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The Main Street Approach: Economic Vitality



Matthew Wagner, Ph.D.
**VP of Revitalization
Programs**

Economic Vitality



- EV means rethinking downtowns in a way other than it's traditionally seen
- EV means **MAKING** things happen in the downtown, rather than letting things happen in the district.



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Why are you working on 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?



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Why does your downtown need vitality?

- 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*



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Fundamental Four-Point Approach®



All four points take on development responsibilities.

- Design Committee **develops** space/place
- Organization Committee **develops** partners/resources
- Promotion Committee **develops** customers
- Economic Restructuring Committee **develops** entrepreneurs and uses



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Mission of E.V. Committee

To improve the economic condition of the downtown by identifying new market opportunities, supporting businesses, and stimulating investment.



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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

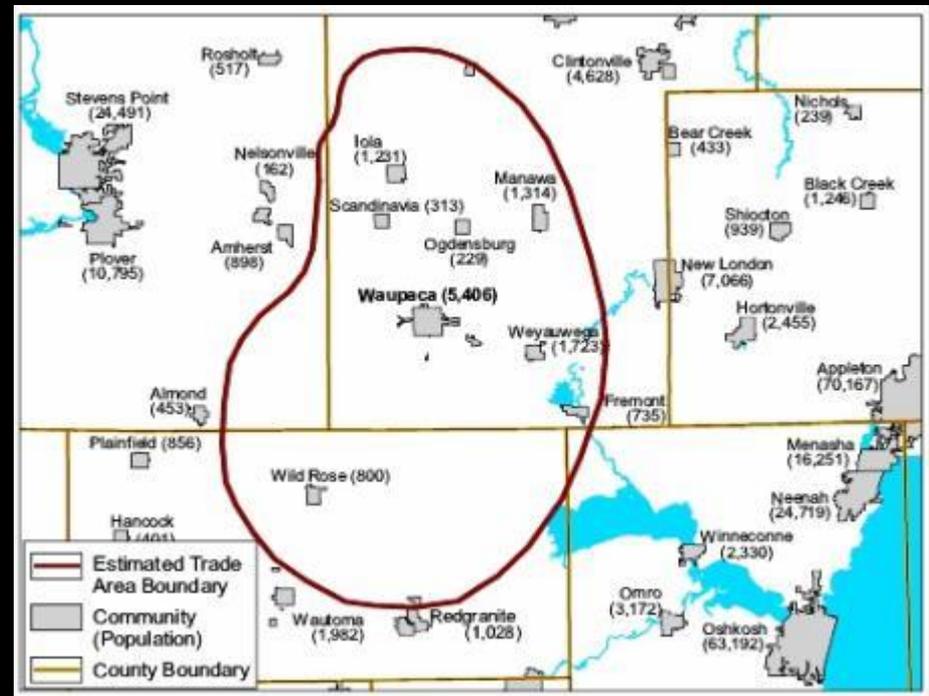


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Where Are Your Customers?

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



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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.



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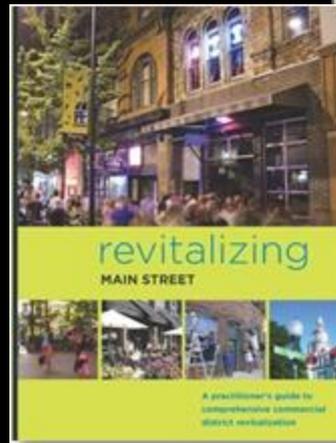
Measuring Consumer Opinion

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



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Preliminary Stuff: Building Inventory

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



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Preliminary Stuff Business Inventory

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



WE'RE SO
SORRY WE
MISSED
YOU

STORE HOURS
M-SAT- 10AM-6PM
SUN 1-6PM

HISTORIC
SCOTTVILLE
COME TOGETHER

OPEN
COME IN &
JOIN US

STORE HOURS
M-SAT- 10AM-6PM
SUN 1-6PM

HISTORIC
SCOTTVILLE
COME TOGETHER



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Market-Based Strategies (Transformation 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.”



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Market-Based Strategies (Transformation 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.”



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

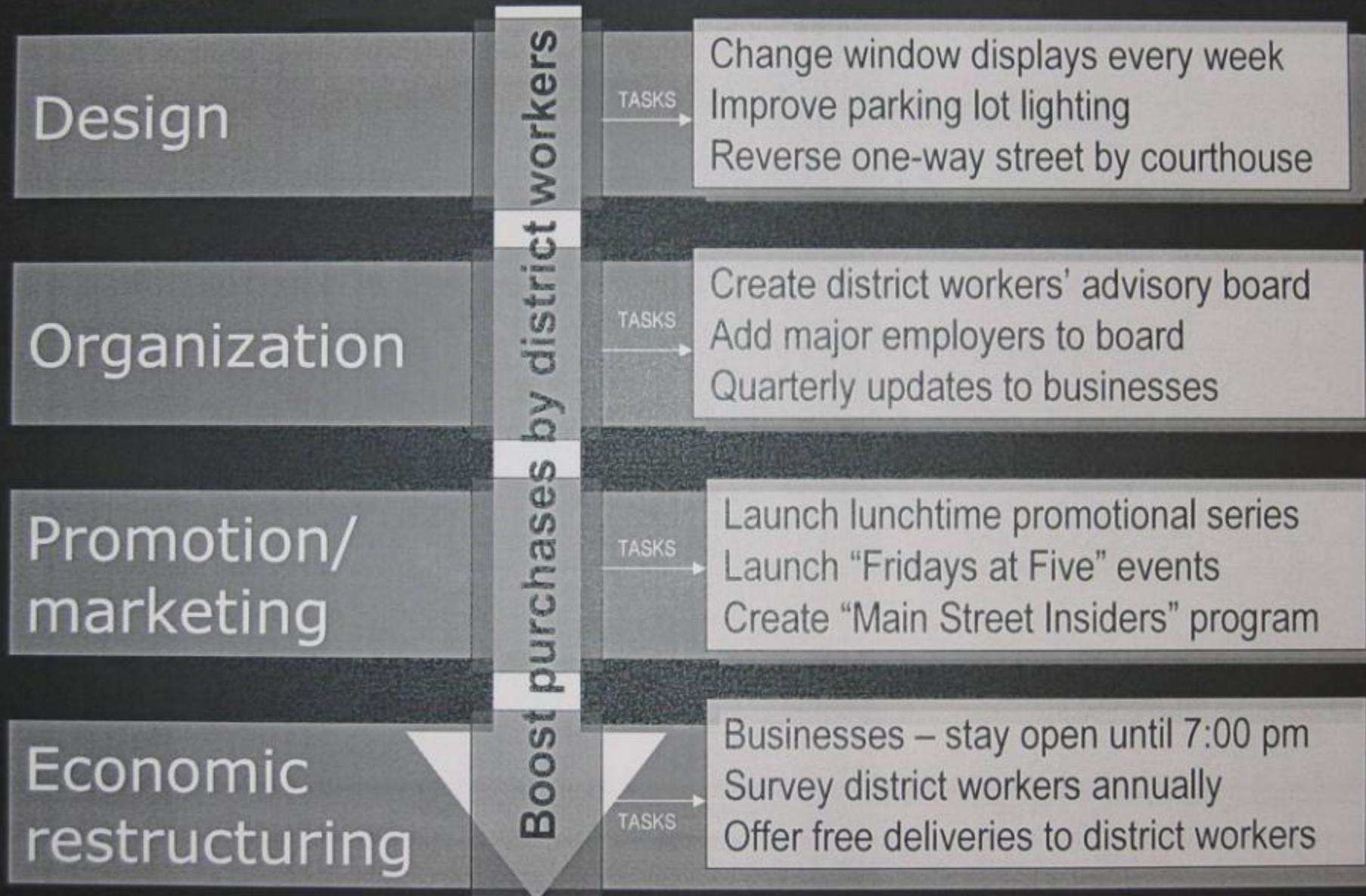
- Example: Young Families
 - Movie theater, arcade
 - Children’s clothing store (inc. shoes)
 - Toy store
 - Sporting goods store
 - Hangout with Wi-Fi (beverages, snacks, dance floor)
 - Children’s bookstore
 - Music store, electronics, gaming
- Example: Hobby/gift
 - Art supply store, craft shop
 -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



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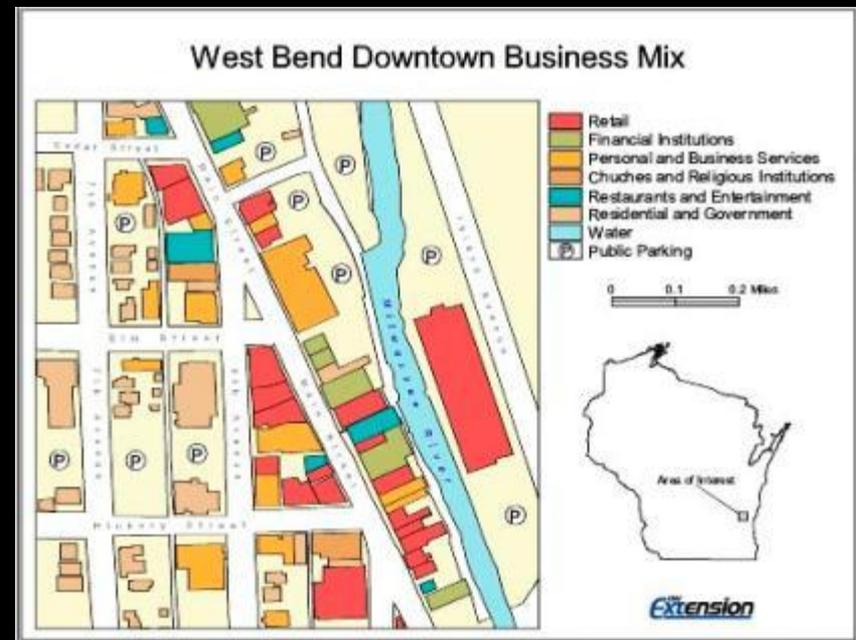
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Market-based strategies



Analyzing Existing Business Mix

- Classifying district businesses.
- Identifying niches, strengths and weaknesses.
 - Complimentary/Competitive/Convenience
 - Price/Selection
 - Customers



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Help Craft a Downtown Development Plan

- Visually map out or model your ideal/dream marketplace
- Resource(s)
 - Niches and Clusters fact sheet
 - Downtown Development Plan Pros and Cons fact sheet

Case examples:

- Blackstone (VA)
- Beloit mapping and modeling exercises (Legos)



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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
- Keep them happy
- Demonstrate a pro-business attitude



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Get Businesses to Support Each Other

- Inform businesses about interdependence vs. independent
- Walk-Abouts (monthly visits to businesses – 20 minutes)



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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



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Grow Entrepreneurial Ventures

Learn how good businesses work then communicate best business practices

– Resource(s)

- Why We Buy: The Science of Shopping by Paco Underhill

- Case example:
 - Ellensburg (WA) Business Brownbag Bookclub



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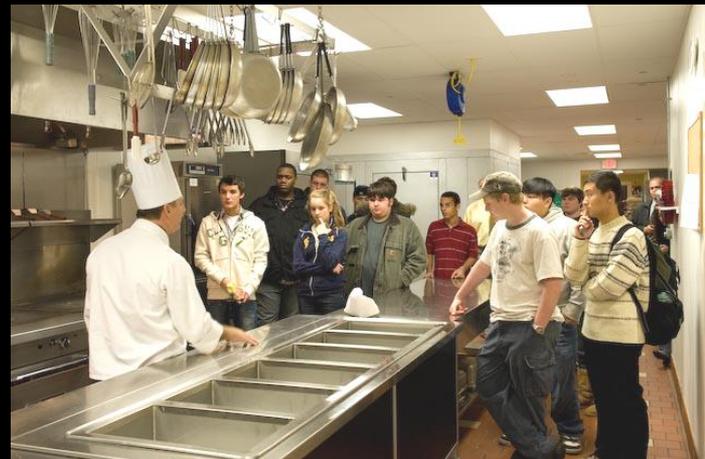
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Plant the seed for entrepreneurship and grow entrepreneurial spirit/culture

Establish or support entrepreneurship coursework in schools (high school, college, universities, technical institutes)

Case example:

- Simsbury (CT) Main Street Partnership & Simsbury High School Culinary Arts Training Pilot Program



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Plant the seed for entrepreneurship and grow entrepreneurial spirit/culture

- Tell people about the value and importance of homegrown, independent, and entrepreneurial businesses
- Show people the value and importance of homegrown, independent, and entrepreneurial businesses
- Establish or support entrepreneurship coursework in schools
- Create and maintain an entrepreneurial network



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

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



DELAWARE
ECONOMIC DEVELOPMENT OFFICE
Right Place. Right Size.



Project Pop-Up

Proactively recruit entrepreneurs

Connect with
entrepreneurs running
home based businesses

Case example:

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

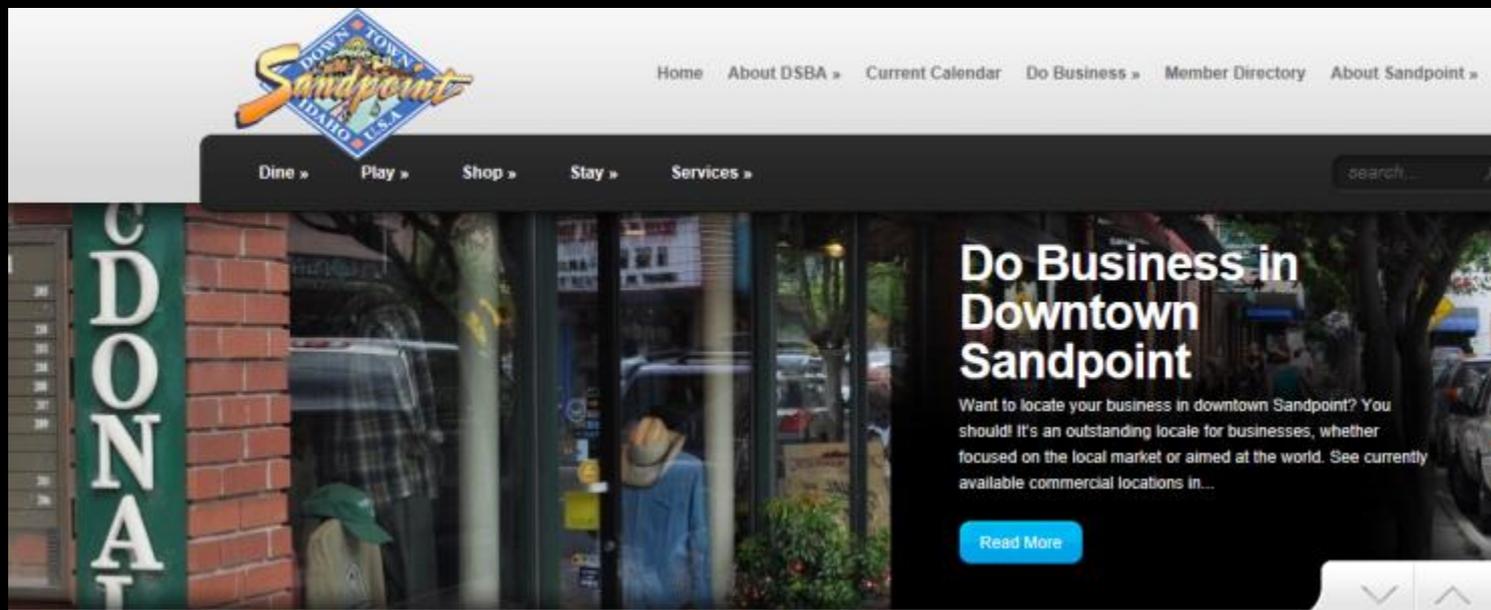


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Business Retention & Expansion

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



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Business Retention Activities - Training

 **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 BSAEDC
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 Spirit

We're here for you!



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



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Business Expansion

- Share Market Knowledge and DT Direction
 - Help businesses keep pace with the market
 - Build the capacity of downtown businesses to pose and answer questions to inform their own decisions

Wardrobe Safari, Port Washington (WI)



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Business Expansion with Main Street Program support



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



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Saving Local Businesses ~ Creative Business Startups to Serve Communities



- Bakery about to close after 113 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

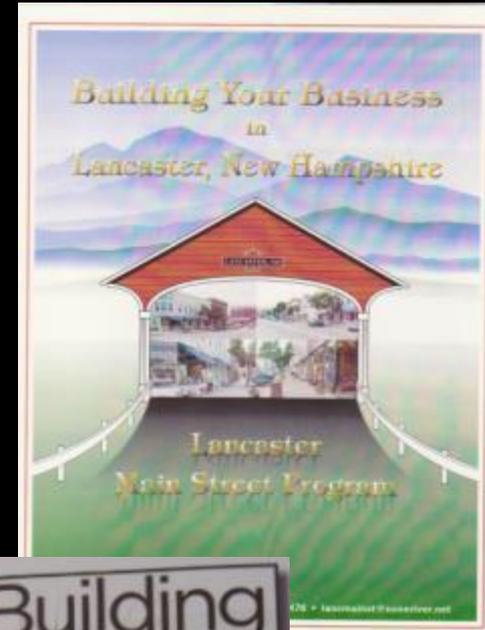


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Ready for Business Recruitment: Things to Know

- Develop your top 5 reasons someone should open a businesses in your downtown.
- Market analysis should identify potential new businesses & entrepreneurship
- Scout \ identify potential prospects, based on your needs/markets.
- Keep in mind that the best prospects are existing businesses.
- Publicize needs - let the community know you are active in recruitment



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Sample Scout Card

Business name:	
Address:	
Years in business:	
Owner' s name:	
Phone number:	
Store description:	
Customer profile:	
Other comments:	
Scout' s name:	Date:

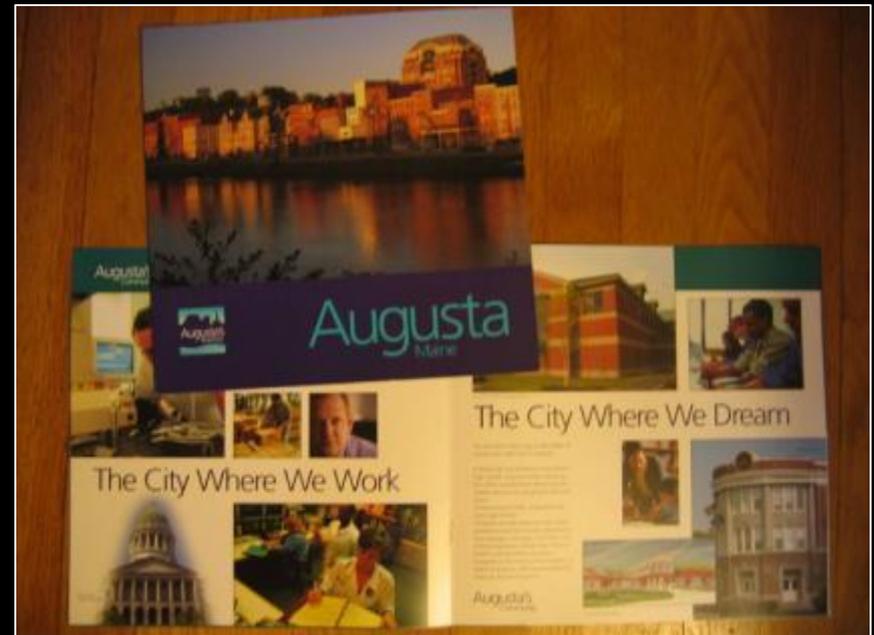


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Recruitment Information

- Post on your website or produce a marketing or recruitment piece.
- Vision Statement
- Market Information
- New market opportunities
- Upcoming events (and how to benefit from those events)
- Available resources (people and publications)
- Tips of the trade
 - Business guidelines
 - Experience-based retailing



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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



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Top 10 Reasons to Locate in Lents Town Center

- 1** **Commitment to success.** Since 2000, more than \$20 million has been invested in Lents' public and private improvements.
"Lents is a wonderful blend of different people and cultures working together."
Lents resident
- 2** **Concessions of Portland's eastside.** Lents' location on I-205, Foster Road and the light rail's Green Line means congestion is not a problem and that the district's historic ambience remains intact.
"It's exciting to see the momentum in Lents."
Lents business owner
- 3** **Large, growing, untapped markets** with local residents, area workers and an increasing number of visitors.
Extensive public and private investment is bringing new life to Lents Town Center.
- 4** **Significant demand** for goods and services estimated at over 150,000 sq. ft. by 2017.
- 5** **Affordable walkable neighborhood,** close to everything.
- 6** **Benefits of urban renewal district:** access to many Portland Development Commission resources for private investment.
"Lents is eco-friendly with green businesses and community gardens."
Lents resident
- 7** **Unique farm-to-market opportunities:** edge of urban-rural area, large garden lots, excellent nearby farm supplies, Zenger Farm, Leach Botanical, large parks.
- 8** **Available space is ready for tenants!**
- 9** **Marketing edge** - with an active, committed business development team focused on making Lents a destination.
Contact:
Boris Kevsky, Senior Project Manager
Portland Development Commission
kevskyb@pd.com
503-423-3499
www.pdc.net/allison.asp
- 10** **A strong sense of community, volunteerism and caring** among neighbors.

Supporting New Business

- Cut red tape
- Publicize the opening
- Business directories
- Open house
- Cross-merchandising promotions
- Pro bono assistance
 - Accounting
 - Legal
 - Marketing
 - Visual merchandise + in-store design
- Weekly visits



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Facilitate transfer of ownership – Succession Planning

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

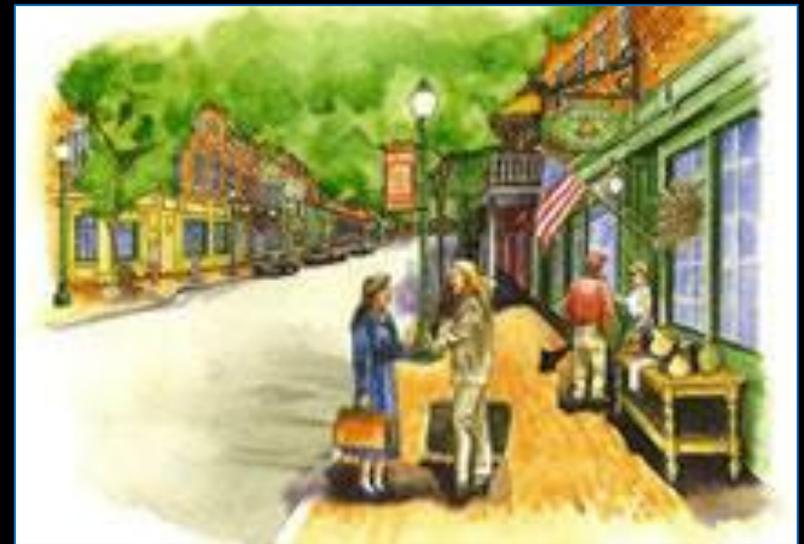


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Articulate a Competitive Position

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



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NATIONAL TRUST FOR HISTORIC PRESERVATION

Live in Gardiner

... a town filled with possibilities



Visionaries, Entrepreneurs and Dreamers.
Come see what all of the buzz is about.



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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.



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GARDINER WATERFRONT PHASE 1

KENNEBEC RIVER

With over \$7.2 million in recent grants, Downtown Gardiner has found the recipe for success – and we're hungry for more! At the epicenter of our Waterfront Redevelopment Project that breaks ground this summer is our magnificent rail station – a perfect restaurant location! Listed on the National Historic Register, it boasts two floors with 6,500 sq. ft., original granite stonework and superb architectural detail. The property has an ambience that must be seen to be appreciated. 30,000 vehicles pass by every day. With plenty of dedicated parking, a connection to the popular Kennebec River Rail Trail, proximity to marina development, performing arts and cultural amenities, and potential for boat slips, this property has all the bells and whistles pointing to eminent success on the Gardiner express. Business incentives are available, as are other opportunities. Call and make plans to meet Linda Marzuchowski at the station for a walk-through. For more specific information on the property (MLS#605525), call Kim Gleason at McAllister Real Estate (207) 621-2145. All 2-becoooooerrrrrr!



Gardiner Main Street
A Main Street Center Company

Linda Marzuchowski
GARDINER MAIN STREET MANAGER
280 Winter St., Gardiner, ME 04345
(207) 582-5100
E-mail: gardinermainst@aol.com

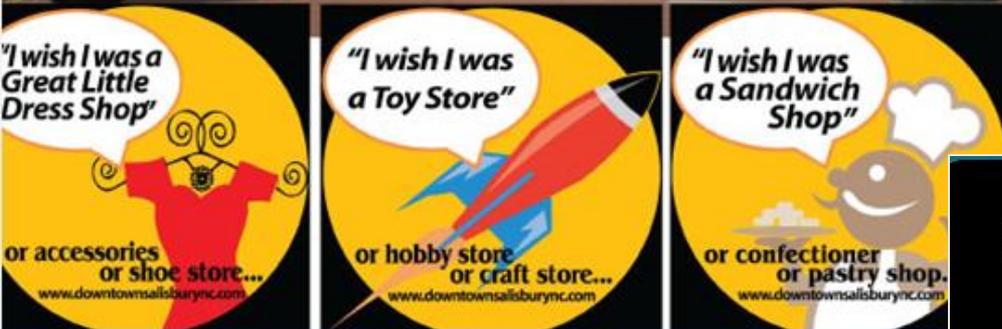
Meet me at the station or visit us at:
www.gardinermainstreet.org

Gardiner MAINE *Where history and progress meet*

When there's talk of our historic downtown station becoming a tasty restaurant, the locals eat it up.

ALL ABOARD FOR THE GARDINER TRAIN STATION
A delicious location starving for attention

Signage in Vacant Buildings



Are you ready to make your dreams come true?



MAGINE

This could be the location of your new business.

920.322.2006
downtownfdl.com



DOWNTOWN
FDL
Partnership



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Overarching Goal: Entrepreneur and Business Development

Organization

- Put available space list on website
- Raise funds for new incentives for businesses
- Press coverage on activities of the ER committee events

Economic Restructuring

- Work with property owners to offer incentives to new businesses
- Host a Business Plan Contest
- Survey existing businesses – what are their needs?
- Develop 10 reasons to locate here

Promotion

- Conduct business promotions and encourage cross promotions between businesses
- Survey event attendees as to what businesses they would like downtown

Design

- Promote the façade grant program
- Work with Main Street South Carolina on getting design assistance for property owners
- Get businesses to leave window lights on at night – adds vibrancy



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Tips From the Trenches

- Persuade existing businesses to open new ones
- Get keys to vacant/available spaces
- Buy lease options to keep a space available
- Place small start-up businesses in high-traffic areas inside larger businesses
- Be sure everyone who comes into contact with potential businesses knows your overall strategy

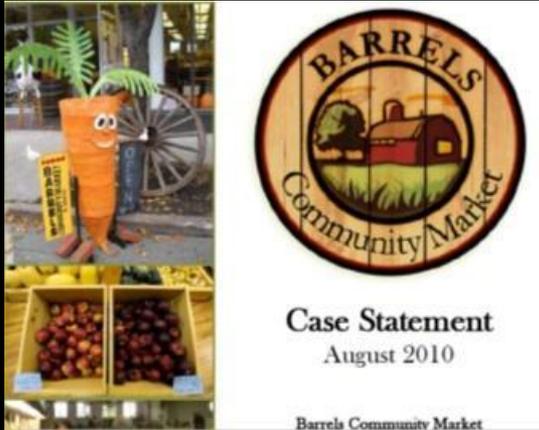


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Barrels Community Store

Waterville, Maine



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.



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Barrel's Community Store

Accomplishments and Lessons Learned from Year One

Overall State of the Market

- Exceeded sales projections with \$290,000 in sales
- Reached daily average sales of close to \$1,200/day
- **Reached average of 80 customer transactions per day** and around 2-3 times that many daily visitors
- **Directly sourcing product from over 200 individual vendors**
- Inventory has increased over time; market is fully stocked
- Completed renovation of the event space, which is actively used for art classes, workshops.



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Main Street Purchasing Properties

Grants, Tax Credits, local labor



Rawlings, WY

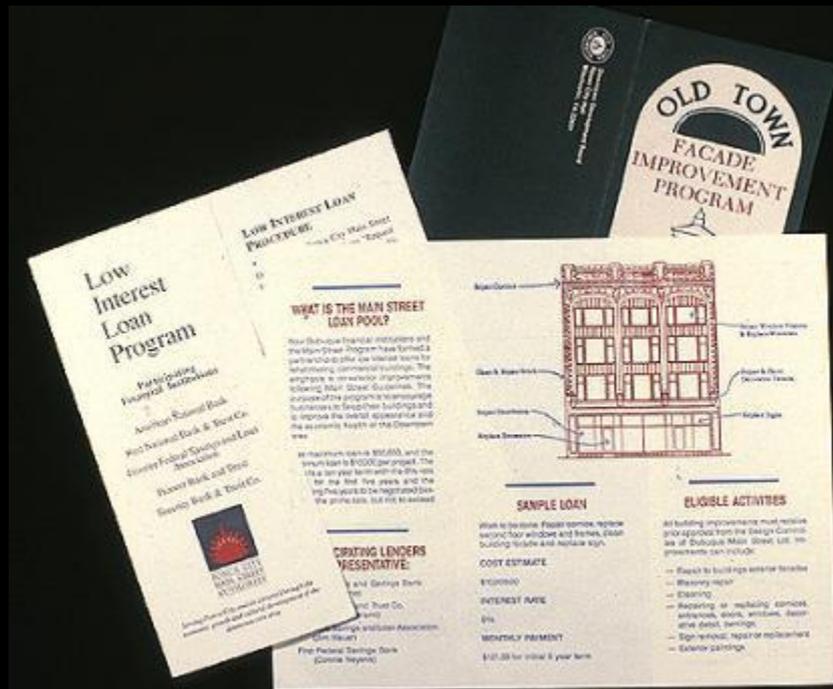


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Incentive Programs

- Small-scale improvements/business development purposes:
 - matching grants for storefront/sign/façade improvements
 - low-interest/revolving loan funds
 - inventory grants
 - micro-loan programs for business start-ups/expansion
 - design assistance



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What 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



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Finding New Uses

- Upper-story housing/office
- Light industry
- Location-neutral businesses
- Cottage industries
- Corporate showrooms
- Entertainment districts



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New Uses



Burlington, IA



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New Uses



Morgan Stanley, Iron Mountain, MI



Tasters Canvas
New Egypt, NJ

Gas Stations into Mixed Use



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Adaptive Reuse in Delaware City



Central Hotel future home of the American Birding Association and upper story residential



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Chippewa Shoe Factory



After



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Downtown Planning

- Changing land use regulations
 - Encouraging new land uses
 - Regulating certain land uses; e.g., first-floor retail zoning
- Advocating for/and developing a district master plan.
 - Enabling new uses
 - Understanding/unlocking development potential.
 - Revising district zoning regulations.
- Monitoring community planning/development activities.



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Who Serves on the Economic Restructuring Committee?

People Who Like Numbers

- Accountants
- Elected Officials
- Academic Staff

Professionals

- Real Estate
- Developers

Business Assistance/Money

- S.C.O.R.E.
- Bankers
- SBA

Community Partners

- Economic Development Professionals
- University Students
- Chamber of Commerce
- City Staff
- Enthusiastic Business Owners

Others Who Play a Role

- People who like to shop or can be shopping critics (like movie critics)
- Good listeners (can keep secrets, are trustworthy)
- People who like puzzles (or Monopoly)
- Good problem solvers and negotiators
- People who like math (crunching numbers)
- Good salespeople



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Economic Vitality

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 your 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**)



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Questions on Economic Vitality?

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