

Press Release

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FOR IMMEDIATE RELEASE

Application Moves Forward in the Red Wing Redevelopment Challenge

(July 13, 2022, Red Wing, Minn) The City of Red Wing, the Red Wing Housing and Redevelopment Authority, the Red Wing Port Authority, the Jones Family Foundation, and Red Wing Downtown Main Street are pleased to announce that the application submitted by Bush Street Investments for the redevelopment of the Hallstrom's Building was recommended to move forward to the individual organizations for consideration of funding. The proposed project would add five residential units to the second story of the building occupied by Hallstrom's at 317 Bush Street, involve significant exterior facade improvements, and preserve the integrity of this important, historic building. The final financial award will be determined by the challenge partners through their organization's separate review processes.

The Red Wing Redevelopment Challenge was a pilot development program designed to spur economic and housing growth in Red Wing's historic downtown area. Community partners offered an incentive package worth up to \$335,000 for one redevelopment project completed by December 2023 (or 18 months after the project is awarded) and located within the downtown Red Wing historic district.

The Challenge utilizes existing funding sources dedicated to downtown revitalization in combination with local foundation funding to provide this financial assistance program. This pilot program enabled the community of Red Wing to market a suite of redevelopment financial assistance tools together, and highlighted the robust financial tools available through the partner organizations to help property owners and developers overcome the challenges associated with the redevelopment of downtown properties.

Red Wing Downtown Main Street organized this effort with assistance from various local businesses, organizations, and members of the Red Wing community. Partners include the City of Red Wing, Red Wing Port Authority (the City's economic development authority), Red Wing Housing and Redevelopment Authority, Goodhue County, and the Jones Family Foundation. One application was received, and twelve additional parties expressed an interest in learning more about the Challenge. We were able to forward several projects that did not meet the Redevelopment Challenge requirements to the Red Wing Housing and Redevelopment Authority for consideration under their Small Cities Loan Fund.

"This Challenge helped us promote these resources to offer developers and property owners support to bring brick and mortar revitalization to our downtown and to identify challenges to owners redeveloping their properties," said City Council President, Becky Norton. "Matching and gap funds help spur projects that add housing, support businesses, and improve infrastructure in our beautiful historic downtown."

Megan Tsui, Executive Director of Downtown Main Street said, "We thank Diane and Dave Hallstrom for their investment in downtown Red Wing for decades and are excited for the new investment that will help preserve that historic building for the next century. It is also fortunate that the new building owners and the

Hallstrom's have a lease and that the florist, ice cream, and home goods store will still be operating for the foreseeable future."

Bush Street Investments will now work with the various partners to bring their project to life. The Challenge required a dollar-for-dollar match and the financial incentives will be awarded based on the demonstrated financial need of the project. Construction on this project is expected to start this fall.