, recognizing that participating programs, organizations, and communities are part of a national movement with a proven track record for celebrating community character, preserving local history, and generating impressive economic returns.

Rethos proud to be the designated Coordinating Program for Main Street America™ in Minnesota.



BY RETHOS



# Looking Up Downtown



A Minnesota Main Streets program designed to **activate**, **utilize**, and **revitalize** empty downtown spaces.



The Paul Bruhn Historic Revitalization Grants, administered by the National Park Service (NPS), are aimed at supporting the preservation and revitalization of historic properties in rural communities across the United States.

The primary goal is to assist rural communities in preserving their historic assets while fostering economic development and community revitalization. These grants provide funding for a variety of projects, including the rehabilitation of historic buildings, the development of heritage tourism initiatives, and the implementation of downtown revitalization plans.



With Paul Bruhn funds, **Minnesota Main Streets at Rethos** will be **providing six grants of up to \$50,000 to rural Main Street communities** (under 50,000 pop.) specifically for upper floor interior rehabilitation to help activate vacant and underused spaces in the historic buildings that make their districts unique and help alleviate housing shortages. These projects will not only help to protect the cultural and architectural heritage of rural communities but also contribute to their economic vitality by creating jobs, attracting visitors, and stimulating local investment.



**Minnesota Main Streets** offers more than grant administration. With good partnerships and stewardship, we are able to provide our Main Street districts with resources, training, and grant opportunities like the Paul Bruhn Revitalization Grants to help their programs - and the cities where they do their work - flourish.



# BUSINESS

SUNDAY, DECEMBER 17, 2023 • SECTION D

While a setback or two can have a bigger effect than in a large city, a few new businesses can pave the way for a powerful resurgence



## BIG DREAMS IN SMALL DOWNTOWNS

Story by NICOLE NORFLEET and BURL GILYARD • Photos by ANTHONY SOUFFLÉ • Star Tribune staff

OWATONNA, MINN. — Downtown Owatonna is on the National Register of Historic Places, a draw for many people, especially architecture buffs, who travel just to stare up at the ornate depictions of agrarian life at the National Farmers Bank. But six years ago, like many small city downtowns, it was struggling.

Many storefronts along Cedar Avenue — its main street — were empty. And some buildings with operating businesses were deteriorating.

“It was desolate down here,” said Lauren Kozelka, 30.

Yet, it now is seeing a resurgence with new business owners such as Kozelka, who bought long-standing Kottke Jewelers in 2021, being part of the solution.

Small wins are big business for small city downtowns.

“The scalability and visibility is a lot more powerful in a smaller community,” said Emily Kurash Casey, director of community programs for the nonprofit Rethos, which operates the Main Street program in Minnesota. “It’s easier to see a dent



### OPEN FOR BUSINESS

Clockwise from top left, Andrew Petersen, owner of the Red Wing Bicycle Co., worked on a wheel at his shop; owner Lauren Kozelka arranged her displays for the holiday season at Kottke Jewelers in Owatonna; Rodney Baker, co-owner of Mineral

versus when you have a town like Minneapolis.”

For Owatonna, sidewalk renovations and the razing of an old theater for a new hotel also reinvigorated the downtown hub.

Yet, like much larger downtowns such as Minneapolis, small cities must continue to put resources into their Main Streets to transform with the communities around them. While a win can boost the whole downtown, a closure or two can also have an outsized negative effect.

Residential opportunities in this day and age are important, said Michael Burayidi, an urban planning professor at Ball State University in Indiana who has written several books on downtown revitalization.

So is promotion. The businesses themselves also need to stay relevant, he said.

Cities and building owners can help with that. For example, in Northfield, Minn., when a DVD store closed, a skateboard shop expanded into the space in a downtown supported by the college populations

See **DOWNTOWN** on D2 ►



# SMALL DOWNTOWNS DREAM BIG

◀ **DOWNTOWN** from D1  
of Carleton and St. Olaf.

## Making sure services remain

Entrepreneur Andrea Hanson has been updating Red Wing's business core, one storefront at a time. Five years ago, she opened her women's clothing boutique Phileo Style on 3rd Street. She now is in a prime spot on Main Street next to Red Wing Shoes, which itself underwent a big face-lift a few years ago.

Hanson — who grew up in Red Wing and worked at many of the small gift shops that populate the historic downtown — renovated her store spaces as she moved and has worked to bring in other retailers to backfill her.

Hanson, 41, took on her biggest challenge yet in spring 2020 with her husband Chad when they purchased the building that housed Josephson's men's clothing store and the crumbling upstairs space that had been vacant for over a century.

"This building called to me," Hanson said.

The couple renovated the upstairs into four apartments and also had to help facilitate a plan for the 144-year-old Josephson's, whose owner retired last year. Hanson worked to bring in St. Paul landmark business Heimie's Haberdashery.

"All downtowns are struggling right now," said Heimie's owner Anthony Adler. "City cores are an extreme gamble."

But while the core customer base is smaller in Red Wing, there are also opportunities in smaller downtowns with cheaper real estate and funding incentives, Adler said. "I believe that retail needs to be saved in small cities, small downtowns," he said.

The key also is to fit the space with the tenant. Red Wing Bicycle Co. owner Andrew Petersen, 39, moved into his current space on 3rd Street earlier this year. His old space was too narrow to properly display his wide array of bikes.

"It's really made everything we do easier," he said.

Petersen benefited from another of Red Wing's creative projects to keep the downtown strong. He won the 2016 Retail Challenge contest, and along with its \$40,000 in goods and services to open his store. Now, Petersen is involved with the city's latest retail challenge.

The retailers also have banded together more in recent years, which has allowed for events such as boutique crawls, Hanson said.

The retail improvements are coming as two projects are about to bring 70 apartments to the downtown.

"We are on the cusp of a different type of downtown where people live downtown," said Megan Tsui, executive director of Red Wing Downtown Main Street.

Red Wing in the past year also has made a bigger effort to embrace its Indigenous roots through public art and events in conjunction with the Prairie Island Indian Community.

## Domino effect of investment

Owatonna has a history of venerable small retail businesses such as the Owatonna Shoe Co., century-old Costas Candies and Kottke Jewelers.

Yet, a few eyesores like the long-vacant Arnold House hotel were having an outside effect. The city demolished the hotel in 2017, making way for Arrow Hardware to build a modern store.

Arrow announced last week it is closing, but the building won't be empty for long. Faribault Ace Hardware plans to open there in a few months, said Mark Umbreit, one of the managers for Faribault Ace.

When Arrow moved, it allowed Torey Statlander, 57, whose restaurant had outgrown its space in a nearby strip mall, to move into the store's old building and add an events space.

Another key project was the construction of the Courtyard by Marriott hotel that opened last year at the site of a former theater across the street from Torey's



Photos by ANTHONY SOUFFLÉ • anthony.souffle@startribune.com

At top, customers shopped at the Red Wing Bicycle Co., which moved into its current space earlier this year. Above, taxidermy and original fixtures contribute to the old-world ambience at Heimie's Haberdashery in Red Wing, in what used to be Josephson's.

## Restaurant and Bar.

The hotel opened as the city completed \$4.5 million in streetscape improvements along Cedar Avenue and near downtown's Central Park, which included wider sidewalks and pedestrian-friendly alleys.

"The timing was really great, actually, coming out of the pandemic because people wanted a place to gather, and our community has told us that they wanted downtown to be that place and that it just hasn't been," said Lisa Cochran, main street director of the Owatonna Area Chamber of Commerce & Tourism.

Businesses — eight this year — also have taken advantage of the city's forgivable loan program for building renovations, which gives out loans of up to \$20,000 for businesses that renovate their buildings.

"It was immediate," Kozelka said. "The smiles, the walkability."

Every change added momentum. Now an infrared fitness studio is about to open along Cedar Avenue. The city recruited an Italian restaurant after a residents' survey last year showed they wanted one. A

70-unit apartment building also is underway with a brewery underneath it in an underutilized industrial area along the nearby Straight River.

"The whole vibe downtown, I think, is positive," Statlander said.

## Using the outdoors to draw tourists

In 2018, Outside magazine placed Crosby, Minn., on its list of "Best Places to Live." Outside noted that the mountain bike trails were drawing lots of visitors and new businesses.

"The town has changed a lot in the last 20 years. It had seen its better days in the mining era," said Cheryl Hills, executive director of the Region 5 Development Commission.

The Cuyuna Lakes State Trail has developed over the past two decades.

"It's become one of the go-to spots for trail enthusiasts across the nation," Hills said.

As the trails have drawn bikers and others to town, the influx of people has driven a revival of downtown Crosby and attracted new businesses including coffee shops, breweries and equipment rental operations.

Victual, which opened in 2019, offers artisan cheeses and gourmet foods "not normally found in northern Minnesota," said Paul Kirkman, president of the company.

"If it were not for the bike trails, I don't think we'd be there," Kirkman said.

## Taking advantage of steady customer base

Carleton and St. Olaf colleges guarantee a steady flow of customers each year for Northfield downtown, which sits near both campuses. Even with that stability, the city needs to continually work to keep its central business district strong.

One recent example: A DVD store went out of business after many years, replaced by Northside Boards, which had outgrown its space, said Jane Bartho, president of the Northfield Area Chamber of Commerce & Tourism.

Also, Quality Bakery closed during the pandemic and had not reopened. Husband and wife Devin Johnson and Erin O'Donnell took over the space and opened Robin's Egg Bakery in November. Next year they want to start serving breakfast, Johnson said.

"It's in a strong three-block historic stretch" that also includes the couple's Makeshift Accessories Gallery, said Johnson, who with his wife operates a property-management company as well.

"There's an ongoing flood of new people coming into town all the time," Johnson said of traffic from the colleges.

Like Red Wing and Crosby, the city also relies on foot traffic from Twin Cities residents, though.

"Given that we are 40 miles south of the Twin Cities makes Northfield perfectly accessible for day trips and tours," Bartho said.

Still, Kurash Casey of Rethos said an important part of revitalizing small downtowns is to make sure efforts are geared to serve the people who live in the area.

"Thinking about and planning a downtown for the people that live in the community tends to build places for the people who want to visit."

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