

The Austin Main Street Project

Austin, Minnesota

Population 24,803

Description - Austin's Main Street had seen more and more building deterioration and vacancies over the years. To address this, citizens went through a planning process to address revitalization of downtown Austin, Minnesota and as a result, the Austin Main Street Project (AMSP) was formed in 2005. Rather than expecting business and building owners to come to local government for help, a separate nonprofit corporation was established to work with businesses, offer encouragement, help them develop an improvement package, and present a financial package to local government. The AMSP formed the following committees: Finance, Promotions, Business Development and Design.

Innovation – The City of Austin, its Port Authority and Housing and Redevelopment Authority (HRA), who all have members on the AMSP Board, developed a partnership to provide office space and program funding for administration and renovation projects. Hormel Foundation funds are provided to the program through requests from the City. The City also obtained Community Development Block Grant funds for assistance with affordable second-floor apartments and storefronts. Building owners work with the part time AMSP director and Design Committee to develop a project to present to the Finance Committee. Those AMSP committee recommendations are then presented to the Port Authority for funding. The Port Authority gives final approval to all projects.

The most innovative part of the program is the purchase of building exterior easements by the Port Authority. The “easement purchase” prevents any future exterior changes without receiving Port Authority approval. Further, the easements require proper maintenance and upkeep to avoid future deterioration. There is a value here for the public dollars spent. A typical \$100,000 exterior renovation project might be funded by a \$50,000 exterior easement purchase, \$15,000 forgivable loan from Foundation funds (forgiven if the business remains in place for 5 years), and \$35,000 from the building owner. The owner may have additional costs relating to building acquisition and interior improvements. Other programs offer rent subsidies for new downtown businesses and matching funds for small project fix-ups.

Impact – Through September 2012:

Storefronts renovated -38.

Housing units created/renovated – 8.

Private investment - \$3,392,755

Foundation/federal grant funds - \$1,070,475

Local tax dollars - \$1,271,155

Total project costs - \$5,734,405

The Austin Main Street Project is considered a great success by all involved. The downtown area has been profoundly changed for the better in look and feel. Please see pictorial “before and after” pictures and more details on the program at the Project's web site:

<http://www.austinmainstreetproject.com/>.

Sustainability & potential for growth – The support of funding partners remains strong. Due to reductions in Local Government Aid, the City's participation has been reduced with the Housing and Redevelopment Authority picking up the City financial commitment with enthusiasm. The City continues to provide support by annually requesting Hormel Foundation funding for the program. The program is likely to expand beyond its current boundary to help reinvigorate commercial areas adjacent to the original core downtown area. There is no reason other cities cannot adopt the Austin Main Street Project model to successfully renovate/reinvigorate their downtown area. We are proud of the success of the program and our revitalized downtown.