

New York Mills, Minnesota¹

This town invests in the creative energy of rural artists. Through a regional cultural center, New York Mills attracts outside talent and energy into their town, bringing fresh perspective on the community's challenges and opportunities.

Population (2000)	1,186
Municipal budget (2006)	\$2 million ²
Per capita income (2000)	\$15,950
Median household income (2000)	\$27,600
Poverty rate (2000)	17%
Minority population (2000)	1%
Proximity to urban center	78 miles to Fargo, ND
Proximity to interstate highway	45 miles
Strategic approach	Entrepreneurship Creative economy
Timeframe	1990-1998

Nearly 80 miles from any significant city, the small town of New York Mills demonstrates the potential for turning rural arts and culture into economic development. Through bold and forward-thinking investment by local leaders, the community created the New York Mills Regional Cultural Center in 1992. The Center hosts an artist-in-residency program, as well as regional and international art exhibits, theater productions and musical performances all of which make art accessible to rural residents. Further, the Center set off a wave of new business creation. In the first six years that the Cultural Center was open, seventeen new businesses opened in town, creating 350 new jobs.

The Community and its History

New York Mills owes its legacy to a hardy group of Finnish immigrants who came to northwest Minnesota in the 1880s. In 1885, New York Mills was incorporated and named for the large number of timber mills in town. After clearing every tree in sight, the town's residents turned to farming in the early 1900s. Since then, corn and dairy farming have been important to the local economy. The largest employer in town is Lund Boats, a boat manufacturer, employing 575 people.

The story of New York Mills' arts-based approach to economic development begins in 1987 when an art school graduate named John Davis moved to town. Having lived in New York City and Minneapolis, Davis was attracted to New York Mills for its rural location and small town quality of life. To make ends meet, Davis started out painting homes and barns in town. As Midwestern hospitality would have it, Davis often ate dinner with his customers,

¹ This case study, authored by Will Lambe, Associate Director for the Community and Economic Development Program at the University of North Carolina School of Government, is drawn from *Small Towns, Big Ideas: Case Studies in Small Town Community and Economic Development*. The full work, which includes 45 similar case studies, will be available online and in print later this year and is being published by the [North Carolina Rural Economic Development Center](#) and the [UNC School of Government](#). The author is available at whlambe@sog.unc.edu.

² From Otter Tail County website: www.co.otter-tail.mn.us/cities/newyorkmills.php. Accessed June 11, 2007.

providing him an opportunity to learn more about New York Mills. “These were highly educated residents,” recounts Davis, “and I got the sense that they wanted more culture, more arts. There wasn’t an art teacher at school. Art was the piece that was missing in town.”

The Strategy

New York Mills’ strategy was to use art as an economic development tool by creating the New York Mills Regional Cultural Center. The center, it was believed, would attract tourists and catalyze the development of new small businesses in town. In 1990, Davis organized a non-profit group with the mission of bringing the arts to New York Mills. Davis’ first initiative was an artist-in-residency program that integrated a visiting artist into the community through art exhibits, classes, and various public service responsibilities. In exchange for housing and gallery space, artists were required to assist the community in a variety of different ways based on their individual interests and skill sets. By including this public service element in his artist-in-residency program, Davis ensured that new ideas and creative energy were injected into public life in New York Mills.

During the trial run of his artist-in-residence program, Davis decided to build on his momentum by developing a downtown cultural center to place the residency program and art exhibits in the center of town. Around this time, a local businessman was looking to donate his dilapidated 1885 general store. After months of negotiating, Davis acquired the property in 1990. Around the same time, he also secured some seed money to begin a multi-use arts and cultural facility. For the rest of that year, Davis visited all of the local citizens groups, including the Lions Club and a similar women’s club called New Horizons, for contributions to his project. By 1991, Davis raised \$35,000 for the New York Mills downtown cultural center.

In early 1991, with some seed money in hand, Davis requested a \$35,000 matching grant from the New York Mills village council. According to Davis, his request was the per capita equivalent of asking a city the size of Minneapolis to donate \$13.7 million to an arts center. Several local officials gawked at the figure. However, a number of key civic leaders, including the council members, recognized the potential in this type of investment. According to Mayor Larry Hodgson, the project was a potential boon for the community, “Sure it was a risk. But towns our size are struggling to keep businesses downtown and our population growing. We saw it not only as an opportunity to fill a void in the culture of our community but as a way to help our community and businesses keep growing.” In the end, the Town donated \$35,000 to construct a cultural center downtown. To reduce the town’s risk, Davis structured the agreement to give the town ownership rights to the building for five years. Thus, in the event that the cultural center was a flop, the village would gain a newly renovated commercial space for their \$35,000 investment.

In the summer of 1991, Davis received a \$50,000 grant from the McKnight Foundation and renovation work began on the old general store. Davis hired all local craftsmen to help him with the renovation. When he could, Davis also used free labor and materials. The flooring for the center, for instance, came from a closing school nearby. In all, community members donated 3,000 volunteer work hours to finish the cultural center, “In the two weeks before

we opened,” says Davis, “the school superintendent and mayor were putting varnish on the floor.”

In June of 1992, the New York Mills Regional Cultural Center opened to a community parade. Staying true to its mission, the Center’s exhibits were cleverly devised to make art accessible to locals. When Davis brought in an abstract painter, for instance, he paired the work with free hot dogs. Another exhibit showcased art made entirely of agricultural products. Perhaps the most successful event the Center launched is the annual “Great American Think-off” in which everyday folks from around the country respond to a philosophical question (for example, *which is more valuable to society, safety or freedom?*). Community leaders and teachers select the best answers and sponsor a televised debate in the local high school auditorium. This event, along with other exhibits in town, has helped put New York Mills on the map.

The Center, in total, has put on over 80 exhibits and hosted 50 visiting artists since opening. Remarkably, New York Mills has seen tremendous investment in its downtown. From 1992 when the Center opened to 1998, 17 new businesses opened in New York Mills, increasing employment by 40 percent. Many of these businesses are bed and breakfasts and restaurants serving new tourists visiting the Cultural Center. The Center also has attracted media attention from the *Today Show*, *New York Times* and *National Public Radio*, giving it a presence far beyond the state of Minnesota. New York Mills is a national example of how the arts can be embraced in a rural community and reinvigorate a local economy.

What are some lessons from this story?

- *Communities that embrace the ideas and energy that newcomers can bring stand to gain in the long run.* John Davis, a civic entrepreneur, brought new ideas about the importance of arts and culture to community life that were embraced by community leaders. Rather than scoff at his ideas, the community was willing to support and work with him, demonstrating how volunteerism, investment in the arts, and public-private partnerships can all come together to the benefit of the community.
- *Figure out ways to reduce risks on out-of-the-ordinary projects.* Investing a large sum of money in the New York Mills Regional Cultural Center represented a significant risk for the community. By structuring this investment so that the town had ownership of the cultural building and by designing exhibits that were attractive to both residents and tourists, Davis created a situation where the town would gain whether Davis’ project worked or not. New York Mills shows how small towns can create win-win situations by reducing risk on innovative strategies.

Contact Information

John Davis
Executive Director, Cornucopia Art Center
PO Box 14
Lanesboro, MN 55949
507-467-0102
info@philosophyslam.org