



# Jay Walljasper: Small Towns, Big Ideas

*Reimagining Southeast Minnesota*

Commissioned by The McKnight Foundation



# Foreword

Jay Walljasper's *Small Towns, Big Ideas: Reimagining Southeast Minnesota* was commissioned by The McKnight Foundation as part of our "Food for Thought" series — a collection of independent essays to help inform our understanding of the fields in which we operate and our related program strategies. This is the first in a four-part series examining the opportunities and challenges in Minnesota's countryside.

Since 1986, The McKnight Foundation has invested over \$270 million in the Minnesota Initiative Foundations — six independent regional philanthropic organizations with priorities defined by the people in its own region. They offer grants and loans to support prosperous and diversified local economies, protect natural resources, cultivate strong leadership, and offer innovative social services.

As communities in Greater Minnesota strive to develop 21st century economies, they face steep hurdles. High-wage jobs can be scarce. Broadband connections are erratic. Firms have trouble recruiting young talent and aspiring entrepreneurs struggle to attract investment capital. Large-scale agriculture and extractive industries deplete natural resources and leave towns vulnerable to global market swings. And then there's the deep sense, real or imagined, that non-metro areas are underappreciated and shut out of important political conversations happening in the state capitol.

It may seem like a bleak picture, but there are good reasons to be optimistic. Traveling to southeastern Minnesota, Jay Walljasper finds communities that are overcoming these adversities. His report highlights some innovative examples of economic resilience that could serve as models for the entire Midwest. It begins with Rochester and the city's ambitious plans to become a Destination Medical Center, which may add as many as 40,000 jobs and double the population. But it doesn't end there. Municipalities from Lanesboro to Winona to Red Wing are re-inventing what it means to be a small town in the heartland.

Many smaller cities and towns in this region have embraced bold imagination as a way to find their place in the future. Their civic leaders are looking beyond the traditional mainstays of rural Minnesota and building economic engines based on specialized fields as diverse as tele-medicine and ecotourism. Their streets have a vibrant mix of artist lofts, co-op markets, and start-up incubation labs. And their native residents welcome newcomers. As a result, their main streets are bustling with new businesses and their public squares are buzzing with rich cultural offerings, all while retaining their historic charm and sense of place.

There is no one-size-fits-all when it comes to how a community can thrive. And with growth and change inevitably come fresh challenges, which is precisely why it's worthwhile to occasionally pause and reflect on these issues. We invite you to come with us to southeastern Minnesota and learn how our neighbors are creatively working toward a vision where prosperity can be shared throughout the state.

**Neal Cuthbert, Vice President of Program  
The McKnight Foundation**



## **Small Towns, Big Ideas**

### *Reimagining Southeast Minnesota*

It's very old news that a metro/rural fault line divides Minnesota, shaping our politics, economy, and aspirations.

But it's been in the headlines more than ever since last fall's elections, in which Republicans won every single non-metro seat in the state House of Representative except Rochester, Duluth, Moorhead, Winona, Northfield, Austin, and northeast Minnesota. (And it could be argued that many of these places are more urban than rural in character.)

Thinking how to describe the mood of rural Minnesotans, Tim Penny says, "One word might be underappreciated." The former Congressman from southeast Minnesota and current president of the Owatonna-based Southern Minnesota Initiative Foundation notes, "Some of it may be more a feeling than a fact, but it's got a lot of factual basis."

He points to controversial actions at the State Capitol like the new Senate office building, the minimum wage hike, and a succession of publicly funded sports stadiums as issues seen as catering to metro interests at the expense of rural Minnesotans. Other political observers would add gay marriage and light rail to the list of grievances.

Some DFLers have been targeted as anti-rural for opposition to frac sand mining, sulfide mining, new oil pipelines, some large-scale agriculture practices and the easing of pollution laws. The argument is that environmental and other regulations hinder economic possibilities for hard-hit rural communities.

### **Are We Selling Rural Minnesota Short?**

This leaves some people all over the state wondering if we're experiencing a failure of imagination about Minnesota's 80 non-metro counties. Is more corn or mining the only hope for rural communities? (Especially when you factor in fluctuating prices, rising-and-falling employment and ecological risks.)

The success of the Mayo Clinic in Rochester, Fastenall industrial supplies in Winona, Red Wing Shoes, and the tourist-driven revival of Lanesboro — to cite only Southeast Minnesota examples — point to the essential role of creative innovation in rural Minnesota's future.

"Don't doubt that we have ambitions to engage in the new economy," says Penny, whose organization focuses on boosting entrepreneurs and emerging businesses in southeast and south central Minnesota. "But in the meantime, help us keep what we have economically while finding our way to what's new."



## SURPRISE BY SOUTHEAST

The dramatic electoral shift last fall certainly sparked new discussion about the future of Minnesota outside the metro area, even if the path forward varies greatly depending on whom you talk to. That's the reason for this four-part series looking at the prospects and challenges in Minnesota's countryside. We're starting with Southeast, which for purposes of this report covers what's south of the metro area and east of Interstate 35 (which is different from maps used by Minnesota's Department of Employment and Economic Development or the Southern Minnesota Initiative Foundation).

At this point Southeast's economy shows the most promise of any region outside the Twin Cities metro, thanks in large part to the continuing growth of the Mayo Clinic along with diversified agriculture that better withstands upheavals in commodity markets and the area's surprising scenic beauty, historical character, and cultural amenities that draw increasing tourists and some new residents.

Still, a cloudy economic picture emerges in recent figures from the Minnesota's Department of Employment and Economic Development. There are more than two job seekers for every full-time position open — with 45 percent of those jobs part-time and 33 percent requiring training beyond high school. The median wage for all jobs is \$11 an hour while DEED's cost-of-living research shows \$14.50 is necessary to support a family in Southeast Minnesota. Three Southeast counties — Winona, Mower, and Fillmore — have poverty rates above the state average. Meanwhile broadband connections are spotty in some places, firms face steep hurdles in attracting young talent, and venture capitalist firms are hesitant about start-ups in the region.

### Thriving in the Countryside

The key to success in the changing economy of the 21st Century “is for a community to be specialized — have something they are known for,” explains Fisher, a national authority in the new field of community resilience. “And not just low wages or soybeans, which leaves you vulnerable if a decision in some far-off city closes a factory or changes the price of a crop. Small towns need help gaining the confidence to go in a new direction and stand out — that's what you need to thrive.”

A bold example is Austin's Spam Museum, which took a product whose reputation sank so low it became synonymous with unwanted email and turned it into a tourist attraction that figures in a downtown redevelopment push, which is part of the city's broader revitalization initiative. The point here is not to replicate the museum's success elsewhere with an ethanol theme park, but to channel this sort of creativity in new directions.

Southeast Minnesota's communities boast numerous geographical, cultural, economic, and otherwise unique assets. Who knew the region showcases some of the richest ecological biodiversity in the country? Or that Winona's Marine Art Museum is stuffed with fine examples

of Monet, Van Gogh, Picasso, Renoir, Matisse, O’Keefe, and Wyeth? Or that Caledonia produces a sizable share of America’s baseball bats? There’s a wealth of possibilities to boost prosperity, social equity, and quality of life for people living in the region.

## **The Region’s Economic Engine Shifts Into Overdrive**

Rochester qualifies as the Green Bay Packers of health care — a small city that more than holds its own in the big league of America’s fastest-growing industry. And the world is taking notice. Livability.com recently rated Rochester as America’s [second best](#) small-to-mid-sized city to live (Madison, Wisconsin won #1). *U.S. News and World Report* named it one of the 10 best places in the US to grow up.

But local boosters are not basking in their sunny press coverage. They’ve launched the \$6 billion Destination Medical Center (DMC) initiative (including \$327 million from state taxpayers) to ensure that Mayo Clinic, plus a growing cluster of other medical services, stays on top as a health care leader.

The goal is to attract talented workers, emerging businesses, and new investment while continuing to serve patients from all over the world who now have many health care options. The plan is to turn the city into a hub for bioscience firms, a center for health-related education, and a national leader in wellness services (to match Mayo’s world-class health treatment services). Downtown Rochester would become the epicenter of this economic boom with a dramatic transformation in cultural and entertainment offerings, recreational and community amenities, and transportation infrastructure.

The Mayo Clinic already employs more than 30,000 people in Rochester, making it the state’s largest private employer, and the Destination Medical Center (DMC) could add another 40,000, according to Rochester mayor Ardeell Brede, who believes the city’s population might double to 200,000 over the next 20 years. “I think 98 percent of the cities in the country would love to have this challenge,” he says.

## **Rochester 3.0**

“About the same amount of people work in downtown Rochester today as in downtown Kansas City,” says Jeff Ellerbusch, analysis and planning supervisor at the Rochester/Olmsted County Planning Department. And DMC sets in motion a wholly new future for downtown as one of the most economically vibrant, densely settled districts in the upper Midwest.

“We’re already locked in with traffic,” Ellerbusch says. “We’d have to tear down a lot of the city to get more cars in here.”

What’s on the drawing board is more transit (including streetcars, bus rapid transit, and high-speed line to Minneapolis-St. Paul), more bikes (including a bikeshare system and protected bikes lanes separated from traffic) and more walking (including pedestrian-friendly streets). Some changes can be spotted already. Rochester sports more than 100 miles of bike trails, 23

miles of on-street bike lanes, 514 miles of sidewalk, and new pedestrian public spaces, all of which are slated for expansion.

A more cosmopolitan spirit is in the air. Folks who haven't been to Rochester for a while might be shocked to find hipster-friendly apartments, hip-hop artists at the gritty C4 creative space, pedestrian bridges over the river, a food co-op rivaling any in South Minneapolis, swank bistros, local foods on restaurant menus, and intriguing-looking dive bars (which were probably there all along but who knew?). The riverfront is coming alive with parks, trails, the Rochester Art Center, the Rochester Civic Theatre, and the Mayo Civic Center auditorium.

Still, the city has a long way to go as a dream destination for top-of-the-class M.D.s, Ph.D.s and RNs fresh out of school. The Millennial generation, who will replace tens of million retiring Baby Boomers in the next few years, is the first in U.S. history who report they would chose a great town over a great job.

“The people who will fill these new positions have many choices of where to live,” notes Rochester/Olmsted County planning director Mitzi Baker. “Rochester must be competitive with other regions to get the talent pool we need here.” Besides investment and infrastructure upgrades, she says it's critical the city offers “a strong sense of place, making us somewhere where people really enjoy being.”

## **Spreading the DMC Wealth Wider**

The Destination Medical Center plan has drawn plenty of criticism, some from folks who fear Rochester will lose its small-town charm but also from those who think it is too narrowly focused on downtown. Jeff Gorfine, an educator in the Rochester Public Schools and former board member of the U of M's Southeast Minnesota Experiment in Rural Cooperation asks, “Where is the planning to help the smaller communities in terms of transportation, housing, and land use? No money was put into the surrounding communities to look at what this means — negative impacts, positive impacts, missed opportunities.”

The Southern Minnesota Initiative Foundation (SMIF) sponsored a meeting last fall attracting more than 100 citizens and leaders from 30 nearby towns to raise concerns and voice ideas about spreading DMC's benefits more widely throughout the region. They decided to [move forward](#) on four fronts with help from SMIF:

- Create a campaign to publicize the region's cultural, economic, and recreational attractions to Rochester visitors;
- Coordinate efforts on workforce needs throughout the region, which will later be expanded to include housing and transportation issues;
- Establish regional park-and-ride facilities in surrounding communities to boost bus ridership;
- Connect existing bike and walking trails to create a regional network serving residents, and enhancing the region's tourism potential.

## **Pine Island: A Controversial Community of the Future**

One small town already positioning itself to make hay on the Destination Medical Center is Pine Island, just a couple exits north of Rochester on the road to St. Paul.

In fact, one of those exits is brand new, built by MNDOT to accommodate the 2000-acre [Elk Run](#) bio-business park and residential community emphasizing wellness and environmental sustainability, planned by a California company. Set along the Zumbro River, the new neighborhood will embrace healthy living with walking and bike trails, nature preserves, a fitness center, sports facilities, medical spa, wellness education center, and easy access to the Douglas State Trail running between Pine Island and Rochester. “It’s a place where you can live and recreate without getting into your car,” explains Pine Island mayor Rod Steele. “Europe has been doing things like this for years.”

While this kind of ambitious, forward-looking thinking is crucial for the future of Minnesota’s small towns, Pine Island and the state of Minnesota have nothing yet to show for their investments. While the developer has sunk \$2 million in sewer and water service to the site south of town and local voters passed a referendum to build a new elementary school there, nothing has been built except for the highway interchange six years after the Elk Run project was announced.

## **Plainview: Small Is Beautiful on Main Street**

A more homegrown approach to capitalize on DMC’s economic growth is underway in Plainview, 17 miles northeast of Rochester, where retired banker Dean Harrington is launching Front Porch Neighborhoods to fix up and build homes that preserve “the character of mature, established neighborhoods” in small towns. A long time community champion, Harrington says he is exploring “what we can do as local investors on a small scale with limited assets.”

Harrington and his wife Sally also run [Common Sense Development](#), which offers energy efficiency and solar power services around southeast Minnesota, using all Minnesota-made products as part of their mission “to promote small community scale enterprise, whether for-profit or nonprofit, to achieve social goals.”

## THE CHALLENGE OF CHANNELING CREATIVITY IN THE COUNTRYSIDE

Rochester has not cornered the market for creative potential in Southeast Minnesota. The region as a whole possesses some of the key assets that economic prognosticators like Richard Florida cite as important for future prosperity in an era when companies, investment, and jobs can be easily uprooted: scenic beauty, recreational opportunities, arts attractions, historic downtowns, an authentic sense of place, and good colleges. With 28 percent of adults over 25 holding at least a bachelor's degree, Southeast equals the national educational average, no small accomplishment for a largely rural region. Carleton, St. Olaf, St. Mary's, Winona State, the new U of M campus in Rochester and strong community and technical colleges give the area a boost.

### A Tale of Two Creative Cities

Northfield and Winona — each with two liberal arts colleges — look like top bets outside of Mayoland for harnessing the inventive energy and technical savvy that spell success in the 21st Century. Both towns sport historically rich downtowns with a riverfront. Northfield's is postcard perfect while Winona's rough-around-the-edges feel might inspire creativity in young entrepreneurs. Streetlife exists in both places, with an assortment of shops, cafes, and bars to suit most young people's tastes.

Both towns also punch way above their weight when it comes to arts. Northfield welcomes artists and artisans to show their work on the Riverwalk Market Fair, creating a premier art venue each Saturday from June to October. The Northfield Arts Guild present art shows, dance performances, classes, and stage productions in two historic downtown venues.

Winona meanwhile is emerging as a full-blown arts destination, with the see-it-to-believe-it Minnesota Marine Art Museum (big name painters on par with the Minneapolis Institute of Arts), the Great River Shakespeare Festival (which gives the Guthrie a run for its money), the Frozen River Film Festival (gaining prominence as a showcase for documentaries) and musical events ranging from a Beethoven Festival to Banjo Fest.

I happened to be in Winona two years ago when the town hosted a [Rockwell Kent Festival](#), commemorating one of America's greatest printmakers who had lived there 100 years earlier. Kent dismissed the city as an artistic "no man's land", an opinion he would surely reconsider if he'd lived long enough to see this well-attended event. It was held across a series of venues that revealed the unexpected cultural breadth in this city of 27,000: the Winona State university gallery, the St. Mary's University gallery, the Marine Art Museum, the Winona County Historical Society, the Winona Public Library, and Theatre du Mississippi as well as a symposium and movie at Winona State.

Winona also offers easy access to the great outdoors, another hallmark of places that win favor from so-called "creative class" businesses. The Mississippi River is dotted with islands, perfect for Huck Finn backwater adventures. Inviting trails and views are found just across the river at

the enchanting [Trempealeau National Wildlife Refuge](#), a starting point for the Great River State Trail where you can pedal alongside the *Father of Waters* all the way to LaCrosse. Most of the steep bluffs towering the city are protected in parks and preserves, ready for hikers, mountain bikers and cross-country skiers.

## **Arts Mecca-on-the-Root**

Tiny Lanesboro (pop. 754) takes the cake for artistic output per capita in Minnesota, or maybe anywhere in the Midwest. In 2013, it was named the #6 Small Town for Arts by the influential collaborative [ArtPlace America](#), backed by many of America's leading arts funders.

Feeling more like a village than a small town, it's nestled below a cliff in the Root River Valley, prized for river tubing and bicycle trails. Main Street, known here as Parkway Avenue, is home to the [Commonweal Theatre Company](#), which stages classic and contemporary plays, including 20 world premieres since 1989 and an annual production of Norwegian playwright Henrik Ibsen's work — the only theater company in North America making that commitment. You'll also find [Lanesboro Arts Center](#), a gallery showing top Midwest artists, and the St. Mane Theatre, an art deco moviehouse hosting far-from-provincial performances. Stopping by on a Wednesday night last winter, I discovered that master storyteller Kevin Kling was collaborating with the experimental music ensemble Zeitgeist and accordionist Victor Zupance. Wondering how that would turn out, I got a ticket and was delighted.

The Lanesboro Art Center — which also runs the artist residency program — is dedicated to answering the question posed by executive director John Davis: “How do you use creativity to re-imagine your town?”

“How would we get scenarios where kids from here go to the U, go to Luther College, go to Harvard but have a reason to come back?” asks Davis, who grew up in Minneapolis but discovered he likes small town life. Part of the answer might be the [Arts Campus](#), a community-wide initiative to integrate the arts into the fabric of Lanesboro life.

## **Red Wing Ready to Take Flight**

The community in Southeast Minnesota making the most of its creative appeal is Red Wing, a small river city with a bustling downtown. A few years back, *National Geographic Traveler* magazine ranked it [high](#) on a list of world tourist destinations for authenticity and preservation of historic character.

Red Wing Shoes, known around the world for sturdy quality, and other manufacturers have long anchored the local economy, but town leaders see an opportunity for growing and attracting new businesses. John Becker, who owns fine art printing and custom framing businesses here and in Rochester, ticks off Red Wing's key assets: the river, the bluffs, downtown's central role in the community, proximity to the Twin Cities, the elegant city-owned Sheldon Theatre, a strong historic preservation ethic, a growing arts and handicrafts community, unique locally-owned

businesses like [Fair Trade Books](#) and [Hobgoblin Music](#), growing ethnic diversity as seen by three Mexican groceries, low-rent in handsome old buildings and, most of all, people embracing a big vision for the community.

Becker muses how Red Wing could look in a few years: “The schools are full, there’s a strong sense of community and purpose, there are plenty of public gathering places, the city is more walkable and bikeable with lots of business opportunities, lots of independently owned businesses, not a lot of franchises and large parking lots, everyone knows their neighbors.”

Becker, who moved here from Bloomington in 2002, is one of the founders of the [Red Wing Innovation Incubator](#), which nurtures creative sector entrepreneurs with low-cost downtown workspaces and other support. Another grassroots economic development project is [The Cultureshed](#), which aims to activate underused space and other assets in the community to shape Red Wing into “an economic hub for creativity, innovation and industry” based on a very expansive definition of the arts articulated by painter Jackson Pollock: “When I say artist, I mean the one who is building things... some with a brush — some with a shovel.”

[Red Wing Ignite](#) is a locally grown initiative partnering with US Ignite, a project of the National Science Foundation and the White House for the creation of next generation internet applications to create wider public benefits. In addition to state-of-the-art gigabit internet service reaching all households in town by the end of the year, Red Wing Ignite has launched a business accelerator connecting entrepreneurs with investors, mentors, and regional and national partners. They also host regular educational and networking events as well providing offices and meeting venues at a new [co-working space](#) in the former Red Wing Shoe headquarters downtown.

Currently Ignite is working with seven companies, many in emerging medical fields like workplace wellness and tele-medicine. “A key advantage with Red Wing Ignite,” says executive director Neela Mollgaard, “is that in a small city it is easy to obtain market and product validation, which is needed to help all businesses to launch successfully.” Leaders from all sectors of the community are accessible to offer practical advice to start-up companies, she notes.

This creative sector strategy enjoys support across the community from grassroots initiatives like the Red Wing Innovation Incubator and Cultureshed to the city’s Port Authority and local leaders who participated in a 2012 study, [The Red Wing Creative Economy Project](#).

Additionally, Red Wing enjoys high levels of civic involvement, as seen in [Live Healthy Red Wing](#), a coalition of 10 organizations promoting better health through projects like walking and biking guides, safe routes to school plans, community gardens, school nutrition programs, and improvements to crosswalks and park trails. “People are drawn to big cities that are healthy,” says coordinator Michelle Leise, “and the same goes for smaller towns where you can walk, bike, garden and connect with people.”



## BEYOND MINNESOTA NICE: INTEGRATING NEWCOMERS INTO THE COMMUNITY AND THE ECONOMY

Minorities in Southeast Minnesota used to mean the Amish, along with people who weren't Czech in New Prague, weren't Luxembourger in Rollingstone, weren't German or Polish in Winona, or weren't Norwegian in many other towns. But look again. Like the rest of America, the face of the region is changing — quite literally.

With its mission of attracting top talent from around the world, Rochester is the most diverse larger community in the region with 18 percent people of color, according to the 2010 census. 60 foreign languages are spoken at home by local school kids, notes the city's analysis and planning director Jeff Ellerbusch, and it hosts the 2nd largest Somali population in the state along with other immigrants from East Africa, Asia, and Bosnia. Not all newcomers are highly trained professionals since the local economy depends on many lower-wage workers in health care and hospitality jobs.

### A Helping Hand for Immigrants

Faribault is now 17 percent people of color, Austin 13 percent, Northfield 11 percent, and even Winona, traditionally viewed as a homogenous college and factory town, is seven percent. And people of color accounted for all of Winona's population growth from 2000-2010, according to Fatima Said.

Said is director of [Project Fine](#), an [award-winning](#) program in Winona County to integrate diverse people into the community through language classes, translation services, cultural programs, early childhood education, connection to local services, diversity education for local businesses, and instruction in the ABCs of American life.

“Understanding our health care system or how banks work or where to find housing is hard if you weren't born here,” she explains. Project Fine served more than 2500 people last year, most of them Southeast Asian and Mexican.

“We work with the entire community building links so that groups can learn about each other,” she says. “Our goal is to help people put their life in their own hands — connect them with resources so they can make it.”

Said herself came to Southeast Minnesota as a penniless immigrant, a Muslim woman married to a Jordanian with a daughter and infant son fleeing the bloody civil war in her native Bosnia. Today her daughter works at the Mayo Clinic and her son is in medical school. “We wouldn't be where we are without all the people we didn't know who helped us. I am so grateful to this country, this state, and the communities that welcomed us here.”

## Reinventing the Family Farm

Improving the prospects of low-income families of all ethnic backgrounds remains a challenge in an era when wages are flat for the vast majority of working Americans. We have to look beyond the usual focus on jobs, says Niel Ritchie, CEO of the [Main Street Project](#). “Livelihood is the key issue. How do we find a way out of the bottom for people, where they can own and control their own work?”

Main Street Project is developing a new prototype for agriculture that will chart a course toward prosperity for Latino immigrant families, boost local economies, and provide healthier, tastier food that people of all incomes can afford. “This is a win-win-win-win,” Ritchie adds, “It helps the immigrants and their families, the landowners, the community itself, and the environment.

This entrepreneurial effort was sparked a decade ago as immigration raids shook Willmar, Worthington and other rural Minnesota communities. At that time, Reginaldo Haslett-Marroquin, a Guatemalan immigrant who earned an MBA at Augsburg College and co-founded the successful Peace Coffee company, was living in Northfield, where fears ran high among the town’s growing Latino population.

“We decided it was time to gather the whole community and see if we could do something about this,” he explains. “This discussion soon centered on creating a path to get people out of poverty.” That led first to a community garden and then an “agripreneur” training program to help immigrants take advantage of their farming skills and entrepreneurial instincts to make a living satisfying people’s newfound appetite for local food. (According to Main Street’s research 70 percent of Latinos living in Rice Country grew up on farms, and national studies show that recent Latino immigrants are twice as likely to start a business as established immigrant populations.)

The organization now runs three free-range poultry operations in rural Rice and Dakota Counties, where more than 45 new farmers have learned both the business and the agricultural dimensions of a new paradigm for food production. These half-acre plots produce free-range poultry served in dining halls at Carleton and St. Olaf colleges and directly to consumers through local buying clubs. Acquiring land is the biggest obstacle for aspiring farmers, a problem Main Street solves by making the most of every square foot rented by landowners who want to support sustainable farming practices.

The latest addition at Main Street’s Finca Mirasol Farm, where Haslett-Marroquin lives with his family, is an aquaponic facility growing spinach, greens, and green onions indoors year-round in specially built beds where they draw nutrients through water pumped from fish tanks.

A diversified approach is the only way agriculture can be sustainable and profitable for new farmers, Haslett-Marroquin says, which is why Main Street experiments with a host of food-growing innovations including solar energy for year-round poultry production, perennial crops for animal feed, and hazelnuts as a cash crop.

The ultimate aim is to raise a variety of livestock and vegetables on these small farms, establish more plots across 36 counties in southern Minnesota, and organize them into a cooperative network to increase efficiency and economies of scale. “It will have a ripple effect to get much more back on every dollar invested,” predicts Haslett-Marroquin. “It will restore the way we grow food and treat the land, water, people, and animals.”

“Minnesota has some opportunities to create a new food system with healthier food for people and better conditions for farmers,” adds Ritchie. “This is a very sensible approach, taking advantage of some old thinking we have forgotten and some new thinking we need to know.”



## PLANTING NEW SEEDS FOR THE FARM ECONOMY

Agriculture remains central to Southeast's economy and way of life. Although a small portion of Minnesota's overall farmland, the region accounts for roughly 40 percent of the state's orchards, 25 percent of cattle, and 90 percent of spring wheat. Puffed wheat was invented in Red Wing, while iconic brands like Hormel in Austin, Malt-O-Meal in Northfield, Sno Pac in Caledonia and Jennie-O in Fairbault have secured a place in many American kitchens.

The hilly terrain throughout much of the region helps to keep farms smaller and more diversified than in southern and western Minnesota. "We still have small and mid-scale farms that are family operated," says Caroline van Schaik, who farms near Ridgeway and is the community-based food systems organizer for [Land Stewardship Project](#) in their Lewiston office.

"There's an ethic of taking care of the land here, even by people who don't use the language of sustainable agriculture and might have a distaste for green labels," she adds.

### Minnesota's Local Food Hotbed

All this positions the region as a leader in the burgeoning local food movement, helped by its geographic proximity to hundreds of thousands of hungry locavores in the Twin Cities. Southeastern producers of vegetables, fruits, herbs, cheese, grass-fed meats, microgreens, wine, beer, chocolate, hard cider, honey, jams, baked goods, canned chili, and pet food were disproportionately on display at [Feast! Local Food Network](#) — a trade show and celebration of local food across Minnesota, Wisconsin, and Iowa held last fall in Rochester.

"You see more local food showing up in cafés and restaurants," says Jan Joannides, executive director of [Renewing the Countryside](#), which produced the Feast! event. Not just in urbane bistros like City Café in Rochester and Nosh in Lake City, but in casual spots like the Pedal Pusher Café in Lanesboro (which caters to sweaty families biking the trails as well as locals) and the Blue Heron in Winona (which functions as a community center as much as a café).

First-rate food coops also boost prospects for local growers, says van Schaik — singling out those in Northfield, Winona, Rochester, LaCrosse, and Decorah, Iowa — as well as a few other grocery stores happy to feature local apples, potatoes, and other produce. The [Eagle Bluff Environmental Learning Center](#) near Lanesboro, which hosts 12,000 school kids through the year, sources much of its food locally. But overall, local institutions overlook local foods in their purchasing, she says.

Cannon Falls is a good candidate for Minnesota's local food capital, says Joannides. "It's a real gem of a food cluster" — home to high-profile producers like Thousand Hills Beef, Ferndale Market turkey, Cannon Falls Winery, Sweet Harvest honey, Raw Bistro pet food, and Lorentz Meats, a processing facility that is a linchpin in the region's food economy working with more than 300 independent livestock farmers.

The Cannon Falls Winery, with a tasting room just off Main Street featuring live music and an event center, is a tourist draw for a classic Main Street that boasts two full-service hardware stores, a bakery, a well-stocked drug store along with cafes and taverns. Most of the grapes for the winery are grown at a 20-acre vineyard a few miles away in the picturesque Sogn Valley. Other wineries have popped up along the Mississippi River in Red Wing, Winona and LaCrescent, giving rise to the [Great River Wine Trail](#) with 11 stops between Prescott, Wisconsin and Marquette, Iowa.

## **A Laboratory Investigating Year-Round Local Food Production**

Minnesotans' taste for local food is curbed by one obvious fact of life: five months of cold weather every year. But that's not an insurmountable obstacle, asserts Joe Deden, director of the Eagle Bluff Environmental Learning Center, which is establishing a [Food Lab & Education Center](#) with a focus on year-round vegetable production at its campus in the hills above Lanesboro.

“We want people to garden deep into the winter,” Deden says, describing the proposed [all-season greenhouse](#) with 6000 square-feet of growing space, which will take advantage of new technology to be carbon-neutral. He is testing new energy techniques in the home at Eagle Bluff he shares with his wife, food author Mary Bell, that has been certified as one of the most energy efficient houses in the US by the [1000 House Challenge](#).

The food lab will demonstrate new indoor agricultural techniques to grow beans, broccoli, herbs, cherry tomatoes, carrots, and other supertime stand-bys through much of the year using less water and space.

“People can learn everything they need to know about gardening, food preservation, and agronomy in a short time,” he says about classes that will be offered at the Food Lab. Increased local food production is a good idea not just for health, taste, and economic reasons. The realities of a changing global environment make it crucial we can produce enough food. “As the uncertainties of climate change and water scarcity negatively affect areas in the southern and southwestern United States where food production has been concentrated, developing a diverse, robust regional foodshed is more important than ever for local food security. Education that enables more urban, suburban, and rural residents to become a source for an increasing share of their own food supply creates greater resiliency of our country's overall food system,” states an Eagle Bluff report.

The Food Lab is part of Eagle Bluff's bigger [Bluffland's Sustainability Center](#), including energy conservation initiatives and the [River Roots Skills School](#) offering classes in cooking, arts and crafts, outdoor pursuits, and natural health.

## **I Just Want to Say One Word to You: Bioplastics**

Another direction for Southeast's agricultural economy can be found in a non-descript building on the outskirts of Blooming Prairie: [Bio-Plastic Solutions LLC](#), which manufactures a variety of products made from corn for construction, office, and industrial uses. Right now bio-plastics account for only five to ten percent of the company's business, according to CEO Gary Noble, but he sees a growing market ahead as people embrace a practical, environmentally friendly alternative to petroleum-based materials.

This is not a new idea. Ford Motor Company used [plastics made from soybeans](#) in its cars during the 1930s, and in 1941 Henry Ford working with George Washington Carver debuted a prototype car made entirely from plastic, some of it created out of [soybeans and hemp](#).

Bio-Plastic Solutions, which employs 13, currently sources its biomaterials from a [Nebraska company](#) owned by Cargill, but it's possible to imagine local farmers supplying a burgeoning bioplastic industry in the region. This would boost agriculture income and provide jobs in manufacturing, which is the 2nd largest industry in the region, employing more than 35,000 people.

Bioplastics are a controversial environmental issue. Increased corn or soy bean production using conventional farming methods could mean further damage to soil, water and wetlands as well as more energy and chemical use, say some environmental advocates. Others counter that [biomaterials](#) can be manufactured [sustainably](#).



## LAND OF BLUFFS, RIVERS & VILLAGES AS WELL AS LAKES

By instinct, Midwesterners head north for vacation dreaming of sky-blue lakes, pine forests, rustic cabins, and walleye frying in a pan. That bright vision, reinforced by decades of tourist brochures and Hamm's Beer ads, sometimes blinds us to the appeal of rolling rivers, oak-dotted hillsides, historic towns, and trout frying in a pan. In other words, Southeast Minnesota.

“Southeast has a really beautiful landscape that a lot of people haven't actually seen,” says Jan Joannides, who co-founded the [Green Routes](#) project to draw attention to authentic travel destinations throughout the Upper Midwest. “It's got exactly the same appeal as ‘up north’ but in a different way,” adds Joannides, who moved with her family from St. Paul to a farm near Zumbrota Falls several years ago.

A lot of Southeast lies in the Driftless region, the corners of Minnesota, Iowa, Wisconsin, and a small patch of Illinois that was not flattened by glaciers. (In geological terms, drift means material of glacial origins, so this area is “driftless”). It's quite breathtaking to approach the Driftless area, when gently sloping farmland suddenly turns to steep hills where roads wind through wooded valleys.

A recent documentary film [Mysteries of the Driftless](#) highlights the awe-inspiring scenery and outdoor attractions of the area. “Have you ever thought to yourself the world is already all explored,” the film begins. “What if I was to tell you there is a place in America that is huge and 99.5 percent of all Americans don't even know it exists... It's geologically and biologically amazing.”

North Carolina-based filmmaker Rob Nelson calls the area a “topographic island” brimming with caves, native art, springs, fossils, sinkholes, trout streams, and rare plants and animals. Dubbing it a “hotspot of biodiversity,” he explains this is where species of the East meet those of the West along with “relics of the Pleistocene Era” that have survived in unusual ecosystems like goat prairies and talus slopes along river bluffs.

### **On the Road to Southeast**

Here's one pleasing itinerary leading you to some of Southeast Minnesota's chief attractions:

- Start in hilly, historic Red Wing (see “Red Wing Ready to Take Flight” above), making a bike, canoe, or cross-country ski trip along the Cannon River through the picturesque village of Welch and cozy Cannon Falls. For more information about the river, contact the [Cannon River Watershed Partnership](#), a grassroots group protecting the river and surrounding landscape.
- Then head south on storied Highway 61 (aka the [Great River Road](#), which is soon to get a facelift in terms of amenities, and the [Mississippi River Trail](#) for bikes) to Lake Pepin, the widest and arguably most lovely spot on the whole 2000-mile stretch of the Mississippi. Lake

City, the birthplace of water skiing, is a major port for boaters and sailors. The village of Frontenac feels like a field trip to the 19th Century.

- The river’s towering bluffs can be hiked in Frontenac, John A. Latsch, and Great River Bluffs state parks as well as Barn Bluff Park in Red Wing and Garvin Heights Park in Winona. For a closer look at the river, explore Latsch Island, right across the channel from downtown Winona, or settle in at the riverside Reads Landing Brewing Company in tiny Reads Landing.
- Don’t miss the [National Eagle Center](#) in lively downtown Wabasha, the best perch anywhere to spot our national symbol. The impressive museum and visitors’ center began in 1989 when local folks built a viewing platform to accommodate birders who were flocking to town because year-round open water on the riverfront made Wabasha a favorite winter home for eagles. More than 70,000 people visited last year from 124 different countries. Inspired by the Eagle Center, the [National Trout Center](#) has opened in Preston and the [International Owl Center](#) in Houston.
- Winona, the region’s second biggest city (beating Owatonna by a hair), is a surprising college town with an unexpected wealth of artistic and outdoor offerings (described above in the “Tale of Two Creative Cities” section). Its Polish flavor can be sampled at the Polish Museum and the ornate St. Stanislaus Kostka church, recently designated as a basilica by the Vatican.
- Follow the river road south to La Crescent, Minnesota’s apple capital, and head west on Highway 16 (a National Scenic Byway) into the steep wooded hills of the Root River valley. The Root River Trail, one of the most celebrated bike routes in the U.S., runs 42 miles through forested bluffs from Houston to Fountain. At Lanesboro, the equally appealing 18-mile Harmony-Preston Valley State Trail branches off through a hilly landscape notable for trout streams and Amish artisans.
- Lanesboro (see “Arts-Mecca-on-the-Root” section above) features a vivacious Main Street offering arts, artisans, bistros, bars, boutiques, and a winery as well as the richest concentration of B&Bs in the state, ranging from Victorian luxury to downhome charm. The village is becoming a noted ecotourist destination with outfitters equipping you for tubing trips on the rushing Root River, the [River Roots Skills School](#) teaching local crafts at the Eagle Bluff Center and nearby Forestville/Mystery Cave with unique geological sights like springs, sinkholes and, of course, caves along with a ghost town restored to its 1899 heyday.

“A lot of communities in Southeast are understanding their ecotourist potential — wildlife, boating, orchards, biking, paddling the backwaters of the Mississippi, arts, local food, hiking, skiing,” says Tex Hawkins, Sustainability Advisor at Winona State, who notes that many students from outside the region say plentiful outdoors opportunities are one reason they chose the university.

The prospects of more people coming to Rochester for health and wellness services is activating plans throughout the region about how to lure Mayo visitors to Red Wing’s historic downtown,

Wabasha's Eagle Center, Winona's arts events, the Root River Valley's outdoor activities, Owatonna's landmark Louis Sullivan bank, Northfield's college town ambience, Mantorville's 12 block nationally designated historic district, Spring Grove's Norway-meets-Norman Rockwell spirit, plus first-rate bike trails, trout streams, local food tours, and boat rides on the Mississippi. "Tourism isn't strongly developed in this part of the state. I think there's great growth potential," points out Jan Joannides, whose organization Renewing the Countryside focuses on using local assets to build stronger local economies. While acknowledging that tourism often means lower-pay jobs Joannides says, "This is where ecotourism comes in. It's more peer-to-peer." This means economic opportunities to open B&Bs as well as work at a hotel, run family restaurants not just wash dishes, teach craft classes instead of clerking in souvenir shops.

Tim Penny, president of the Southern Minnesota Initiative Foundation whose mission is to strengthen new economic possibilities in the region without casting aside existing industries, envisions Southeast Minnesota as a Midwestern New England, drawing on its cultural, historical, agricultural, and natural assets to create a dynamic, entrepreneurial economy.



## **ABOUT FOOD FOR THOUGHT**

This publication was commissioned by The McKnight Foundation as part of the “Food for Thought” series — a collection of third-party reports that inform our program strategies and are shared with the fields we support.

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## **PHOTO CREDIT**

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