

## Downtowns and Entrepreneurship

### *Realizing Dreams and Growing Communities*

By Don Macke – e2 Entrepreneurial Ecosystems

#### Downtowns and Main Streets Matter

My parents were “main street” business owners, operators and entrepreneurs. Mom and Dad owned and operated gas stations and garages, meat lockers and even a hotel. As a kid I always had a job, was expected to work and wanted to be part of my family’s enterprises.

When my parents were growing up - downtowns and main streets, from the biggest cities to smaller rural communities like the ones they grew up in, were important and the heart of every community. Going downtown was where you shopped, were entertained and socialized with neighbors. As I was growing up in the 1960s and 1970s downtowns and main streets were still important but decline and decay were asserting themselves.

Yet downtowns and main streets continue to be important today. They represent significant sunk public investment and pride. Where downtowns and main street areas have come to life community building and commerce are a source of pride. Where these commercial districts are in decline and decay, they are reminders of community failure. Our downtowns will never be like they were as illustrated by Norman Rockwell. But these assets – built, financial and cultural – remain important and offer opportunities for both community and economic development.

**Asset-Based Development.** At e2 we embrace “asset-based community development” or the ABCD approach, as developed by John P. Kretzmann and John L. McKnight at the Institute for Policy Research at Northwestern University. They outline this approach in their book, [\*Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets\*](#). When we think about downtowns and our main street areas these represent community assets such as

**Infrastructure like streets, water systems, sidewalks, etc.**

**Buildings that still have life and can be repurposed.**

**History, culture and community identity.**

**Urban landscapes where entrepreneurship can connect and thrive.**

Asset-based development focuses more on what we have versus what we may not have. In this value system an old three-story brick downtown building experiencing neglect still has value and could become an active space at the street level hosting a café, boutique store, makerspace or wine bar. The second story could become a home for a new entrepreneurial startup connected to a new outsourced economy. Finally, the third floor that has been dusty and vacant for decades can become a residence as a condo or a few apartments. When a community sees opportunity in every available building and space downtown, it can transition from disinvestment to investment and renewal.



These two images of rural community downtowns are located just 30 minutes apart by car. Communities are judged, by both residents and outsiders, by our downtowns. The first image generates a strong sense of decline and failure. Who would want to spend time on that street? The second image creates a positive and attractive feeling. You want to stop, get out of your car and walk this downtown.

Downtowns matter and represent for most communities an asset with development potential.

## A Formula for Downtown Success

In our work across North America communities large and small generally identify downtown revitalization as a priority. These communities have passionate residents, leaders and business owners who are committed to finding a way forward with main street renewal. While this is not our area of expertise, we have learned a lot from communities like [Ord Nebraska](#), [Monte Vista Colorado](#), [Hastings Michigan](#), [Grafton West Virginia](#) and the list goes on and on.

Through e2's work across our large continent we have begun to curate lessons learned, promising strategies and remarkable case stories. This work is our first attempt to commit to paper our emerging **formula for downtown renewal** for rural and micropolitan communities.

<p style="text-align: center;"><b>Creative Zone</b></p> <p>Street level spaces should include creative activities such as artists with back spaces for studios and upper floor residential living spaces.</p>	<p style="text-align: center;"><b>Entertainment Zone</b></p> <p>Downtowns have always been a place where a community's residents gather... fostering entertainment amenities like cafes, bars, coffee shops, &amp; live theater.</p>	<p style="text-align: center;"><b>Entrepreneurs</b></p> <p>Entrepreneurs, particularly knowledge-economy Es seeking a more urban space for their creativity is important. Clustering entrepreneurs fosters collisions.</p>
<p style="text-align: center;"><b>Residential</b></p> <p>Permanent residents drive downtown vibrancy. Utilizing some of the built environment for a range of housing options from apartments, long-term stay and condos is essential.</p>	<p><b>Downtown Success Formula</b></p>	<p style="text-align: center;"><b>Active Street Level</b></p> <p>People traffic is paramount as is ensuring that street level spaces foster human activity and interaction. Both built and open spaces are part of this formula element.</p>
<p style="text-align: center;"><b>Placemaking</b></p> <p>Visionary and smart placemaking can create an urban environment that attracts people and activities and empowers creativity. Walkability, access to transportation and green spaces are part of the formula.</p>	<p style="text-align: center;"><b>Service Ventures</b></p> <p>Locating nonprofit, civic and governmental services downtown can increase visitors and activity. In turn this activity can then support amenities like cafes, coffee houses, interactive museums, maker spaces and the like.</p>	<p style="text-align: center;"><b>Boutique Hotel</b></p> <p>Considering a unique boutique motel to capture visitors and provide a special amenity is part of many vibrant downtown campuses. This can also enhance the entrepreneurial ecosystem.</p>

Note: "Click and Mortar" and other innovative hybrid business model approaches to be addressed in future e2 papers.

We use the word **formula** intentionally. Like with most things in the community economic development game there is no one solution. Growing vibrant main streets requires multiple strategies and a heavy dose of entrepreneurial talent and behavior.

With downtowns we need all three kinds of entrepreneurs – business, civic and social:

**Civic entrepreneurs** like city government and city created downtown development districts are foundational as we experienced recently in our tour of downtown [Hastings, Nebraska](#). Municipal government can play a critical role with infrastructure, public spaces and providing tools for private investment including the use of TIF (tax increment financing), gap financing, enabling zoning and codes and more.

**Business entrepreneurs** ranging from developers, builders, building owners, renters and actual businesses seeking a downtown location are equally foundational to our observed formula for renewal. Engaging vision, capital and hard work can create a vibrant place to enjoy with cafes, coffee shops, entertainment offerings and boutiques.

### Community Motivated Investment Groups

In Ord, Nebraska with just 2,200 residents as rural as you can get, there is the Valley County Investment Club. These residents are primarily motivated to build community. But their members are also successful entrepreneurs and civic leaders. They are energized in making good things happen. In Ord's case this investment club is working with both local government and development groups to acquire downtown buildings and spaces and ensure they are repurposed contributing to a vision of a vibrant, optimal, active and successful downtown.



Valley County Courthouse, listed on the National Register of Historic Places



Misko Sports, an anchor business in Ord since 1882



The Golden Husk Theatre, housing live performances and movies since 1928

## Thriving Downtown

Ord, Nebraska

**Social entrepreneurs** can be both catalysts and users of downtown places and spaces. Chambers of commerce, downtown associations, development corporations and other nonprofit organizations can

finance studies, enable feasibility work and provide quasi-public financing in partnership with city resources, local community banks and owner operators. Government and social service agencies should also consider relocating services in the downtown to generate additional traffic and activity.

We believe that in small cities and rural communities all three players – civic, business and social entrepreneurs, are needed to make real and transformative progress. Now let's drill down into the downtown and entrepreneurship connection.

## The Entrepreneurship Connection

Based on what we are learning we believe entrepreneurs have two important roles with respect to downtown renewal:

**Role #1 – Making Things Happen.** We need entrepreneurs of all stripes to make things happen – developers, financiers, builders, planners and artists. We need entrepreneurial talent that can vision “what can be” helping the rest of us break free of “what we see now and believe can never happen.”

**Role #2 – Employing Downtowns to Grow Entrepreneurial Ventures.** Every community has entrepreneurial talent. But we also know that entrepreneurship is energized when entrepreneurs gather and meet each other on a regular basis and on an organic level. Urban spaces, even in smaller rural towns and cities are attractive to certain entrepreneurs seeking that “urban” feel.

### Downtowns Can Foster Entrepreneurial “Collisions”

Maria Meyers and Kate Pope Hodel with [SourceLink](#) have recently written an important book, [Beyond Collisions: How to Build Your Entrepreneurial Infrastructure](#). Intentionally creating conditions for entrepreneurs to network stimulates and supports increased and better entrepreneurial activity. Denser urban spaces tend to contribute to more and regular collisions. Entrepreneurs living in, working in and socializing in downtowns and on main streets ensures more collisions and more entrepreneurial activity.

Repurposing your downtown as an entrepreneurial hub makes sense. Here are some ideas...

- Be creative and consider working with your local library or college creating a maker space in a downtown space where youth and adults come to energize their right brains or creative zones.
- Consider repurposing buildings to create co-working spaces, incubators and resource business centers. On a recent visit to my current hometown of Lincoln, Nebraska, a leadership team from Hutchinson, Kansas toured a local bank and their “catalyst” center in Lincoln’s old warehouse district known as the Haymarket; The Foundry – a co-working space with resources for nonprofits located in the heart of downtown; Turbine Flats, a private venture with multiple entrepreneurial ventures in an old Cushman manufacturing plant and a University supported makerspace situated in Nebraska’s former State Fair Grounds and now Innovation Park.

- Workforce is a huge issue today along with the need to re-employ persons who have been set back and challenged with substance abuse, criminal justice issues or just struggling to get out of the poverty trap. Consider using a downtown building as a workforce re-employment and worker training center. Local government, education, social service agencies and employers can collaborate to make things happen.
- Arts, culture, entertainment and walkability are essential. Consider how a collaboration in Colorado is fostering **creative districts** in downtowns from cities to rural towns. Consider both buildings and open spaces where art and culture can be created, shared and even sold.
- Make it easier for startups to get going with dedicated street level space for pop ups. Provide pathways for pop ups and startups where they can first rent and then buy downtown spaces for their enterprises, galleries, creative spaces and living.

We can go on with ideas for entrepreneurial hubs but want to give you room to envision your own. So, let me wrap up with a story about Hutchinson, Kansas and some ideas for resources you can use in your community.

### Hutchinson Kansas On the Road

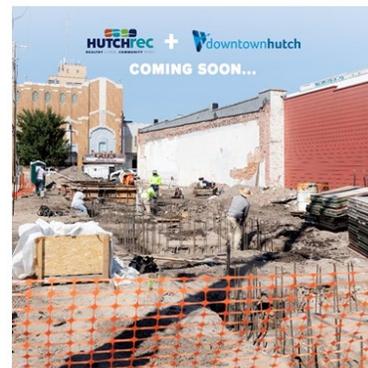
Over the past few years I have become familiar with Hutchinson, Kansas and some really neat folks growing a vision of renewal and prosperity. Recently the [Hutchinson Community Foundation](#) engaged a team in a new initiative of the [Kansas Health Foundation](#) partnering with [NetWork Kansas](#), [LOCUS Impact Investing](#) and [The Aspen Institute's Community Strategies Group](#). Four foundations from across



*Produce, crafts, family activities and events*



*Regional center for the arts since 1931.*



*New – construction of an urban park in downtown Hutchinson.*

## Thriving Downtown

Hutchinson, Kansas

Kansas, including Hutchinson, are working to explore the intersection of community philanthropy and economic development. The Hutchinson team includes government, the chamber, the development corporation and of course the Foundation. Recently, a group from Hutchinson came to Nebraska in a white bus to discover and explore ideas for both entrepreneurship and downtown revitalization.

Jason Weigle with Nebraska Extension organized a visit to Hastings, Nebraska. Good folks in Hastings dropped their regular work and make time for the visitors. They toured a remarkable downtown being revitalized with real entrepreneurial energy. They met entrepreneurs growing businesses and redeveloping buildings. They visited a world class creative center at Hastings College. Then they travelled to Lincoln and with the help of my son Erik Macke and another Extension Educator, Connie Hancock, visited entrepreneurial spaces and ventures across Lincoln all situated in repurposed buildings once in decline and decay. Soon we will be telling the Hutchinson story of innovation where downtowns and entrepreneurship come together to make something special building community and economy.

Finally, here are resources that can help your community begin its journey of discovery and renewal.

### Resources You Can Use...

**Do Your Homework and Take Some Road Trips.** Just as very busy people from Hutchison made time to explore Hastings and Lincoln in Nebraska, we encourage you to do the same in your corner of North America. Do your homework just as Hutchison did networking to find potential ideas and solutions. Know that most folks are willing to give of their time and knowledge to help you shorten and inform your learning curve.

**Connect with Main Street America.** Main Street America is a proven resource. Many states and community have main street programs employing the four “main street points” – Economic Vitality, Design, Promotion and Organization. Check out [www.mainstreetamerica.org](http://www.mainstreetamerica.org).

**Explore Colorado’s Creative Districts.** Check out Colorado’s Creative Industries Initiatives and its Creative Districts just as my wife and I did during our Santa Fe to Alamosa, Colorado field trip. Check out [www.coloradocreativeindustries.org](http://www.coloradocreativeindustries.org).

**Investigate Asset-Based Development.** Something really special happens when we focus on assets versus our deficiencies. The ability to see opportunity in a run down and old main street building is a starting point. Check out the ABCD Institute at DePaul University at <https://resources.depaul.edu/abcd-institute>.

**Collisions.** For just \$24.99 buy Maria’s and Kate’s book [\*Beyond Collisions: How to build your entrepreneurial infrastructure\*](#) via Amazon or other booksellers.

### Questions and Additional Information

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