

VI. CONCLUSIONS

Based upon this analysis, Hibbing can support between 121,300 and 249,900 square feet of new retail development. This potential assumes that the city, in conjunction with the HEDA-MASH retail development team and existing retailers, will work together in a progressive manner to reinvent the image of Hibbing as a desirable place to live, shop, and dine. One of the primary tasks will be to educate the public as to what Hibbing has to offer and why they should patronize their hometown retail establishments. Some recommendations and guidelines for this revitalization of Hibbing are discussed later in this report.

MapInfo generated several scenarios for Hibbing, depending on the level of additional population and employment growth in the area. These scenarios are listed below:

Category	Status Quo (Sq. Ft.)	Conservative (Sq. Ft.)	Aggressive (Sq. Ft.)
General Merchandise/Junior Dept Store	65,000	68,000	90,000
Women's Apparel	2,200	2,200	3,400
Men's Apparel	1,600	1,600	2,400
Children's Apparel	0	0	1,000
Restaurants	10,800	11,000	14,000
Grocery	0	3,000	3,500
Dollar Store/Variety	24,000	27,500	35,000
Drug Store	6,300	6,300	8,100
Home Furnishings	6,200	6,200	6,300
Pet Supplies	4,000	4,500	6,200
Toy/Hobby Shop	1,200	1,200	1,700
Sporting Goods	0	0	75,000
Total	121,300	131,500	249,900

The status quo scenario assumes that population and housing growth will occur at the current rates and that no additional new developments will occur that will significantly change the

employment or demographic structure of the area. The conservative scenario assumes that there will be the addition of 700 new jobs to the area, resulting in the in-migration of 1,540 people. The aggressive scenario assumes that there are 3,500 new jobs added to the community, resulting in an influx of 7,700 new residents. These figures all assume the Walgreen's currently under construction and the dollar store opening in the Westside Commons in the spring.

MapInfo also prepared a scenario in which the ability of Hibbing to pull from areas as far away as southwestern Ontario, Canada, for its sporting and outdoor recreation opportunities and attractions such as Dylan Days are taken into account. In this scenario, 171,100 square feet of new retail development is supportable — a 41% increase over the status quo scenario and comparable to the aggressive alternative. The supportable square footage by category for this scenario is as follows:

- 95,000 square feet of general merchandise/discount department store
- 2,200 square feet of women's apparel
- 1,600 square feet of men's apparel
- 13,000 square feet of restaurants
- 10,000 square feet of appliances/electronics
- 24,000 square feet of dollar/variety stores
- 6,300 square feet of drug stores
- 8,000 square feet of home furnishings
- 9,500 square feet of pet supplies
- 1,500 square feet of toy/hobby shops

An additional 90,000 square feet of sporting goods (e.g., Gander Mountain) can be added to this scenario, assuming additional housing density is also added in Hibbing.

Listed below are the most optimal matches to the categories found supportable for national and regional retailers. While we understand that Pamida and Maurice's both had units in Hibbing that closed 5-6 years ago, the retail landscape has changed with the addition of Lowe's. With

additional changes, the area may be better equipped to support these types of concepts. The ideal location for each concept is also discussed in the following:

- General Merchandise/Junior Department Store: During the course of the fieldwork, many residents indicated that they would like to see a Kohl's unit in the market. While a smaller Kohl's unit may be feasible, markets this small are not currently at the forefront of their expansion plans. It is more likely that the area could attract operators such as T.J. Maxx, Marshalls, or AJ Wright. This use should ideally be located at Irongate Mall.
- Women's Apparel: Cato, Fashion Bug, and Dress Barn or similar operator would be an ideal fit. It is also feasible to develop a local operator to fill this category. A national retailer would prefer to locate at Irongate Mall, but a local retailer could also fill a void in the downtown and provide synergy for stores such as Leuthold-Jacobson.
- Men's Apparel: This should most likely be a local operator and could be an expansion of Leuthold-Jacobson to carry more casual clothing as opposed to a new retail store. The ideal location for this use is within the downtown.



- Children's Apparel: This should be filled by a local operator. Most national retailers are not currently looking at markets of this size, but a local operator would fill this need and help maintain the integrity of the downtown.
- Restaurants: This should include at least one national operator such as Applebee's in the vicinity of Lowe's and the Irongate Mall. Ground Round or Ruby Tuesday may be other possibilities, but more specialty operators such as Red Lobster will consider this market too small for a niche operator. Restaurants offering a wide variety of food choices will fare better in markets such as Hibbing. An additional restaurant can go either in the downtown or as a compliment to the one along U.S. Highway 169.
- Grocery: This category is only supportable in the more aggressive scenarios and should be the expansion of an existing operator, rather than the addition of a new store to the market.
- Dollar Store/Variety: While dollar stores are generally not a popular choice among residents, they are proving very successful, particularly in a weakened economy. Hibbing should be certain to add at least some tenants in the upper end of this category (Dollar Tree, etc). While Tuesday Morning would also be a preferred fit for the market, it will be difficult to convince them to consider a market this size. This category can be divided between the mall and the downtown. Other space can be filled with more price-conscious variety stores such as Big Lots.
- Drug Store: This category should be an expansion of the existing unit downtown to provide more floor space and a less cluttered atmosphere, as well as better variety. An expanded unit could then also serve to some degree as an anchor for downtown.
- Home Furnishings: In the more aggressive scenarios, this concept could include something similar to a Pier 1 (although Pier 1 is currently having financial difficulties at the corporate level). In the more conservative options, this operator should be filled with local entrepreneurs and be an anchor in the downtown.

- Pet Supplies: This category is best filled by a local operator and can locate either in the downtown or at Irongate Mall.
- Toy/Hobby Shop: This use is best suited for downtown to help add some specialty retailing to the ambience of Howard Street.
- Appliances/Electronics: A national operator such as Rex TV and Appliance would consider a market of this size and would most likely prefer a location near the Lowe's and Wal-Mart units making Irongate Mall an ideal location.

As a comparison, the following table depicts the existing square footage (approximate):

Hibbing, Minnesota
Retail Inventory

<u>Category</u>	<u>Hibbing Square Feet</u>	<u>Downtown Only Square Feet</u>
Appliances/Electronics	17,600	11,900
Arts/Crafts	15,803	13,493
Auto supplies	28,955	9,355
Bar/tavern	54,438	49,038
Books	6,380	2,880
Cards/gifts	12,750	5,250
Computers	6,899	6,899
Department Store	38,500	0
Dollar/variety	32,268	8,268
Drugs	17,800	3,800
Family Apparel	25,750	15,750
Family restaurant	29,368	19,302
Fast Food	23,290	2,500
Financial	27,078	27,078
Florist	15,665	15,665
Furniture	38,495	17,395
Gas/convenience	20,889	10,022
Grocery	103,182	0
Hardware	131,997	0
Home Furnishings	19,926	13,676
Home Improvement	145,000	0
Jewelry	5,151	5,151
Laundry/dry clean	6,100	4,700
Liquor	15,406	4,372
Mailing/packaging	1,500	0
Men's Apparel	1,242	1,242
Music	6,719	6,719
Optical	5,900	4,400
Other	17,448	7,948
Personal Services	16,976	8,480
Pet Supplies	15,937	0
Photography	6,250	6,250
Quality restaurant	15,839	15,839
Recreation	85,158	16,815
Service	41,601	25,532
Shoes/Accessories	6,300	5,300
Specialty Foods	18,464	10,288
Sporting Goods	4,832	4,832
Super Discount Dept Store	200,000	0
Theater	30,000	0
Tobacco	1,000	1,000
Toy/hobby	2,000	2,000
Video	22,600	4,000
Total	1,338,456	367,139

Other Retail Categories

During the course of the evaluation, MapInfo attended a public visioning session organized by Hibbing Community College. Area residents were asked what particular challenges they felt the community faced, what their vision for the future is and, more specifically, what retailers they would like to see come to the area. MapInfo also spoke with several local retailers to get their insights into this same information. There are several retailers or concepts that were mentioned that bear discussing. These include some concepts which this study has found to be supportable just by the numbers and some that the mere numbers show as marginal or non-supportable.

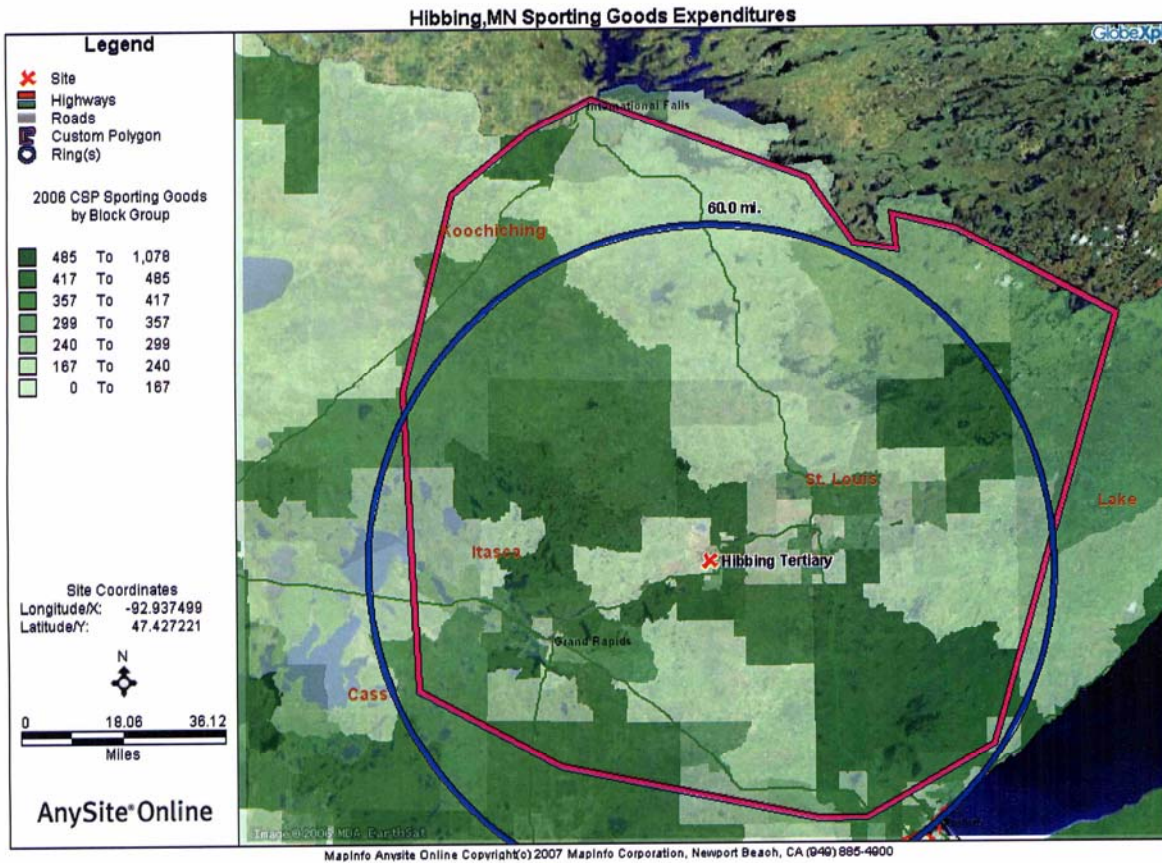
For example, Kohl's was mentioned many times and while there appears to be room for this type of operator, markets this size are not currently on Kohl's radar. Other operators such as T.J. Maxx, Marshalls, or AJ Wright are more likely to consider this community in the near term. Once population growth has increased such as in the aggressive scenario or there is a larger mass of retail development — Kohl's may be a more likely candidate.

Another category that warrants closer examination (as it was mentioned several times, but did not appear feasible based on the analysis) is a sporting goods store focusing on outdoor sports such as Cabela's, Gander Mountain, or a similar unit. The following table compares the demographic characteristics for the existing Gander Mountain stores in Minnesota to those for the Hibbing area:

Demographic Characteristics – 30-Minute Drive
Existing Minnesota Gander Mountain Locations

Community	2006 Population	2011 Population	Median Household Income
Hibbing	43,719	42,986	\$38,011
Baxter	58,351	62,879	\$39,257
Blaine	1,926,968	1,963,633	\$56,552
Duluth	167,209	168,081	\$41,157
Bemidji	36,386	39,197	\$39,095
Lakeville	1,037,222	1,091,869	\$61,543
Mankato	109,133	114,367	\$45,795
Maple Grove	1,920,602	1,952,500	\$59,241
Maplewood	2,011,375	2,044,933	\$57,508
Minnnetonka	1,945,758	1,998,831	\$59,051
Rochester	164,103	172,964	\$57,169
St. Cloud	173,652	189,057	\$50,250
Woodbury	1,845,736	1,879,000	\$57,177
Forest Lake	725,532	758,520	\$59,370
Average (Weighted)	932,178	936,359	\$57,699
Hibbing TTA	150,225	153,010	\$40,430

As the above table indicates, Hibbing generally falls in line with the existing Gander Mountain markets of Baxter, Bemidji and, to a lesser degree, Mankato. Of the 13 Minnesota Gander Mountain stores, seven are located within the Minneapolis-St. Paul market, which will skew the averages due to the higher population densities. However, if the tertiary trade area is considered the true trade area for a larger-format concept for Hibbing, its potential suddenly is more comparable to Duluth and St. Cloud. The income levels of the geographic areas are on par with the smaller Gander Mountain markets. The main challenge facing Hibbing in this scenario is the fact that it is the only area where population is declining within a 30-minute drive.



The above map depicts the consumer expenditures for sporting goods in and around the TTA.

While this analysis is only a cursory look at the existing stores in Minnesota and not a bona fide sales forecast, what these figures tell us is that a potential Gander Mountain store could be successful, assuming the units in the smaller markets are also proving to be good locations for this concept. While this is not based upon actual sales data for Gander Mountain, it is evidence that the regional drawing power of the market can place it on par with other markets that already have such an operator and it should not be overlooked.

Goals, Initiatives, and Guidelines

The overall success of the additional retail supportable in Hibbing will be dependent upon a number of factors. Achieving the desired goals will require a combined effort between HEDA, business owners, Irongate Mall management, city officials, and area residents. This section will address the key issues, provide guidelines and indicate who should spearhead the effort. It must be noted that while one person or entity must take charge of the effort, that does not absolve other people/entities of responsibility for assisting and/or taking a leadership role.

Hibbing used to be the dominant retail node for the range communities, and trips to Duluth to shop were a special treat. Currently, trips to Duluth are perceived as necessary as it is viewed as the “only place to shop.” While it may not be possible to completely restore Hibbing to its prior dominance, it is possible to recapture a significant proportion of the retail dollars leaving the market and increase the number of visitors to the market.

A key priority must be to make efforts to increase the population of the area and reverse the trend of decline. Retailers will want to see a positive future for the community. The area and its residents have an incredibly strong work ethic and this can be a definite asset that will bring new industry and new jobs to the market. Further, approximately 30% of the current mine employees are expected to retire in the next 2-3 years, creating a need for new employees, with many jobs currently in the \$40,000 – \$50,000 annual salary range. This creates tremendous opportunity for Hibbing and the surrounding communities to achieve new growth and add refreshing new generations and ideas to the market, while maintaining the integrity of a closely knit community.

The development of new industry and the revamping of the workforce will go hand-in-hand with the efforts to recruit and retain retail. Retail requires people to thrive and retail can be an amenity to attracting new businesses and employees. While developing each, they must be made to understand that there is a plan in place to develop the other element. For example, if Hibbing decides to pursue Gander Mountain, their real estate management team must be aware of the efforts to recruit new businesses and replace the soon-to-retire work force.

However, merely bringing in more people to the market will not be a “silver bullet” answer for the community. There are a number of other challenges that will need to be met and opportunities to be capitalized upon. During the course of the fieldwork, there were a number of issues that were presented, either through field observations, conversations with area business owners, or the public visioning sessions. These issues are discussed below.

Attitude – NIMBYism

The perception of Hibbing as having a “Not In My Back Yard” attitude was a repeated theme in responses to questions of why retail is leaving and new retail is difficult to attract. This attitude is pervasive among residents, more so than local government entities, but is crucial in any effort to attract new retail. In many cases it is the same people resisting new development who are also complaining about the lack of shopping opportunities in Hibbing and the subsequent lack of employment opportunities for teenagers and retirees who would be ideal workers for these establishments. Overcoming this attitude, particularly for retailers who may not view Hibbing as a “home-run” location will be essential as it may convince retailers to locate elsewhere to avoid a public battle to locate in Hibbing. This could drive retailers to Virginia, Grand Rapids, and Duluth.

There are a number of ways to combat this potentially detrimental attitude. While it is important that Hibbing attract the right retail, it cannot be afraid of any new retail. One of the biggest opponents to change is typically existing retailers who are concerned with the impact on their sales potential. Their concerns are very understandable and cannot be overlooked or diminished. The retailers need to understand that Hibbing will be following a plan that takes into account the existing retail when the supply versus demand model was generated. While there is always the potential for some sales to be lost to new retail development, the underlying idea behind attracting new retail through a market analysis is to bring in retail that will compliment the existing retail mix and not put local shop owners out of business.

Some of the retailers already understand the concept that additional complimenting stores can add foot traffic and if there is room in the marketplace, stores selling the same or similar merchandise can create a healthy competitive environment by giving customers the capacity to

cross shop and have choices. One reason people travel to Duluth to shop is that they feel there are more choices. They may be looking for something as simple as athletic shoes, but will be more satisfied with their purchase if they feel they got what they wanted for a good price rather than being forced to buy whatever was available. New retail will be ideally located where people can easily cross shop and compare selection and price. Further, there are a number of things that retailers can do to help themselves remain competitive in the face of new competition including:

- Have operating hours that are convenient for the customer.
- Work with other retailers to promote their businesses.
- Maintain their property adequately, including rotating window merchandise regularly, keeping the sidewalks clean and maintaining fixtures.
- Being friendly to their customers and teaching their employees good customer service.

These steps will be covered in more detail later in this report.

However, retailers are not the only people to suffer from NIMBYism. Long time local residents can often be resistant to change, even if it means watching their downtown and mall become increasingly vacant. These people can often be more difficult to convince of the need for new retail than the business owners as they do not have a vested interest in increasing the retail potential and stemming retail leakage other than the fact that they will then have to drive farther to get what they want/need. However, residents' attitudes shape a town and are an important influence. There will need to be an education in why the community needs more retail to remain viable and that this will present positive changes in the community by giving them more shopping choices, more tax dollars for things such as emergency services, and jobs for local residents.

This education of both residents and retailers can be conducted through several means such as articles in the newspaper, workshops, presentations by industry experts (which can be through Hibbing Community College) or other means to get the ideas across. This initiative should begin immediately and continue indefinitely until the perception of Hibbing as a NIMBY (and even snobbish) community has been reversed. The HEDA committee should take the initiative to organize this endeavor.

Small Business Development

Hibbing has an active Small Business Development Center, but there may be room for improvement as to the community's awareness of how it functions and what it does. There may also be opportunity for the SBDC to broaden the scope of its services to the area businesses. There is a concern that a number of businesses will not be able to make it over the next 10 years and new businesses will have difficulty getting started. Several businesses expressed a concern that there is no place to get start up money for someone who would like to open a business. The SBDC has resources available to area businesses including ways to obtain financing. HEDA also offers programs to expansion-minded businesses in the area. Both entities should investigate this issue further to determine if the businesses are merely not aware of the resources and programs available or whether there are additional needs that are not being met by the current initiatives.

As part of the development of new businesses, particularly in the downtown, other challenges also arise such as the instances where the business owner also owns the building their store is in. If they sell or close the store, they also need to sell the building. Coupled with the fact that some business owners are reaching retirement age, there needs to be a plan in place so that when these businesses leave, new people can step in and take over the business and/or the building. Whether these issues are dealt with through small business loans or other programs will depend on the state laws governing the use of funds and the efforts of the SBDC and HEDA to provide the resources such as market feasibility studies, etc., to help potential business owners secure funding from entities such as local banks.

Parking

As is the case with many downtowns, parking is perceived as an issue. Both business owners and residents have expressed the feeling that there is not enough parking within the downtown. While MapInfo did not conduct an actual parking analysis, we observed that in the morning (before 10 a.m.) there was ample parking, but later in the day, it was more difficult to find places to park especially after 5 p.m. Customers want to be able to park close to where they are shopping or dining, particularly after dark, when they will feel less safe walking longer distances. Even if there are technically enough parking spots throughout the downtown as a whole, if the placement is not conducive to the patterns of where people want to be at different points during the day, it will not matter. Further, if they are just not convenient at all, there will be a perceived parking problem. This parking issue, whether perceived or actual, is of concern. If people believe they will have trouble finding a parking spot, they will go elsewhere to shop or dine, sometimes even to the point of driving farther away to a place they feel will be more convenient to park.

MapInfo recommends that Hibbing assess some areas of the downtown to determine if there are unused or under-utilized areas that can be converted to surface lots. This addition of parking spots should not be haphazard, but should work with the flow of downtown. It may be necessary to hire a consultant or other professional to determine the most appropriate placement and parking ratios for the downtown.

Capitalize on Hibbing's Strengths

Hibbing has a variety of extremely strong characteristics and amenities that are not necessarily being used to the best benefit of Hibbing. The first example is that the community is in an area popular for outdoor recreation, being located within a 20-40 minute drive from over a dozen lake areas, yet there are no resorts in the Hibbing area to provide these outdoor enthusiasts with accommodations. There is a lack of even basic hotel rooms in the area, much less higher quality resorts. Visitors coming to the Iron Range area may visit Hibbing, but not to stay there (and, therefore, not spend extra money in Hibbing) due to lack of opportunity. Whether they are taking advantage of the fishing, snowmobiling, hunting or hiking opportunities, Hibbing has the capacity to attract more tourist dollars than they are currently getting.

Second, Hibbing has a historic, attractive downtown with a solid infrastructure in place that does not get marketed enough to Hibbing residents, people in surrounding communities and visitors coming to northern Minnesota. While there is some clean up and repair needed within the downtown, overall it is walkable with many aesthetically pleasing features such as historic buildings and clean, attractive sidewalks and landscaping. While these factors alone will not bring people into a downtown, they contribute significantly to people's impressions, determining how much time they will spend there and whether or not they will return. Hibbing should promote its downtown and all it has to offer both within the community and beyond.



Hibbing High School

Hibbing residents have voiced pride in their community, as well as their governing entities such as the Chamber of Commerce, City Council, HEDA, etc. This civic pride and positive attitude can translate into the ability to get volunteers and grass root efforts to make things happen in

Hibbing. Community involvement in current festivals and events, as well as the introduction of new initiatives, can achieve greater results through combined efforts of community residents and entities such as the Chamber of Commerce. People can be asked to volunteer for such events as sprucing up downtown, holding promotional events, working to make events such as Dylan Days larger, etc. Hibbing's people, their love of their community, and their strong work ethic are one of the city's greatest assets. Their power to help the city achieve its goals should not be underestimated. The Chamber of Commerce and HEDA can best decide how these resources can be used and where they will be the most effective.

Retailers Need to be More Involved/Proactive

Quite often local business owners place an overabundance of reliance on the city and its entities to solve all of their problems and concerns, and do not realize that they have the power to determine how successful they can be. Many times it is fairly simple things they can do, while other elements may take more money or time. There were a number of comments made during the course of the field evaluation, both in the one-on-one interviews with retailers and during the public session, that retailers do not want to make the effort to improve downtown. Many people expressed the opinion that retailers have had the opportunity to do things to improve the community and have chosen not to.

The image retailers project to the community is vital to the overall health of the retail area. If there is a perception by customers that the retailers don't care or don't welcome them they will not frequent these establishments and will take their business elsewhere, often also impacting other retailers in the area. There is a feeling that this attitude is pervasive within the older businesses in the community who tend to project an image of not caring about their customers and being the most resistant to new businesses. Without customers and new businesses coming into a retail area, it will have no direction to go but down. These attitudes may be particularly difficult to combat, but must be tackled. Chamber and HEDA members can work directly with problematic operators, working with them to help them understand the importance of new retail and good customer service to the health of the downtown and their establishment. There can also be workshops covering such topics, although the risk is there that the individuals who most need to attend will not participate.

This attitude challenge can also be combated through the Merchant's Association. There were concerns expressed that the association is somewhat of a "good old boys" network and that there is not a widespread level of participation. Businesses who currently do not participate must be encouraged to do so and be active participants, not quiet bystanders. A strong merchant's association can affect a great number of positive changes in the community, but it needs to be open to new ideas and embrace change. The strengthening of the merchant's association would benefit from the power behind a group of people working together, rather than the smaller achievements of individuals trying to accomplish things on their own. Currently, the feeling is that the businesses do not work together to help each other out. The pooling of resources, sharing of ideas, and concentration of efforts will allow the merchants to achieve more and reach their goals sooner with less burden on individuals.

One issue that needs to be addressed quickly is the fact that the business hours, especially in the downtown, are inconsistent and confusing to customers. Only a handful of stores are open on Saturdays — a prime shopping day for any retailer. Further, many are not open in the evening. If there are only a few stores open it will be difficult to attract shoppers to the downtown.

It is understandable that some retailers may not want to have to add staff to handle the extra hours, but they can certainly adjust their business hours to open a little later and stay open later, so that the stores are open when the customers can be there. If a customer cannot get to stores to shop when it is convenient for them, they will simply go where the stores are open when they need them to be. Often this means Duluth, Virginia or, to a lesser degree, Grand Rapids. Shop owners do not need to stay open until 10 p.m. each night as larger national chains are able to do, but they should choose one to two nights a week when the majority, if not all stores stay open later (at least until 7 p.m.) and promote the idea. It may take the change some time to catch on with the customers, so it should be heavily promoted and remain in place until residents become familiar with the hours. Merely doing this for a month or so and then reverting to old hours will only confuse customers and make the situation worse.

In any downtown there are a number of local shop owners who run the store more as a hobby than for a living, and so they do not care if their sales increase. They simply will not want to

work more hours than they already do. In these cases, a request to at least alter their hours to be open an evening or two or Saturdays and an appeal to their pride in the city and desire to help their neighbors succeed may work. There will, however, be some cases where they simply will not comply and efforts are best spent on other initiatives.

Business owners must also take pride in the appearance of their establishment, both inside and out. While there are a number of excellent examples of building maintenance, there are also a number of instances where storefronts are cluttered or unclean, fixtures are broken, paint is peeling, and windows are dirty. The city cannot be expected to maintain the individual buildings — this is the responsibility of the business owner. Where the owner has limited funds for façade or other improvements, there are grant funds and/or loans available for these uses. People are unlikely to want to shop in a store that looks unclean and uninviting. Windows need to be washed daily, paint should be refreshed 1-2 times a year, and sidewalks kept swept and clean.

Window displays should change regularly and be attractive and uncluttered. A retailer has 8 seconds to capture the attention of a passing pedestrian and in that timeframe needs to convey to the potential customer what they sell, the image they project, and that they have merchandise inside the customer may be interested in. A display that is too busy will lose the customer's interest as there is too much to look at in a small period of time. A display that is either irrelevant to the store's merchandise mix or too plain will not entice the customer inside. Further, rotating the display regularly will let customers know there is new merchandise inside for them to browse through. If they continually see the same window display, they will assume the business only has the same merchandise they have seen before and they will eventually lose interest and shop elsewhere where they can see fresh merchandise.

While these measures are the retailer's responsibility, the merchant's association, Chamber of Commerce and HEDA can hold workshops and networking meetings to promote cooperation on this effort throughout the downtown. For example, there may be times where all the merchants could have their window displays revolve around themes (to some degree this automatically happens during Christmas, Easter, Halloween, and other holidays) to promote unity in the downtown.

There should also be an effort to refurbish buildings that are currently vacant. While some of these may have absentee landlords, there are things that can be done to help improve their appearance. Covering up the windows with more attractive things than boards or newspaper can be beneficial. One option is to have local children participate in drawing/coloring contests and place the entries in the windows. These colorful works of art will deflect people's attention away from the empty storefront and on to the children's efforts, reducing the impact of the vacancy. Local artists can paint murals on the windows or boards to help beautify the area rather than detract from it. Existing retailers can create window displays to promote more of their merchandise (preferably this would be retailers that are close to the vacant location as customers will not want to have to go to the other end of town to buy the merchandise they see in the window). Space can also be used to promote Hibbing with posters and other information on area attractions. In these ways, even while the city is working on filling the vacant space, the empty space is working to benefit the area.

Irongate Mall

Irongate Mall presents different challenges than the downtown area. The mall merchants typically have consistent hours including evenings and weekends. However, the mall has even more significant issues with vacancy than the downtown. The echo of the empty space as one enters the mall creates a depressing atmosphere that is palpable immediately. While the mall owners have made improvements to the parking lots and roof, they have ignored some other important elements such as the hollow space inside the center. The existing operators are all located at one end of the mall and the other end is glaringly empty.

While it is our understanding that the east end of the mall has been kept vacant with the plans being to attract larger-format uses, the mall owners should take measures to make the portion of the mall that is empty more inviting to customers. While the appropriate retail uses are being attracted, the unused portion of the mall should ideally be either blocked off with a wall (which should in turn be decorative not a sheer white wall so that the focus is on the aesthetic value, not the barrier to the empty half of the mall) or at the very least the empty storefronts should be made more attractive, much as the downtown vacancies should be.

Further, HEDA and the MASH retail team must work closely with the mall owners to get the space filled. There have been conflicting opinions as to how much effort has been put into recruiting new retailers, but it is clear that the current strategy is not achieving the desired results. The marketing packet that will be produced as part of this analysis can be used to open doors to discussions with retailers. HEDA and the mall owners should consider joint attendance at such events as the International Council of Shopping Centers (ICSC) annual convention in Las Vegas in May, as well as their local events. These are excellent opportunities to get in front of retailers who are seeking expansion locations in Minnesota.

Concluding Comments

There are a number of positive advantages in Hibbing that will contribute immensely to its future retail potential including a highway location, growing retail environment, strong sense of community pride, excellent local work ethic, and numerous attractions that bring in visitors from all over. The community needs to build upon these strengths, while improving on the challenges it faces. It will be crucial to remember that this will not happen overnight. In most cases, from the time a retailer is contacted and becomes interested in the community as a location, it can take several years to actually get a store open.

Further, change will require a focused group effort, which is another strength for the community to draw upon. This has already been established and will continue to get stronger. Changing residents shopping habits from Duluth back to Hibbing will also take time and effort, but is achievable. As Hibbing achieves its successes, it needs to promote each milestone, not only in Hibbing, but in surrounding communities including Duluth. However, Hibbing must also be true to itself and maintain its integrity. It cannot try to become something it is not, but rather draw its strength from what it is. It may never get retailers such as a Dave & Buster's or a long-term opportunity for a retailer such as Kohl's, yet it has advantages that can be attractive to a variety of retailers that will enhance the community.