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Rural Downtown Development: Guiding Principles for Small Cities

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Small city downtowns in rural America are an enigma. It is difficult to generalize about them because they are located in cities that vary considerably in population size, economic base, and location relative to metropolitan areas. These downtowns, while all essential to their towns and surrounding regions for economic and social reasons, exhibit tremendous diversity in terms of the health of their economy, built environment, and sense of place. They also are often in the shadows of downtown development activities in larger cities that garner most of the attention from journalists, practitioners, and academics.

The most effective way to address this enigma is not merely to replicate or even adapt downtown development techniques used in urban downtowns. Scale does matter. While some principles used successfully in large cities also apply in rural downtowns, the intrinsic economic, physical, and social variations require an approach sensitive to this difference in scale.

Not All Rural Downtowns Are the Same

The wide range of features and problems exhibited by rural downtowns are difficult to generalize, partly because of differences in city characteristics. One key aspect is the population size of the city. A town of 900 people differs vastly from a city of 9,000, for example. The latter, depending on location, may be a county seat and/or a regional hub that attracts a range of business, governmental, and institutional activities to the downtown not possible in a town one-tenth its size.

Location, specifically the town's proximity to metropolitan areas and major highways, is a second important characteristic. Downtowns located close to the metropolitan

fringe, for example, may face a different set of issues than one located several hours away. The former may contend with the promise and challenge of exurban expansion and the larger markets and competition this growth often brings.

The economic base of the city and surrounding region also differentiates rural downtowns. Many rural areas are dominated by a single industry or employer. Not only will this situation shape the types of businesses and users in the downtown area, but the economic prosperity of the downtown will be directly linked to the ups and downs experienced by the single industry/employer.

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Core Principles

Many years of experience conducting research on and working with downtowns of all sizes have led to the following five core principles essential for successful downtown development in rural areas. These five principles must be understood in formulating successful revitalization strategies:

1. Develop a Vision and Plan for Downtown
2. Identify and Build Upon Local Assets
3. Build a Strong Public-Private Partnership
4. Enhance the Downtown's Sense of Place
5. Determine the Downtown Market

Three case studies will be used in this article to illustrate these guiding principles in action: Cushing, Oklahoma; Staples, Minnesota; and New Richmond, Wisconsin. Cushing (pop. 7,900) is located 65 miles west of Tulsa. Oil production dominates the local economy. Cushing joined the Oklahoma Main Street Program in 1998, and the Downtown Cushing Main Street Program is still an active member. The town of Staples (pop. 3,100) is located in rural north-central Minnesota, approximately 75 miles from St. Cloud, the nearest MSA. It is in the early stages of the downtown development process. The location of New Richmond (pop. 6,700) presents a different set of challenges than in either Cushing or Staples. It is located on the sprawling metropolitan fringe of the Minneapolis-St. Paul metropolitan area and has added more than 1,700 residents (34%) since 1990, thereby increasing both the market and competition from new chain retailers.

Principle #1: Develop a Vision and Plan for Downtown.

A common scenario when a town gets excited about making downtown improvements is the "Let's try this; let's try that" approach. While the intent may be admirable, this approach typically lacks context and direction. A vision for what people want the downtown to be in five to ten years is an essential starting place. While visioning sessions can take several forms, a common approach used is the traditional Strength, Weakness, Opportunity, and Threat (SWOT) analysis wherein interested downtown stakeholders (business owners, property owners, workers, customers, government officials, local institutions) come together to discuss, debate, and reach consensus regarding the leading strengths, weaknesses, opportunities, and threats in the downtown area.

Based on the SWOT analysis, a plan and series of action steps can then be created to help ensure that all future

efforts are coordinated and fit together. One advantage in smaller towns is the potential to involve a higher percentage—and a wider cross-section—of the community in the visioning process because of the inherent loyalty to and pride in their downtown.

Staples, Minnesota, provides a good example of downtown visioning. The likely relocation of U.S. Highway 10—to be moved one block south within the downtown area—served as a key impetus in stimulating interest in the downtown's future. Community leaders led by the CEO of a regional hospital, a new downtown retailer, and the owner of a nearby restaurant held a series of downtown visioning sessions during the summer of 2005, each of which attracted more than 50 participants. They hired an outside facilitator well-versed in downtown development and facilitation techniques to conduct the SWOT analysis (**Note:** It is always best to utilize a facilitator who has no ties to the community or stake in the outcome). An important action step identified in the visioning session has already been realized: the establishment of a downtown organization that hired a downtown coordinator. Other action steps that have been initiated include the following:

- Attract a mix of new businesses to locate downtown.
- Plan to ensure that the new Highway 10 best serves the needs of the downtown area.
- Make the old Highway 10 an attractive, inviting, and pedestrian-friendly downtown street.
- Develop design guidelines and financial assistance to encourage building owners to improve building façades.
- Renovate the railroad depot and create an open space around it.

Time will tell how successful these action steps will be, but building upon the community consensus achieved at the visioning sessions suggests Staples is off to a good start.

Principle #2: Identify and Build Upon Local Assets.

A common pattern emerges when starting to work with a downtown in a smaller city. Participants can quickly identify local problems and deficiencies (or more precisely, previous assets), but, when asked about current assets, blank stares are common. Every rural downtown possesses a collection of assets that can provide the foundation upon which future downtown development efforts are focused. Due to the smaller scale and amenities in rural downtowns compared with their urban counterparts, it is absolutely essential that they take advantage of the assets available.

What assets do rural downtowns typically possess? While no two downtowns are alike, many contain a historic building stock intact because of lack of development pressure leading to the replacement of older buildings so common in larger downtowns. With basic façade improvements and other rehabilitation efforts, these commercial buildings can potentially be attractive locations for small businesses and help to spruce up the appearance and image of the downtown area. Other structures, such as an old railroad station, industrial building, or theatre, can present opportunities for interesting adaptive reuse. Moreover, the vacant space available in these buildings—usually identified as a problem—can also be an opportunity for expansion and new activities not available in downtowns with little vacant space.

Other assets frequently found in rural downtowns include the following:

- Strong locally owned independent businesses that have been an integral part of the community for generations
- The presence of government functions (i.e., city hall, county courthouse, police station, public library, post office) that consistently bring people downtown
- Open spaces that have witnessed many community events over the years and provide a place for lingering and social gatherings
- A riverfront that, if designed properly, naturally acts as a magnet for human activity
- A cadre of dedicated individuals in the community who care deeply about the downtown
- The pride that residents have in the town and the downtown area
- Proximity to destinations (i.e., nearby communities, natural attractions, state parks)
- Local community-based financial institutions
- Social gathering places in the downtown area, such as a movie theatre, church, or coffee shop, that bring people together

Each of the case studies contains numerous assets that form the building blocks of a strong downtown. Key assets in downtown New Richmond include the serene Willow River; a children’s theatre with a regional draw; the public library; city hall; a handsome park; numerous retail businesses, including stores selling furniture, jewelry, appliances, and groceries; a bowling alley; and attractive residential neighborhoods bordering the downtown area. Within downtown Cushing can be found a movie theatre, a community theatre, a former hotel converted into a senior housing facility, and an abandoned railroad depot that the community is attempting to redevelop. The most notable assets in downtown Staples are the aforementioned U.S. Highway 10 and the underutilized train station, a movie

theatre, a large Catholic church, and a former department store in a landmark building that was adapted to a large popular antiques store. All three downtowns benefit from a contingent of individuals dedicated to enhancing the future prospects of their downtown areas.

Principle #3: Build a Strong Public-Private Partnership.

Small towns always benefit from an organized effort towards downtown development rather than unorganized groups seeking to make improvements. Pooling precious human and financial resources just makes common sense. A downtown organization, whether freestanding or attached to an existing organization such as a chamber of commerce, is extremely helpful in this regard. An organized group has the power of collective action, can be an effective lobby, and can help raise the profile and visibility of the downtown area.

Successful downtown development cannot occur unless both the public and private sectors are heavily involved and committed. City government can demonstrate this commitment by (1) investing in necessary public improvements such as sidewalks, streetlights, and infrastructure; (2) providing incentives to business expansion and façade improvements (i.e., low-interest revolving loan funds); and (3) relaxing city and zoning codes—where appropriate—to allow for adaptive reuse of downtown buildings.

The downtown organization can address those areas best left to the private sector, including marketing, promotions, and recruitment, and serve as a unified voice for downtown interests. The tighter and more clearly defined the partnership between the public and private sectors, the greater the chances for a stronger and healthier downtown.

Cushing represents a good example of this. The Downtown Cushing Main Street Program (DCMSP) has emphasized organization—part of “The Four-Point Main Street Approach” (see sidebar)—since its inception in 1998 and has developed a strong public-private partnership with the city. In 2001, Cushing City Administrator Robert Collings stated, “In most small cities, if a city is unwilling to fund its Main Street Program, it is doomed to fail.” DCMSP has also partnered with the city on a variety of streetscapes and other physical improvements, including the conversion of several empty lots into pocket parks (Downtown Cushing Mainstreet Program 2006; Robertson 2004).

Principle #4: Enhance the Downtown’s Sense of Place.

A sense of place is an important quality that brings people to a downtown, makes them feel connected, and causes them to want to stay. What are the fundamental elements found in many rural downtowns that can contribute to a

The Four-Point Main Street Approach

The National Main Street Center, created by the National Trust for Historic Preservation in 1980, developed a fundamental four-point approach to downtown development that is widely practiced across the United States, especially in smaller cities. The four points are as follows:

1. *Organization*—Fundraising; committee structure; membership recruitment; and consensus building and cooperation among the many businesses, individuals, institutions, and government offices with a stake in the downtown area
2. *Design* – Enhancement of the downtown’s physical assets and visual qualities (i.e., buildings, streetscapes, open spaces, waterfronts)
3. *Promotion* – Marketing the downtown to the public; working to enhance its image; and hosting events and activities to bring people downtown
4. *Economic Restructuring* – Strengthening and diversifying the downtown’s economic base

To be successful, the four-point approach should be comprehensive and integrated in a balanced manner. Furthermore, a full-time Main Street Manager is strongly recommended to oversee the effective use of this approach. Over 40 states have statewide Main Street programs to which communities can belong. Of note, 58 communities are members of the Illinois Main Street Program (National Main Street Center 2006; Robertson 2004).

strong sense of place? First, small downtowns have tremendous potential to create a distinctive place because of the collective experiences and deep roots so many local people have in the downtown that they do not have elsewhere.

Second, the smaller scale in rural communities makes most downtowns pedestrian-friendly. This situation is important because a sense of place is best experienced on foot. Third, the local heritage found downtown, both in terms of its historic built environment and important events that have happened there over time, serve to instill a strong bond to that place for many residents.

Fourth, the multiple functions found downtown, including retail, services, government, housing (which includes nearby neighborhoods), offices, entertainment, religion, and so on, brings a variety of people to the downtown area for different reasons at different times of the day and week, thereby ensuring more people including downtown as an important place in their activity sphere.

Finally, rural downtowns more often than urban areas possess a higher percentage of residents with a stake in the downtown—in other words, people who actually use and care about the downtown. The higher the level of “community ownership” of the downtown there is, the greater the sense of place (Robertson 1999b).

Examples from the case studies abound. Cushing established a Façade Squad to coordinate the improvement of building façades. The building owners paid for the paint and other materials, and DCMSM-organized volunteers provided the labor, which included retired builders and carpenters. The movie theatre was the first building to be worked on by the Façade Squad. Staples is planning to remake old Highway 10 into a pedestrian-friendly street with new and improved businesses. In New Richmond, following the completion of a “downtown report card,” a concerted effort was made to enhance the downtown’s sense of place in order to distinguish it from the new big box retailers locating near New Richmond. For example, changes have already been made on the Main Street to make it more pedestrian-friendly, and the community is working on better connecting the downtown area with the adjacent Willow River (Robertson and Ryan 2004).

Principle #5: Determine the Downtown Market. A key question to ask early when a rural community starts downtown development efforts is “Who do we envision using our downtown?” Local residents are one obvious market because they live close by and probably already use it for some activities. But what might attract them to use the downtown even more than they currently do? What might prevent them from driving to the nearest larger city for most of their shopping and entertainment needs? A formal market analysis is extremely helpful in answering these questions. Perhaps a nearby university or extension service office can help (Davis 1999). Or hire a consultant to conduct this study.

A market analysis can also help determine the feasibility of reaching other markets located outside of town. People who work downtown are a potential market, including those who drive to the town from the surrounding hinterland. People living in nearby communities are another potential market. If the town is a regional hub, the downtown already draws from smaller communities in the region. If not, what

special businesses or features does/can the downtown area possess, as compared to other towns in the region, that will generate regional interest?

A final market includes people living outside of the region. This is the most difficult market to access. Proximity to a major highway, a metropolitan area, or other attractive destinations surely is helpful in reaching these markets, but local leaders still must identify attractions that say to visitors or tourists, "Spend time in *our* downtown."

In New Richmond, located on the expanding fringe of the Minneapolis-St. Paul metropolitan area, both potential markets and competition from newly erected chain retailers nearby are growing rapidly. The Chamber of Commerce and city government have partnered to address this

challenge and opportunity. They worked with the University of Wisconsin Extension Service to conduct a market study to help determine how the downtown could take advantage of the rapid growth and deal with the increasing competition (Wisconsin Center for Community Economic Development 2006). The market study examined the trade area, business mix comparisons, demographic and customer characteristics, and consumer research to identify several potential downtown business opportunities, including books, pharmacy, apparel, toys/hobbies, and sporting goods. One finding was that the growing family-oriented exurban market would create an increasing demand for family-style restaurants, both branded and independent, that the downtown should actively pursue (Robertson and Ryan 2004).

Final Thoughts

No two rural downtowns are identical. Each possesses a different set of assets and issues that depend on a wide range of variables and, thus, require a different set of specific downtown development policies and practices. The

guiding principles offered in this article, therefore, form the fundamental foundation that any rural downtown can use to foster the success of its downtown development efforts.

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