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Associated Bank plans to move out of its three-building block at 222 Bush St. in downtown Red Wing in the near future. The bank will leave much or all of more than 32,000 square feet vacant and ready for a new use. (Staff photo: Bill Klotz)

## Red Wing: Developers, redevelopment wanted

By: Matt M. Johnson | January 11, 2017 7:02 am | 0

Red Wing is tweaking its image in 2017 by selling itself less as a picturesque river town than as a location for a corporate headquarters and where developers can find a customer-friendly attitude at City Hall.

The Mississippi River city is taking a cue from nearby Winona and Rosemount by marketing itself as a development and redevelopment destination. Red Wing is home to the headquarters of Red Wing boots and known for its namesake pottery, antique shops and historic architecture.

Now, the city of 16,500 is looking beyond its history, as it expects to hire its first community development director by March 1. It is also marketing commercial land and redevelopment opportunities in two historic downtown buildings.

The development director will oversee both the city's planners and the Red Wing Port Authority, said Red Wing Council Administrator Kay Kuhlmann. The Port Authority has been without a director since late 2015, and its planning director is retiring this year.

The change comes at an active time for development in the city's historic downtown and nearby. Red Wing has engaged the St. Paul Port Authority to market 18 flat acres at the southwest corner of highways 61 and 19 for a possible corporate office site or for a light industrial development.

Kuhlmann said the city is looking for an employer to bring jobs that pay \$13 to \$15.60 an hour to the site Gateway Business Park. The overarching goal is to attract a major corporation to what the city sees as a "prime site."



The owners of a former manufacturing plant at 100 Broad St. in Red Wing have asked the city for assistance in redeveloping the century-old building and its property near the Mississippi riverfront. (Staff photo: Bill Klotz)

“That piece of land is one of the last pieces we have that is large and flat,” Kuhlmann said in an interview. “I want to sell the site to the first buyer and have it be a car sales lot.”

The Gateway property is one of three high-profile projects the new development director will likely shepherd, Kuhlmann said. The city also wants to see 32,750 square feet in three downtown buildings at 222 Bush St. repurposed when the Associated Bank branch that occupies it moves into a remodeled building at 403 W. 1st St. sometime in the next year.

Two blocks to the northwest, the owners of a former malting plant at 100 Broad St. are asking the city to redeveloping the century-old building and surrounding property.

Kuhlmann said Red Wing takes inspiration for the new position from two nearby cities, Rosemount and Winona. Both employ community development directors. Red Wing has posted its job opening through Jan. 23. The position pays between \$85,904 and \$104,811 a year.

Kim Lindquist, Rosemount’s development director, said she spoke to Red Wing officials last year about the city’s development efforts. She said putting a city’s planning and economic development functions under one office would help to make a city more attractive to developers.

“I think that disconnection of those two operations makes it less smooth for the developer,” Lindquist said in an interview.

Rosemount is presently assisting Minnetonka-based Opus Group as it markets a plan to build an industrial park on 159 acres of University of Minnesota land in the city, Finance & Commerce reported in September. Lindquist said having a foot in both the city’s economic development and planning functions allows her office to better navigate zoning and other rules that affect development locations and timelines.

“We can entice people to come to town, but we can also tell them how long it takes,” she said.

Employing a community development model can be a recipe for success for some cities, said David Brennan, a professor of marketing at the University of St. Thomas’ Opus College of Business in Minneapolis. Cities that use that arrangement tend to be “more progressive, more risk-taking communities” that are willing to lure developers with good customer service and financial incentives including tax increment financing.

The most successful cities take on projects that fit the size of the community, he said. Red Wing’s current development is likely appropriate for a city of its size.

“Scale, size and focus, that’s the big challenge,” he said in an interview.

Red Wing could be a good development opportunity, Brennan said, because of its position at the “fringe” of the Minneapolis-St. Paul-Cities metro area. A business locating to the city can expect development to cost less and for there to be a larger labor pool, he said. About 23 percent of Red Wing’s residents over the age of 25 hold college degrees, according to the U.S. Census Bureau. The city’s median household income is about \$46,000.

“From a developer’s perspective, they can make some good money, easily and fairly straightforward,” Brennan said.

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