THE FUTURE OF RURAL DOWNTOWNS

Lindsey Wallace, Director of Strategic Projects and Design Services
National Main Street Center

Thursday, February 27
8:30am-10:00am
10:30am-12 noon
Agenda

+ Main Street Approach™
+ Place Factors and Economic Development
  – The State of Small Business and Entrepreneurship
  – The Value of Place
  – The Role of Downtown Leaders
+ People-First Design
+ Placemaking and Commercial Districts
+ Trail-Oriented Development
+ Q&A
Main Street America is a program of the National Main Street Center. It is a national network of 1,000+ local affiliate organizations and 45 State, City, County-level Main Street Coordinating Programs.

Main Street programs support revitalization of small towns, mid-sized communities, and urban commercial districts.

The Main Street Approach equips local leaders and residents with a practical framework for improving the quality of life in their own communities.

Main Street America is united by a commitment to revitalizing older and historic commercial districts, supporting strong local economies, and enhancing the distinctive character that makes communities attractive to residents, visitors and businesses.
The Main Street Approach™

**Economic Vitality**
- Build a diverse economic base
- Catalyze smart new investment
- Cultivate a strong entrepreneurship ecosystem

**Design**
- Create an inviting, inclusive atmosphere
- Celebrate historic character
- Foster accessible, people-centered public spaces

**Community Transformation**
- Build leadership and strong organizational capacity
- Ensure broad community engagement
- Forge partnerships across sectors

**Organization**
- Market district’s defining assets
- Communicate unique features through storytelling
- Support buy-local experience

**Promotion**
Main Street’s Impact

Since 1980, over 2,000 programs have used the Main Street Approach, resulting in:

- **$79.12 Billion** Reinvested in Communities
  - $4.39 Billion increase in 2018

- **640,017** Net New Jobs
  - 25,301 increase in 2018

- **143,613** Net Gain in Businesses
  - 5,310 increase in 2018

- **284,936** Buildings Rehabilitated
  - 8,146 increase in 2018

*For every $1 of public money, it leveraged $26.49 of private money on Main Street*
Main Street Assets

+ Unique character and personal service.

+ Substantial contribution to the local economy.

+ Wider market share than previously possible.

+ “Experience” shopping capitalizes on consumer preferences and heritage tourism.
Important Factors

We cannot recreate the past.

We cannot rely solely on government or downtown business owners.

We cannot expect revitalization to happen overnight.

We can use market data and strategies to create a niche.

We can create broad-based, collaborative community efforts via public-private partnership.

We can make incremental progress on complex issues.
Illinois Main Street Program


+ Despite funding lapse, program re-established in 2019 by the National Main Street Center.

+ Currently serves 19 commercial corridors programs across the state.

+ Membership package includes:
  - Two on-site annual visits for technical assistance and program assessment
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Join us for the Illinois Main Street Conference
March 18-20, 2020 in Springfield!

Highlights include:
• Welcome reception featuring Illinois Lt. Governor Juliana Stratton.
• Panel discussion on the future of Main Street revitalization in Illinois.
• Main Street 101
• IMS Application Workshop
• 15 unique educational sessions for communities interested in downtown vitality!

Generously supported by the Office of Lt. Governor Juliana Stratton and the Department of Commerce and Economic Opportunity
More information at ilmainstreet.org
Place Factors and Economic Development
Importance of Small Businesses

- 25 and 27 million small businesses in the U.S. = 60 to 80% of all U.S. jobs (Entrepreneurship Magazine)

- 26 million small businesses = > 200 million jobs within the U.S. alone.
Importance of Small Businesses

+ Study in Salt Lake City, UT:
  Shopping at locally-owned stores generates almost four times as much economic benefit for the surrounding region as shopping at a chain.
  Eating at a local restaurant produces more than twice the local economic impact of dining at a chain restaurant.

+ The 3/50 Project, a Minneapolis-based small business advocacy organization:
  every $100 spent at local, independent stores=$68 returning to the community.
  The same amount spent at national chains results in $43 staying within community borders.
Importance of Small Businesses

- One-of-a-kind products (uniqueness)
- Helps to define community identity
- Make up the leadership fabric of a community
- Provide local jobs
- Experiential shopping – relationship building with the owner
- Cross retail promoting
- Ombudsman for the community
The Coming Crisis in Small Business

+ Nearly 10,000 baby boomers retire each day (Pew Foundation)

+ 78% of small business owners have told their advisers they plan to sell their businesses to fund their retirement, but only 30 percent have written a specific plan. (National Federation of Independent Businesses (NFIB))

+ 11% of those that have a plan indicate they will simply dissolve the business (BoA)
Gallup study--52% of existing business owners surveyed plan to transition out of their businesses in the next 10 years:

- 30% plan to leave in five years or less
- 1/3 plan to transfer their business to the next generation
- 1/3 believe (hope) they will sell the business to a third party
- 1/3 plan to simply close their doors
Reasons Why Businesses Close

Business or professional reasons
- Job offer from another company
- Purchase offer for your business or your business assets
- Dissatisfaction with sales and profits
- Changes in the market or industry

Personal reasons
- Retirement
- Burnout with self-employment
- Health concerns or family needs
- Desire to go in a new direction
Entrepreneurship in the U.S.

Kauffman Foundation:

+ One in 10 American adults is actively engaged in entrepreneurship.
+ We do not know how many among us have the entrepreneurial urge.
  - Estimated 30% to 50% of adults, even higher among young people and “second-stage” adults 55-64.
  - Our experience in the field suggests that in places with supportive environments, these numbers rise. (Kauffman Foundation)
Place matters more for entrepreneurs in economic development than traditional factors for nearly every industrial sector.
Live, Work, Play Neighborhoods

Cushman & Wakefield Study:

• Many respondents mention their hunt for an open-office feel
  o Talent attraction and retention is the most common reason why businesses ultimately made the decision to move to a downtown.
  o Converted warehouses and lofts impress potential workers.
  o In addition, they take advantage of a surplus of underutilized buildings that convey local heritage.

• They looked for locations that were “live/work/play” neighborhoods, located near bars, restaurants, and cafes.
Corporate Sector

**Punch Bowl Social**
- Headquarters in c. 1929 airport in Denver
- Adaptive use as central tenet

**Courtyard Marriott**
- 20% of next generation will be adaptive reuse projects.
**Place Value**

**Study Findings**

1. **JOBS FOLLOW PEOPLE.** The majority of business owners (70 percent) established their residence in a community first, and then decided to start a business at a later date. Less than one-third of business owners moved to a community with the purpose of opening a business.

2. **COMMUNITY QUALITY IS A TOP PRIORITY FOR BUSINESSES AND RESIDENTS.** In selecting a location to live, the most highly considered factor for business owners and community members was the overall quality of the community, with a score of 4.5 out of 5. Seventy percent of business owners responding to our survey indicated community character was “extremely important.”

3. **BEING IN A PLACE THAT CAN ATTRACT TALENTED EMPLOYEES IS IMPORTANT TO GROWING BUSINESSES.** Sixty-eight percent of business owners with unfilled positions said that the ability to attract or retain talented employees was an important factor in choosing their business location.

4. **PEOPLE ON THE MOVE ARE LOOKING FOR GREAT PLACES.** When making relocation decisions, people consider both the quality of the community and job opportunities. Most respondents (44 percent) felt that a job and the community are equally important factors in relocation decisions. Only 17 percent of respondents indicated job opportunities as the most important consideration.

5. **PEOPLE ARE WILLING TO SACRIFICE SALARY FOR THE IDEAL COMMUNITY.** Eighty-three percent of respondents favored “living in an ideal community with a lesser salary” over “living in a community that’s less than ideal with a high salary.” Safety, open space and trails, access to recreation, neighborhood character, and short commute times are all highly rated factors for people deciding where to live.

6. **HOUSING COSTS ARE A CONCERN FOR BUSINESSES AND EMPLOYEES.** Sixty-eight percent of community respondents felt there are not enough housing options for a range of incomes in their community. This issue matters to businesses too: 60 percent of business owners felt that housing costs had some impact on the ability to attract employees; the number jumps to 76 percent for those that are hiring.
The Difference Place Makes

• A distinct sense of place is the glue that holds any commercial district together.

• Quality of place is a critical factor in attracting and retaining great entrepreneurial talent.

• New forms of business, generational trends, and shopping preferences all point to the central role of place in entrepreneurs’ location decisions.
The Role of Downtown Leaders

1. Evaluate and develop the entrepreneurial ecosystem.
2. Develop quality infrastructure downtown that supports entrepreneurship.
3. Cultivate community support.
4. Assist with prospective buyers/successors.
5. Provide or connect to technical assistance.
Place and Entrepreneurial Ecosystems

Diagram showing components of entrepreneurial ecosystems:
- Physical Environment/Place
- Government Policy
- Local & Global Markets
- Regulatory Framework & Infrastructure
- Human Capital & Workforce
- Entrepreneurial Ecosystems
- Funding & Finance
- Education & Training
- Culture
- Universities as Catalyst
- Mentors, Advisors & Support Systems
- Mainstreet.org
Develop Quality Infrastructure

**Indirect**
- Public amenities
- Diversity of housing
- Murals and art work
- Support retail
- College/university presence

**Direct**
- Maker spaces
- Food and mobile truck spaces
- Farmer’s market venues
- Drop-in spaces
- Library
- Pop-up venues
- Incubator/accelerator
- Housing
Develop Quality Infrastructure

- Shared Spaces
- Industry-specific spaces
- Live/work

- Business Plan Contests
- Rental Subsidies
- Developer Guidelines

- Fiber
- Cell
- Wireless

- Permit Process
- Codes and Enforcement
### Small-Scale Manufacturing in Main Street Districts, 2015-2016

NMSC and Jon Stover and Associates

<table>
<thead>
<tr>
<th></th>
<th>Within Main Street</th>
<th>City-Wide</th>
<th>Difference</th>
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<tbody>
<tr>
<td>Manufacturing Business Growth Rate</td>
<td>5.1%</td>
<td>0.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Manufacturing Sales Growth Rate</td>
<td>31.7%</td>
<td>27.7%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Manufacturing Job Growth Rate</td>
<td>15.9%</td>
<td>9.0%</td>
<td>6.9%</td>
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</table>

Manufacturing:
- 2.4% of all businesses
- In cities with Main Streets, 20% of manufacturing located within Main Street district
- Main Streets experiencing greater manufacturing growth than other locations within cities
Hasting, NE

- Pacha Soap Company – a for-profit social enterprise selling into places like Whole Foods and Bed Bath and Beyond.
- 46 employees

Leadville, CO

- Melanzana – retail and manufacturer of outdoor recreation apparel.
- 20 employees
Cultivate Community Support

**Basic Support**
Access to basic business services: legal, marketing, production, financial, accounting
Raising awareness of role of entrepreneurs in the community
Networking and mentors

**Advanced Support**
- Entrepreneurship classes for adults
- Financial access beyond self financing
- Promoting the community – entrepreneur attraction
- Early entrepreneurial education

**High Performance Support**
- Comprehensive services offering 1:1 support for entrepreneurs
- Equity capital resources
- Organization developed to exclusively work with entrepreneurs
- Physical spaces for entrepreneurs
- Competitions, e.g. “Shark Tank”
Wyoming: Leveraging Place for Local Economies

**Issue:**
Shopko closes Hometown stores across Wyoming.
Multiple communities lose in town access to necessities, significant employer, and city income generated from sales taxes and utility payments.

**Solution:**
Grow local economies from within.
Communities identify immediate gaps, needs, and resources
Then, they develop priorities and strategies to build place-based, market-driven entrepreneurial ecosystems in support of local, sustainable small business development.
Succession planning takes time.

Understand potential stakeholder barriers to the succession planning process.

Succession planning occurs in stages.

- **Initial**: anticipation and preparation.
- **Second**: actual handing over control and leadership.
- **Final**: after the transition has occurred, period of adjustment and reflection by the small business owner.
Why do some businesses close instead of selling?

- The businesses might be too small, with insufficient assets and profitability, to interest a buyer.
- Businesses in decline are not promising investments.
- Businesses that are specialized, located in remote areas, or have other unique characteristics may be difficult to sell.
- Businesses with significant assets, but not sales, might be better off selling the assets and closing.
Assist with Prospective Buyers/Successors

Prospective buyers may include:

- Employees with enough management experience and skill to take over the business
- Long-standing customers who might have a passion for that business’ product or service
- Business owners whose businesses would be enhanced by expansion into that business’ product or service
- Competitors who might see a benefit in absorbing the business and easing into the market
Provide or Connect to Technical Assistance

- Direct coaching – be aware of highly specialized skills required
- Connect to resource providers
- Host an introductory program on succession planning
- Create new partnerships
  - SBDCs
  - Local Universities and Community Colleges
  - Tech Groups
  - Young Professional Groups
  - Media to Market New Ventures
  - Developers
Getting Started

Three Components

Assessment
Understand your entrepreneurial assets and best transformation strategy targets

Convening
Get to know the players/partners and building connections

Implementation
Create targeted activities based on filling the gaps and leveraging unique market opportunities within your district
Entrepreneurial Ecosystems and the Role of Commercial Districts

Entrepreneurial Ecosystems and the Role of Commercial Districts is made possible through funding provided by U.S. Bank. U.S. Bank is headquartered in Minneapolis, Minnesota, and is the 5th largest commercial bank in the United States. The company, founded in 1923, has $428 billion in assets and operates 3,122 banking offices in 25 states and 4,923 ATMs, and provides banking, investment, mortgage, trust, and payment services products to individuals, businesses, governmental entities, and other financial institutions.
Entrepreneurship Ecosystem Audit

- Uses seven key factors:
  - Place
  - Government policy and regulations
  - Financial capital
  - Social capital
  - Education and training
  - Culture
  - Human capital/workforce

- Centers the importance of place-based factors, including:
  - Existence of incubator or accelerator spaces
  - Local digital infrastructure
  - Diversity of housing
  - Transportation options
  - Simplified permitting processes

- Michigan, Wyoming, Maine, City of Chicago
People-First Design
Design + the Main Street Approach™

- **ORGANIZATION** involves creating a strong foundation for a sustainable revitalization effort, including cultivating partnerships, community involvement, and resources for the district.

- **DESIGN** supports a community’s transformation by enhancing the physical and visual elements of downtown while capitalizing on the unique assets that set the commercial district apart.

- **ECONOMIC VITALITY** focuses on capital, incentives, and other economic and financial tools to assist new and existing businesses, catalyze property development, and create a supportive environment for the scores of entrepreneurs and innovators that drive local economies.

- **PROMOTION** positions the downtown or commercial district as the center of the community and hub of economic activity, while creating a positive image that showcases a community’s unique characteristics.
Design

+ Historic Preservation (and education)
+ Architectural assistance and building improvements
+ Public spaces accessible to and designed for everyone
+ Promote economic, social and environmental sustainability
+ Design regulation and review
Cycle of Investment

Improved Image → More Customers

More Customers → Higher Profits

Higher Profits → More Reinvestment in Business & Property

More Reinvestment in Business & Property → Improved Image
Design-Centered vs. Place-Centered

- Driven by specific projects
- Discipline-based
- Architect vision over community vision
- “Lone genius”
- All-or-nothing
- Look but don’t touch

- Place-driven
- Community-based
- Community vision over architect vision
- Prioritizes partnerships
- Iterative
- Accessible and inclusive
Role of Architecture in Place

Natchitoches, LA

Dixon, IL

Green River, WY
Streets as Places

We have been Building Transportation Through Communities, not communities through transportation.

Who Pays For Parking?
New Federal Tax Subsidies Are More Cuts into Compressed Cities and How Cities Can Adapt Their Streets.

TransitCenter
FRONTLINE GROUP

INFOGRAPHICS

The Changing Landscape
Benefit of Great Streets

Key Considerations for Successful Street Design
Streetscape Components

“MINUTE ON MAIN STREET” VIDEOS

Design for the Speed You Want
How Wide Should Our Lanes Be?
Design in Context
Designing for Pedestrians
Complete Streets

Created using StreetMix
NAVIGATING MAIN STREETS AS PLACES
A PEOPLE-FIRST TRANSPORTATION TOOLKIT

Prioritizing People

Practicing Main Streets as Places: A People-First Transportation Toolkit

This publication was made possible through the generous support of the Alice & Robert M. Zale Foundation.

www.mainstreet.org/navigatingmainstreets
Potential Benefits of Great Streets
Case Studies

- **Kalispell, MT**
  Core and Rail Redevelopment

- **Hendersonville, NC**
  Traffic calming on state highway

- **San Diego, CA**
  Parking Benefit Districts

- **New York, NY**
  Park Smart
Placemaking and Commercial Districts
What is Placemaking?

• It is both a philosophy and a process.

• It is community-led and collaborative, aimed at maximizing and celebrating the shared value of a place.

• Holistic approach to the planning, design, and management of public spaces.
## Comparison of Four Types of Placemaking

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<tr>
<th>The Problem</th>
<th>The Solution</th>
<th>The Payoffs</th>
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<tbody>
<tr>
<td><strong>Standard Placemaking</strong></td>
<td>Broad public and stakeholder engagement in revitalizing, reusing, and creating public spaces using short and long term techniques rooted in social engagement and new urbanist design principles.</td>
<td>More quality places with quality activities and a strong sense of place. More vital, vibrant and livable public spaces, communities and regions that residents, businesses and visitors care deeply about.</td>
</tr>
<tr>
<td>Communities are not effectively using public spaces to create vital, vibrant and livable communities that people want to live, work, play, and learn in.</td>
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<tr>
<td><strong>Strategic Placemaking</strong></td>
<td>Revitalization that increases housing and transportation choices, and urban amenities to attract talented workers.</td>
<td>Faster gains in livability, population, diversity, jobs, income and educational attainment, than by standard placemaking.</td>
</tr>
<tr>
<td>Communities are not competitive in attracting and retaining talented workers.</td>
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<tr>
<td><strong>Creative Placemaking</strong></td>
<td>Revitalization by creative initiatives that animate places and spark economic development.</td>
<td>Gains in livability, diversity, jobs and income. Innovative products and services for the cultural industries.</td>
</tr>
<tr>
<td>American cities, suburbs and small towns confront structural changes and residential uprooting.</td>
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<tr>
<td><strong>Tactical Placemaking</strong></td>
<td>Test various solutions using low cost proxies to gauge effectiveness and public support.</td>
<td>The public and policy makers can actually see the result and degree of support for various options before committing permanent resources.</td>
</tr>
<tr>
<td>Many physical improvements are expensive and policy makers are understandably reluctant to commit resources due to uncertain risks.</td>
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Credit: Michigan State University Land Policy Institute
Placemaking Case Studies
Lighter, Quicker, Cheaper

Downtown Goldsboro Development Corporation

Wyoming Business Council

The Dalles Main Street

Downtown Brattleboro
Themed Trails
Main Street Enid Maker Trail

- Enid, OK
- Total budget: $7,760
Alley Activation
Artsy Alleys

- Wilson, NC
- Historic Downtown Wilson, Inc.
- Budget: $8,175
Vacant Space Transformation

Discover Downtown Middlesboro (KY)

CharlotteRising (MI)
Trail-Oriented Development
Trail-Oriented Development

Trails can generate business impacts and create new jobs by attracting visitors, who will eat, shop, and stay over.

Trail development creates opportunity for community engagement and visioning.

Trail development celebrates natural physical resources and connects them to the commercial built environment.

Trails offer new opportunities for community branding and visitor attraction.
Economic Impacts

- Visitor spending has a ripple effect: local employees and business owners spend their earnings, and local and state governments receive more tax revenue.

- Commercial districts see more significant economic impact when local businesses cater to trail user needs, including:
  - Restaurants
  - grocery stores
  - camping and hotels
  - guiding services
  - gear stores

All studies can be found at https://headwaterseconomics.org/trail
Public Health

• Trails can improve public health by increasing physical activity and providing safer transportation routes for pedestrians and cyclists.

• The gains in physical activity are most significant in rural places with few parks and narrow road shoulders.

• Benefits of reduced health care costs associated with increased physical activity on trails far outweigh the costs of trail construction.

All studies can be found at https://headwaterseconomics.org/trail
Quality of Life

- Trails are an amenity that keeps existing residents and attracts new people; an asset that contributes to community identity.

- Trails that bring the greatest benefits to residents often are close to where people live and work, providing physical connections within a community.

All studies can be found at https://headwaterseconomics.org/trail
ILLINOIS RAILS TO TRAILS

Illinois

Rail-Trail Stats
- 82 total rail-trails
- 18 current projects
- 1,027 miles of rail-trails
- 180 miles of potential rail-trail

Funding
- $28,260,632

Apply for Funding in Your State
Understand the ins and outs of the federal Transportation Alternatives (TA) program, and learn how to apply for funding.

www.railstotrails.org/our-work/united-states/illinois/
RTT in Illinois:
82 trails covering 1,021 miles
RAILS TO TRAILS CORRIDOR

6 RTT trails within 60 miles of Carbondale Main Street office
Partners
Next Steps
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