ECONOMIC RESTRUCTURING

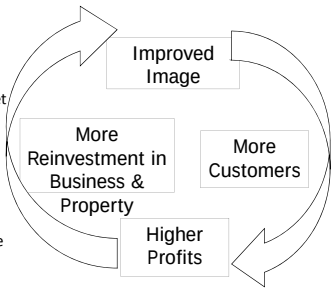
Main Street programs help communities reposition their district's economy through market-driven business retention & development strategies.

What do you think are challenges for the development of downtown?

- To fill vacancies?
- To improve the district's retail mix?
- To redirect the market?
- To support housing or industry?
- What are your goals for development in downtown?
- How do you measure success?

Economic Restructuring

- Typical Areas of Responsibility
  - Define your economic strategy (with board)
  - Identify and prioritize market opportunities
  - Assemble Incentives and Capital
  - Strengthen Existing Businesses
  - Fill vacancies with complimentary businesses
  - Develop Underutilized Space (upper stories for office and housing)



Economic Restructuring

- ER means rethinking your downtown in a way other than it's traditionally seen
- ER means **MAKING** things happen in your downtown, rather than letting things happen

MAIN STREET LAURENS JUMP START

Why does your downtown need restructuring?

- The downtown's economic value is based on its commercial activity and its real estate – factors that are integrally related.
- The real value of downtown buildings depends on their ability to support commercial activity.
- For real estate to increase in value, rents must go up; for rents to go up, economic activity must increase.

Don Rypkema of the Real Estate Services Groups and author of *The Economics of Historic Preservation*

Preliminary Stuff: Market Data

- Trade area definition
- Demographics of current customers
- Demographics of trade-area residents
- Demographics of trade-area visitors
- "Psychographics"
- Retail sales indicators
  - Actual sales
  - "Buying power"

Ellensburg, WA

Where Are Your Customers?

- Trade area- geographic area from which a district draws most of its customers
- Determining trade areas
  - Business surveys
  - Natural boundaries
  - Zip codes

Preliminary Stuff: Consumer Desire

- Measure consumer attitudes and shopping habits
  - Where people are shopping
  - Attitudes towards the district, generally and specifically
  - Differences in shopping habits with those who both live in or near the district

Measuring Consumer Opinion

Help MS program know the market

- Perform ongoing targeted market research
  - Answer market questions to inform your development decisions
- Resource(s)
  - Chapter/ section from Revitalizing Main Street

Case example:
Emporia (KS) Student Surveys

Preliminary Stuff: Building Inventory

- Ownership
- Tenancy
- Physical characteristics
- Amenities
- Lease terms
- History
- Photos + floor plan

Market Position Explained

- Where downtown is or should be "positioned" in the market.
- A downtown specialization or niche based on a primary consumer segment served or a primary set of goods and services offered.
- Downtown's competitive advantage versus alternative commercial districts.

Market-Based Strategies

Here's an example:

"Position Main Street Claremont as a center for cultural activity in the Upper Valley, including new restaurants and businesses that complement the Opera House and existing artisan base."

Market-Based Strategies

Here's another:

"Create a robust residential base downtown, with a wide range of products and services available that serve downtown residents and workers as well as visitors."

Building on Your Assets – once you know who your customers are

- Example: Young Families
  - Movie theater, arcade
  - Children's clothing store (inc. shoes)
  - Toy store
  - Sporting goods store
  - Hangout with Wi-Fi (beverages, snacks, dance floor)
  - Children's bookstore
  - Music store, electronics, gaming
- Example: Hobby/gift
  - Art supply store, craft shop
  - Sporting goods store
  - Knitting, crochet, etc.
  - Beading
  - Scrapbooking
  - Cooking, kitchen store
  - Collectibles

Preliminary Stuff
Business Inventory

Type of Business
Products/merchandise
Space use
Square footage
Employment
Business hours
Advertising patterns

Business Retention & Expansion

- Business development workshops & Resource library
  - One-on-one assistance technical/ financial /business repositioning.

Business Expansion
with Main Street Program support

- Successful businesses who need a large location
- Zoning variances
- Promotional Support
- Banking Relationships
- Incentive grants or loans

Strengthen existing businesses

- Communication (two-way) and relationship building
  - Build Trust
- Counseling/business assistance
  - Help increase profits
  - Solve business problems
  - Increase incentives
  - Facilitate transfer of ownership
- Educate about social media marketing
- Demonstrate a pro-business attitude

Hannah Grimes

Keene, NH ~ Winner of Distinctive Destination

- Hannah Grimes Marketplace is a thriving retail store on Main Street with an exclusive focus on local products which helps build the businesses New Hampshire's producers and growers.

The Entrepreneur Project is a highly successful, intensive 12-month program geared to help entrepreneurs take their business to the next level.

Barrels Community Store

Waterville, Maine

Case Statement
August 2010

Our Mission:

- Barrels Community Market buys and sells food, crafts, and tools that are produced locally and sustainably from naturally occurring inputs whenever possible. We also host events and classes designed to promote individual and community health, teach traditional arts and skills, and celebrate the unique spirit of our community and land.

Education Businesses

Free Cash Flow Seminar

Date: January 14th, 2009
Location: Heart of Biddeford Conference Room
(Next door to City Theater)
205 Main Street, Biddeford
Time: 7:30 a.m.—9:30 a.m.

- Bring Your Coffee
- Bring your Numbers
- Have your questions answered by experts
- Work on your cash flow

Counseling & Business Assistance
Will Armitage– Executive Director SSACDC
Gordon Platt– Business Counselor for Maine SBDC

Sponsored by:
Biddeford Saco Chamber of Commerce & Industry
Biddeford Saco Area Economic Development Corp.
Maine Small Business Development Corp.
Heart of Biddeford
Saco Sport

We're here for you!

- Through surveys find out what help they need
- Nominal cost to attend
- Partner -- SBDC, Chamber, Universities….
- Invite non-downtowners

Experience Based Retailing

- The customer experience may be the focus, but the employee experience is also important
  - The employees are crucial to shaping the customer experience through the quality of the service they provide
    - Delivery
    - Installation
    - In-home sales
    - Personal shopping

Facilitate transfer of ownership

Develop an Entrepreneurial Community

Utilize tools to support transition and new business owners such as low-interest loans and training programs

Value Greater than the sum of the parts
- ❑Equipment
- ❑Location
- ❑Inventory
- ❑Experienced manager/employees
- ❑Suppliers
- ❑Business processes
- ❑Customer list
- ❑Contractual relationships

Consider a professionally prepared appraisal

The average buyer wants to purchase a turnkey operation

Creative Business Startups to Serve Communities

Clare City, MI

- Bakery about to close after113 continuous years in business due to retirement.
- Michigan economy
- Entire police force (9) decided to buy it together
- All bought shares and invested monthly. No proceeds distributed for 12 months.
- Hired a general manager
- "Protect and Serve" takes on a new meaning

Business Recruitment: Things to Know

- Market analysis should identify potential new businesses & entrepreneurship
- Trained recruitment team to assist in the recruitment process.
- Understand wants and needs or prospective businesses.
- Scout \ identify potential prospects.
- Best prospects are existing businesses.
- Publicize needs-let the community know Main Street is active in recruitment

Things to Put in your Recruitment Package.

- Profiles of available buildings
- Concise, enticing descriptions of your district
- "Humanized" demographic information about visitors
- "Humanized" sales information
- Quotes and testimonials from existing businesses
- Information on financing and incentives
- Summary of the district's strategic plan
- Calendar of marketing and promotional activities

Signage in Vacant Buildings

Start, improve, expand, spin-off, and transition entrepreneurial ventures

- Incentivize targeted entrepreneurial ventures
- Encourage property owners to participate in Pop-Up Program

Proactively recruit entrepreneurs

Connect with entrepreneurs running home based businesses

Case example:

- Emporia (KS) "Home Based Business" membership level and Quarter Mania

Articulate a Vision for Downtown

- Take the lead on selling the vision you have for downtown
- Examples:
  - Downtown Gardiner (ME) Vision piece
  - Larsen Green (WI) marketing piece

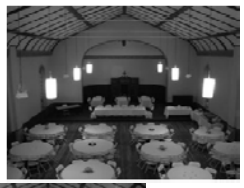
Business Recruitment

And then if you have properties that have great potential to promote, you can do individual promotion of a building reuse, looking for a specific use.

Developing Underutilized Space

- Vacant lots
- Vacant first floor spaces
- Marginal first floor businesses
- Vacant upper floor spaces
- Unimproved upper floor spaces
- Parking lots and pocket parks

Using Spaces Creatively



Converting a church into
A community performance
And events venue

Burlington, Iowa

Economic Restructuring

Summary

- Discover the market (who are downtown's customers)
- Learn and document what you know about your downtown. (types of businesses – what are the strengths of downtown?)
- Help strengthen existing businesses (educate)
- Gather information on vacant buildings (ID opportunities)
- Work with property owners to fill vacancies with complementary businesses (strengthen the base)
- ID existing incentive and assemble new incentives and capital (what incentives will entice businesses to open)

Develop underutilized space (look at vacant lots and upper stores as opportunities