

30 YEARS OF IMPACT

HOW THE MAIN STREET PROGRAM HAS REVITALIZED VIRGINIA COMMUNITIES

Prepared by
**Center for Urban and
Regional Analysis
CURA @ VCU**



Sponsored by
**Virginia Department of
Housing and
Community Development**



Prepared for
Preservation Virginia

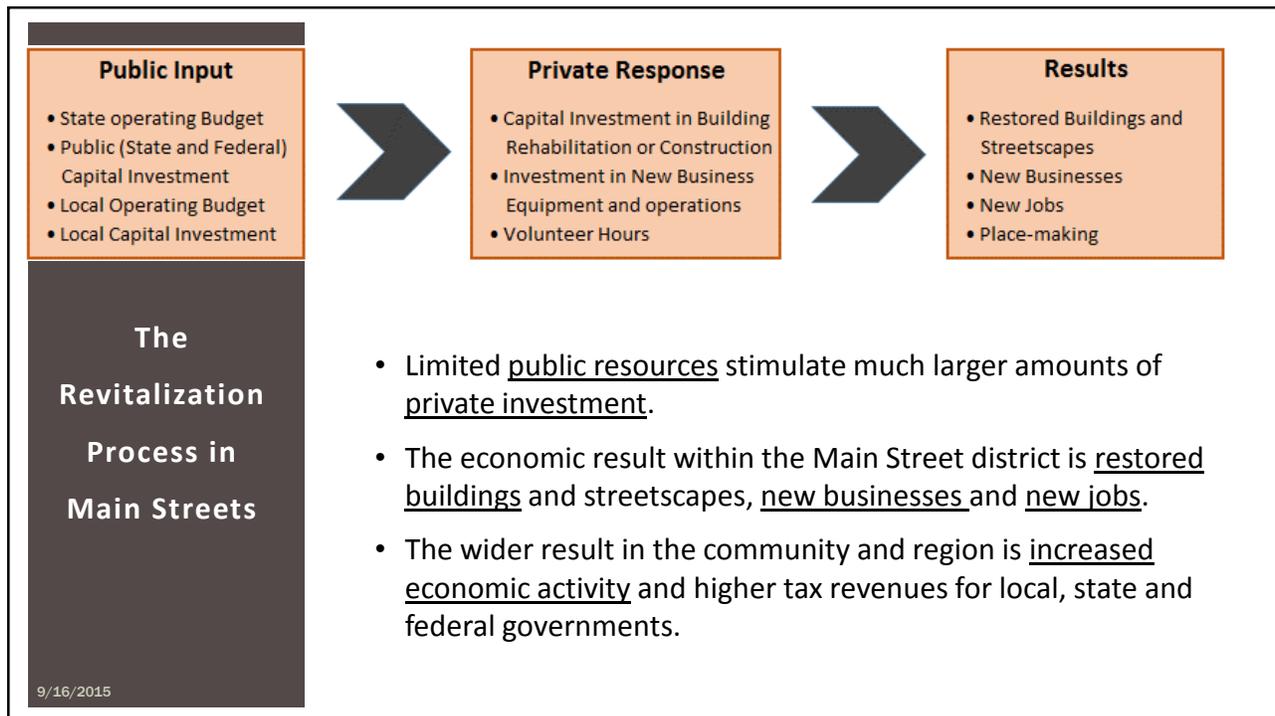


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Urban and
Regional
Analysis
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**South Boston
September 16, 2015**



**25 Active
Main Street
Communities**

9/16/2015

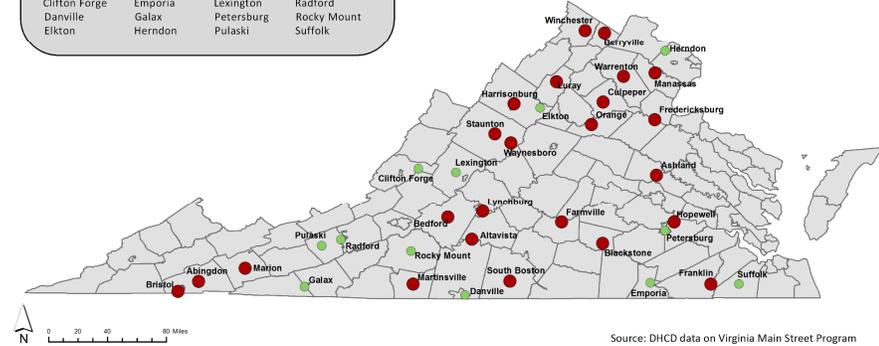
Map 1. Virginia Main Street Communities (2014)

Active Communities

Abingdon	Culpeper	Luray	South Boston
Altavista	Farmville	Lynchburg	St. Paul
Ashland	Franklin	Manassas	Staunton
Bedford	Fredericksburg	Marion	Warrenton
Berryville	Harrisonburg	Martinsville	Waynesboro
Blackstone	Hopewell	Orange	Winchester
Bristol			

Past Communities

Clifton Forge	Emporia	Lexington	Radford
Danville	Galax	Petersburg	Rocky Mount
Elkton	Herndon	Pulaski	Suffolk



Source: DHCD data on Virginia Main Street Program

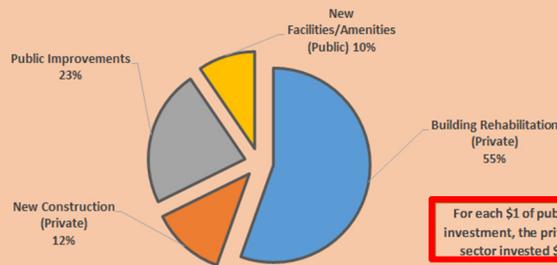
**Direct Economic
Impact of
Main Streets on
Virginia Economy**

9/16/2015

Since 1985:

- 3,365 net new businesses
- 11,908 net new jobs
- \$1.2 billion (71% private funds) invested in Main Streets
- 1 million hours invested by volunteers

Public and Private Capital Investment in Virginia Main Street Districts (1996 - 2014)

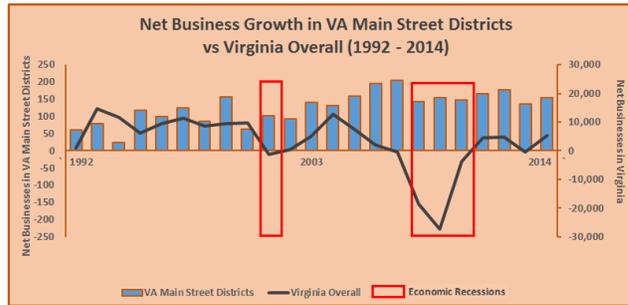


For each \$1 of public investment, the private sector invested \$2.

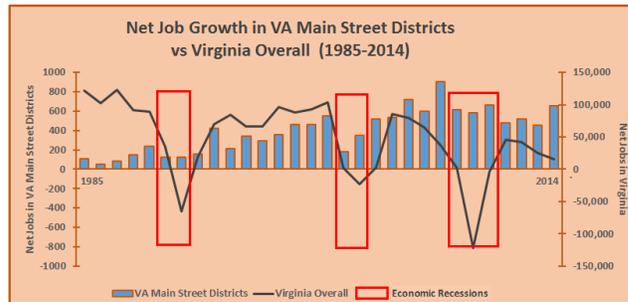
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VA Main Streets
weather
economic
downturns
better than the
economy
overall.

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Source: DHCD data on Main Street Program, and Bureau of Labor Statistics



Source: DHCD data on Main Street Program, and Bureau of Labor Statistics

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Additional
Economic
Impact of
Main Streets on
Virginia
Economy

9/16/2015

RIPPLE EFFECTS THROUGHOUT THE VIRGINIA ECONOMY

- Over 16,000 total jobs have been created statewide as result of Main Street economic activity.
- Almost \$2 billion in total economic impact has been generated, including \$870 million in employee paychecks.
- \$164 million in federal taxes and \$75 million in state and local taxes have been paid.

In fact, the ripple effects are considerably greater than \$2 billion because data limitations do not permit analysis of the impacts of daily operations of the businesses on Main Street, property taxes, or the ripple effects of Main Street worker spending.

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**Additional
Economic
Impact of
Main Streets to
Virginia
Economy
(methodology)**

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DATA WE USED as INPUTS to the IMPACT MODEL

- (1) private investment
- (2) public investment and construction of new facilities or amenities
- (3) local Main Street Community budgets, and
- (4) the Virginia Main Street State budget.

TOTAL of \$1.27 BILLION (\$1.12 BILLION after LEAKAGES)

Economic Impact: estimates the economic effects that take place as goods and services are purchased in connection with expenditures related to the Main Street Program in Virginia (multiplier effect)

**Case Studies:
Culpeper,
Harrisonburg,
South Boston**

9/16/2015

All three communities experienced positive economic impacts somewhat similar to the state-level impacts.

Residents, shoppers, government officials and staff, business owners and merchants, and Main Street staff and volunteers credited the Main Street Four-Point Approach® with saving and breathing new life into their downtowns.

Additional Benefits of Downtown Revitalization

9/16/2015

Cost to the Community of an Empty Building

<p>Building Owner</p> <ul style="list-style-type: none"> • \$8,400 in rents • \$5,040 in property value 	<p>Suppliers</p> <ul style="list-style-type: none"> • \$1,300 in maintenance and repairs • \$500 in printing and copying • \$900 in supplies
<p>Local Government</p> <ul style="list-style-type: none"> • \$100 in property tax • \$5,000 in sales tax 	<p>Professional Services</p> <ul style="list-style-type: none"> • \$2,700 in insurance premiums • \$900 in legal and accounting fees • \$500 in property management fees
<p>State Government</p> <ul style="list-style-type: none"> • \$15,000 in sales tax 	<p>Banks</p> <ul style="list-style-type: none"> • \$39,500 in loan demand • \$2,200 in bank fees and interest • \$17,000 in deposits
<p>Utilities Companies</p> <ul style="list-style-type: none"> • \$4,700 for utilities, telephone and internet 	<p>Workers</p> <ul style="list-style-type: none"> • \$56,800 as employees of that business • \$31,500 in business owner's compensation and profit • \$24,100 workers elsewhere in the community
<p>Media</p> <ul style="list-style-type: none"> • \$6,200 in advertising, marketing and PR expenditures 	

Source: PlaceEconomics – Getting Results: The Economic Impact of Main Street Iowa, 1986-2012, p. 10. May 2013. Estimates of the cost of an empty building were based, in part, on RMA® Annual Statement Studies.

If we assume that a mid-size business, if it occupied the building, would have sales of \$250,000 per year, the loss to service businesses and government of the building being vacant could amount to as much as **\$222,340** per year

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Additional Benefits of Downtown Revitalization

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Annual Benefit to a Downtown Economy from a Rented Upper-Floor Housing Unit

Food at Home	\$3,550
Food Away from Home	\$2,186
Rent	\$4,341
Other Housing Costs, Including Utilities, Maintenance, Insurance, and Upkeep	\$6,307
Furniture	\$281
Apparel and Services	\$1,366
Vehicular and Transportation Related	\$4,320
Health related	\$2,534
Entertainment	\$1,990
Personal service	\$237
Miscellaneous	\$1,574
Total Benefit	\$28,686

Source: Bureau of Labor statistics - Consumer Expenditure Survey
Note: Values calculated as a composite index of the unweighted averages for Renters, Households living in rural areas, and Households living in the South. All values are in 2014 Dollars.

Downtown residents bring further benefits to the district through their spending, if Downtown has the businesses they need.

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**Making the Case
for Main Street:
The Importance
of Good Data**

9/16/2015

**KEY DATA – THAT YOU ARE ALREADY COLLECTING – FOR A
MEANINGFUL ECONOMIC IMPACT ANALYSIS**

- Businesses opening, expanding, retained, and closing – including businesses contracting or relocating outside the district
- Jobs created, retained, and lost
- Public investment – both public improvements and new amenities/construction
- Private investment – both building rehab and new construction
- Local budget – with consistent expenditure descriptions across localities and over time

Great need for consistent and accurate data to be collected every quarter or once / year

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**Making the Case
for Main Street:
The Importance
of Good Data**

9/16/2015

**KEY DATA – THAT YOU ARE NOT CURRENTLY COLLECTING* – FOR
A MEANINGFUL ECONOMIC IMPACT ANALYSIS**

- Storefront vacancy rate
- Second floor vacancy rate
- Sales tax revenues
- Property values in the district and in the adjacent areas and property-tax revenues
- Other?

** In a systematic way across all Main Street communities*

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**How can we
improve Main
Street data
collection and
analysis?**

9/16/2015

QUESTIONS

- What data do local decision-makers want from you to show that Main Street deserves support?
 - What challenges do you have in collecting these data?
 - Do you have ideas for doing things differently?
- What data does DHCD / National Main Street want from you?
 - What challenges do you have in collecting these data?
 - Do you have ideas for doing things differently?

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