

North Carolina Main Street



DECADES OF SUCCESS

The Economic Impact of Main Street in North Carolina

Prepared for the North Carolina Department of Commerce
and North Carolina Main Street Communities by

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ABOUT THE COVER

Photos left to right:

1. Downtown Hendersonville
2. The Norvell Theater, downtown Salisbury
3. Historic Cabarrus County Courthouse, downtown Concord
4. "Milling Around" public art project in downtown Clinton

North Carolina Main Street DECADES OF SUCCESS

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Letter from Secretary of Commerce Sharon Decker



I knew about Main Street long before I became the Secretary of Commerce. I was living and working in Rutherfordton, a Main Street community since 1990. I had the opportunity to acquire and rehabilitate a historic building downtown. And it just seemed like the right thing to do. In part, it made sense because I wasn't alone in making the investment. Other property owners, business owners, the City of Rutherfordton, various institutions, and dozens of volunteers were already putting their efforts, their money, their time, and their ideas toward revitalizing the Main Street District.

One of the big attractions when Governor McCrory asked me to become Commerce Secretary was that the North Carolina Main Street program was housed in the department. I came to the job committed to economic development in the state - and I had seen firsthand what an important role Main Street could play in advancing that goal.

Main Street is economic development in its best form: it helps communities create an economic environment in their downtowns where private-sector investors and entrepreneurs choose to open new businesses, hire more workers, rehabilitate existing buildings, and construct new ones, all the while creating a very special "sense of place."

We knew the Main Street program was a notable success story, but this report provides the hard numbers to make that case. We've learned that North Carolina leads the country in the number of communities that have joined and remained in the Main Street network. There are good reasons why so many of our communities have made that commitment.

Since North Carolina began its Main Street program in 1980, over \$2 billion has been invested in Main Street districts, over half of which has come from the private sector. There has been a gain of more than 18,000 net new jobs and 4,700 net new businesses.

Our Main Street Solutions Fund has directly assisted 45 businesses in 16 communities. Our investment of just over \$2.6 million has spurred investment by others of more than \$14 million, leveraging our dollars by a ratio of 5.5 to 1. Furthermore, these projects have been catalytic, encouraging additional investment around them. The cities that received Solutions Fund money saw their numbers of net new jobs and net new businesses increase significantly in subsequent years.

We must acknowledge that we are at a point where public budgets are stretched thin and we simply have to do more with less. Main Street is a champion in this regard. The net new businesses each year in Main Street districts pay five times in sales tax revenue what the entire Main Street program costs. This is a program that provides the kind of return on investment that any corporate chair would envy.

Main Street works because it builds on the assets, the traditions, and most importantly, on the aspirations of the citizens of the community. It is a form of economic development that is simultaneously community development. And North Carolina communities are better for it.

A handwritten signature in black ink that reads "Sharon". The script is fluid and cursive, with a long, sweeping underline.

Sharon Allred Decker
Secretary of Commerce

Assistant Secretary Dr. Pat Mitchell



“The Main Street program is a viable and exciting economic development tool to help small towns revitalize themselves in a variety of ways. The program draws capital investment to our communities and offers technical assistance in planning for our communities.

One of the opportunities available through this program is the Main Street Solutions Fund, a reimbursable, matching grant program. The Solutions Fund helps to meet Main Street program goals by strengthening local economies in their role of regional growth and employment hubs. Oftentimes this grant opportunity makes the difference in spurring business development, generating historic preservation activities, and providing public infrastructure improvements.

As we work to strengthen our local economies, the Main Street program and the use of the Solutions Fund are practical tools for our communities. “

President and CEO of the National Main Street Center, Patrice Frey



“North Carolina Main Street is a shining example of the Main Street Approach in action. As one of the country’s longest standing programs, it has a impressive track record of success.

With \$2 billion in new investment in Main Streets, 18,000 net new jobs and the opening of 4,700 net new businesses over the last 33 years, the State of North Carolina is to be commended for its dedication to revitalizing downtowns.

The National Main Street Center is proud to call North Carolina Main Street a partner, and we look forward to working with the state’s talented and committed policy makers, local leaders, and Main Street staff to lay the groundwork for the next \$2 billion in investment in North Carolina’s communities.”

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Executive Summary

North Carolina was one of the first six states to start a Main Street program. For more than three decades, communities in North Carolina have used the Main Street Approach—economic development in the context of historic preservation—as the way to first regain and then maintain the economic vibrancy of their downtowns. Those efforts have been measurably, and in fact spectacularly, successful.

- In the last 33 years, over \$2 billion has been invested in North Carolina Main Street and Small Town Main Street communities.
- The cumulative number of net new businesses in North Carolina Main Street districts tops 4,700.
- Since the beginning of the program, more than 18,000 net new jobs have been created in Main Street districts.
- Since 1981, the program has cost just over \$8.2 million in operational costs and an additional \$4.1 million in grants to communities. For every \$1 the state has invested in the Main Street program, private citizens have invested \$127 in Main Street districts.
- Main Street is not only about dollars. Main Street communities have seen increased community pride, a greater commitment to historic preservation, and greater support for locally owned businesses.
- The North Carolina historic preservation tax credit has played an important role, spurring more than \$190,000,000 in rehabilitation of historic buildings in Main Street districts.
- Each year, the state sales taxes generated by just that year's net new businesses provide the state treasury five times the revenue of what the entire Main Street program costs.
- The Main Street Solutions Fund has been responsible for the creation and retention of 240 full-time and 200 permanent part-time jobs.

It is important to note that these numbers and the others that follow in this report are only from the Main Street districts of the 100+ Main Street and Small Town Main Street communities in the state. In many cases, the revitalization of downtown has catalyzed investment beyond the boundaries of the Main Street district, but those impacts are not measured here.

Over the past 33 years, North Carolina has seen the ups and downs of the national economy; a loss of jobs and industry, particularly in textiles; and economic challenges in every part of the state. But through it all, its historic downtowns through the Main Street program have persevered and ultimately prospered.

As the following pages will show, Main Street is a demonstrably good investment for property owners, business owners, local governments, and the citizens of North Carolina.

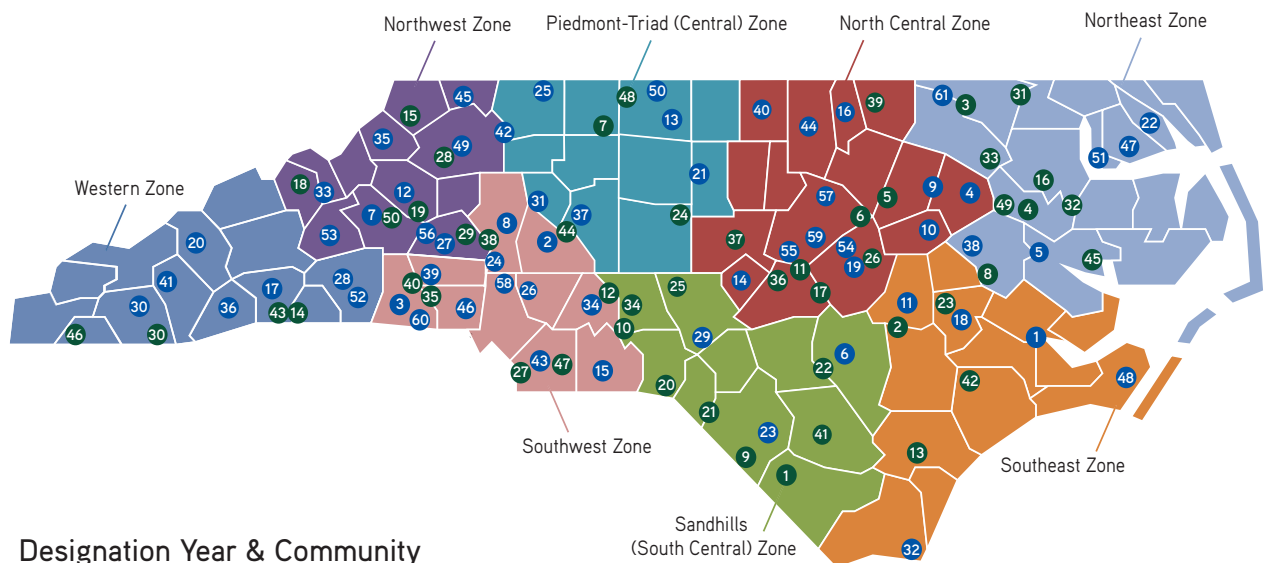
The Story of Main Street

After many downtowns were written off in the late 20th century, the Main Street Four-Point Approach was created to bring life back to downtown commercial districts. North Carolina was one of the original six demonstration states for the National Trust for Historic Preservation's Main Street program. Since its inception in 1980, the North Carolina Main Street program has been extraordinarily effective in achieving its purpose. Housed within the North Carolina Department of Commerce, the program assists 100+ communities with design, planning, staff training, and capacity building.

Although the Main Office is located in Raleigh, the staff is constantly on the road to assist participating communities. In 2003, the North Carolina Main Street expanded its focus with the Small Town Main Street initiative to serve towns with populations of less than 7,500. The Small Town Main Street branch has two regional offices, one in Asheville to serve the western region towns and one in Wilmington to serve the eastern region towns. Through these initiatives, North Carolina Main Street has demonstrated success in communities of all sizes throughout the state.

In 2009, the Main Street Solutions Fund was enacted to provide economic development planning assistance and grant support to small businesses. The Solutions Fund has provided grants to 16 communities and leveraged an impressive amount of additional public and private dollars.

North Carolina Main Street and Small Town Main Street Communities



Designation Year & Community

1980 1 New Bern 2 Salisbury 3 Shelby 4 Tarboro 5 Washington	1982 6 Clinton 7 Morganton 8 Statesville 9 Rocky Mount 10 Wilson	1984 11 Goldsboro 12 Lenoir 13 Reidsville 14 Sanford 15 Wadesboro	1986 16 Henderson 17 Hendersonville 18 Kinston 19 Smithfield 20 Waynesville	1988 21 Burlington 22 Elizabeth City 23 Lumberton 24 Mooresville 25 Mount Airy	1990 26 Concord 27 Newton 28 Rutherfordton 29 Aberdeen (N/A) 30 Franklin	1991 31 Mocksville 32 Southport 33 Spruce Pine	1993 34 Albermarle 35 Boone 36 Brevard 37 Lexington
1995 38 Farmville 39 Lincolnton 40 Roxboro 41 Sylva	1998 42 Elkin 43 Monroe 44 Oxford 45 Sparta	2000 46 Belmont 47 Hertford 48 Morehead City 49 North Wilkesboro	2003 50 Eden 51 Edenton 1 Chadbourne (N/A) 2 Mount Olive	52 Forest City 53 Marion 3 Weldon 4 Williamson	2004 5 Spring Hope 6 Zebulon (N/A)	2005 7 Walnut Cove	2006 54 Clayton 55 Fuquay-Varina 8 Ayden 9 Fairmont
2007 11 Angier 12 Badin 13 Burgaw 14 Tryon 15 West Jefferson 16 Windsor	2008 17 Benson 18 Burnsville 19 Granite Falls 20 Hamlet (N/A) 21 Maxton (N/A) 22 Roxboro	2009 58 Davidson 59 Garner 23 La Grange 24 Liberty 25 Robbins	60 Kings Mountain 61 Roanoke Rapids 26 Selma 27 Waxhaw 28 Wilkesboro	2010 29 Catawba 30 Highlands 31 Murfreesboro (N/A) 32 Plymouth 33 Scotland Neck 34 Troy	2011 35 Bessemer City 36 Lillington 37 Pittsboro 38 Troutman 39 Warrenton	2012 40 Cherryville 41 Elizabethtown 42 Richlands 43 Saluda 44 Spencer	2013 45 Belhaven 46 Hayesville 47 Marshville 48 Mayodan 49 Robertsonville 50 Valdesse

● Main Street Community ● Small Town Main Street Community (N/A) Indicates community is "not active" in the program

The Big Numbers

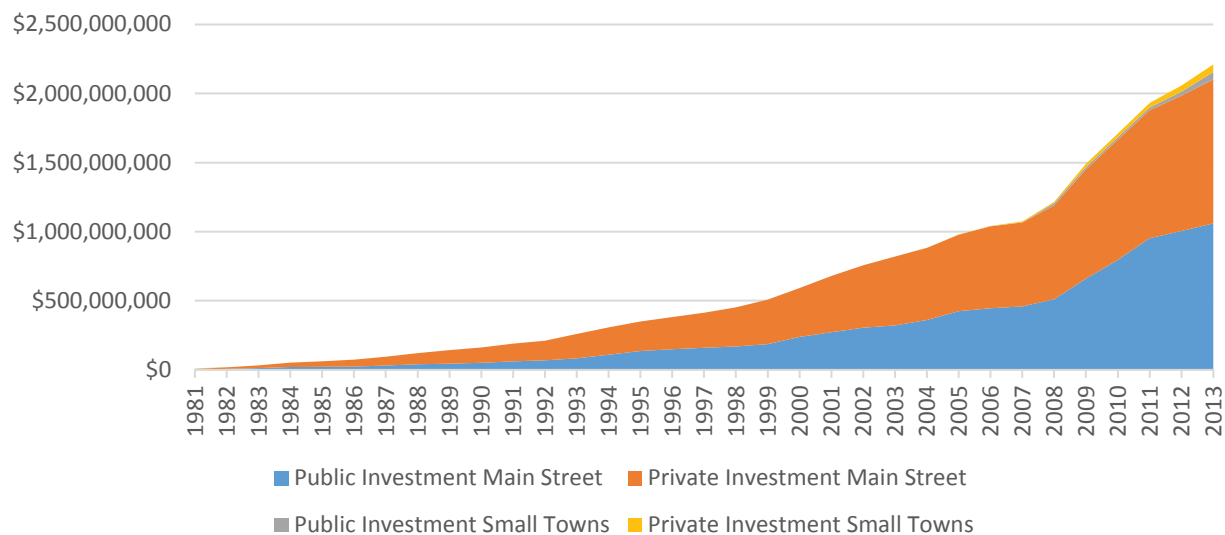
As one of the original demonstration states for Main Street, North Carolina has a wealth of data collected from participating towns. Local program managers are required to submit annual reports on activities in their districts to the state office. For most of the last 33 years, these reports have included:

- Number of facades redone and number of buildings rehabilitated
- Number of net new jobs
- Number of net new businesses
- Amount of private investment
- Amount of public investment

In recent years, efforts have been made to expand the information collected from each community. Those lists include volunteer hours, number of new public improvement projects, and the number of new construction projects, among others.

The big numbers illustrate just how much of a commitment North Carolinians have made to their downtowns for the past 30 years. Combined public and private investment in Main Street districts has been extraordinary, with over \$2 billion invested.

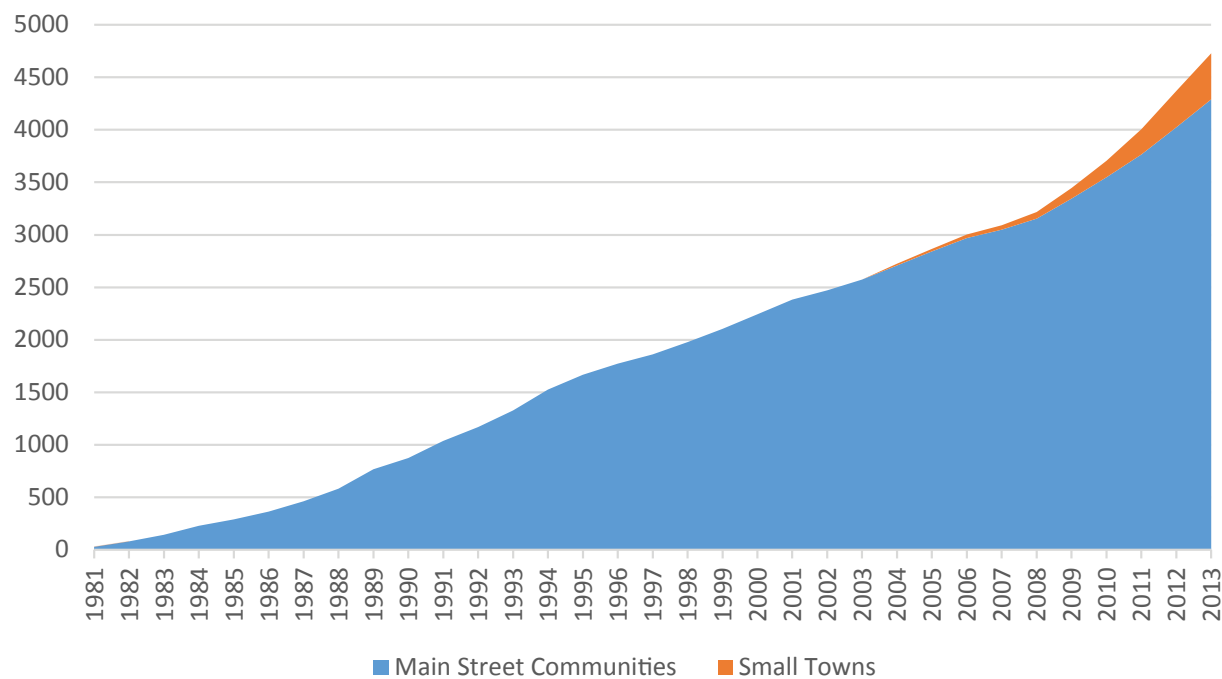
**Cumulative Investment 1981 - 2013
Main Street and Small Towns Programs**





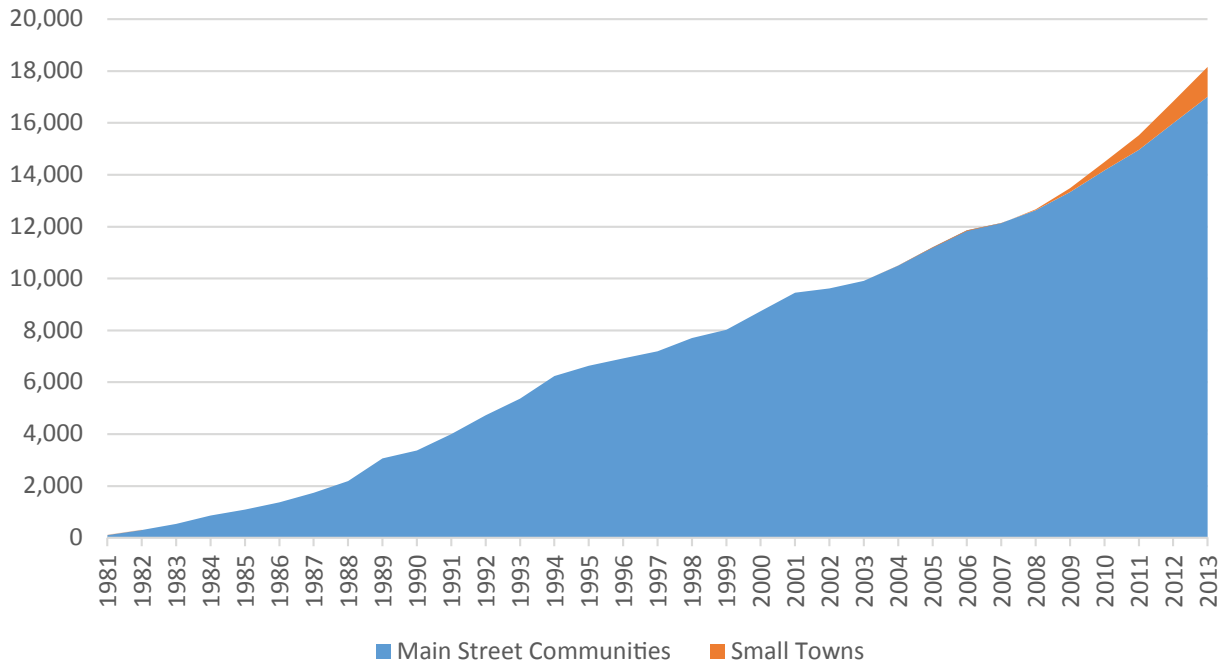
One of the priorities of Main Street communities is to fill vacant storefronts. Often in just a few short years, these communities make steady improvement and lower storefront vacancy rates from 30 percent to 10 percent or less. The practice of filling storefronts is time-consuming. Convincing building owners that change is coming, finding businesses to start up in or move to a new location, and rehabilitating spaces is a complex process. Yet the hard work of these communities pays off, as the numbers prove that small businesses thrive in Main Street districts. Certainly some businesses close each year, and those numbers are reported as well. But when more businesses open than close, there is a growth in net new businesses. The number of net new businesses in Main Street districts exceeds 4,700 over the life of the program.

Cumulative New Net Businesses 1981 - 2013



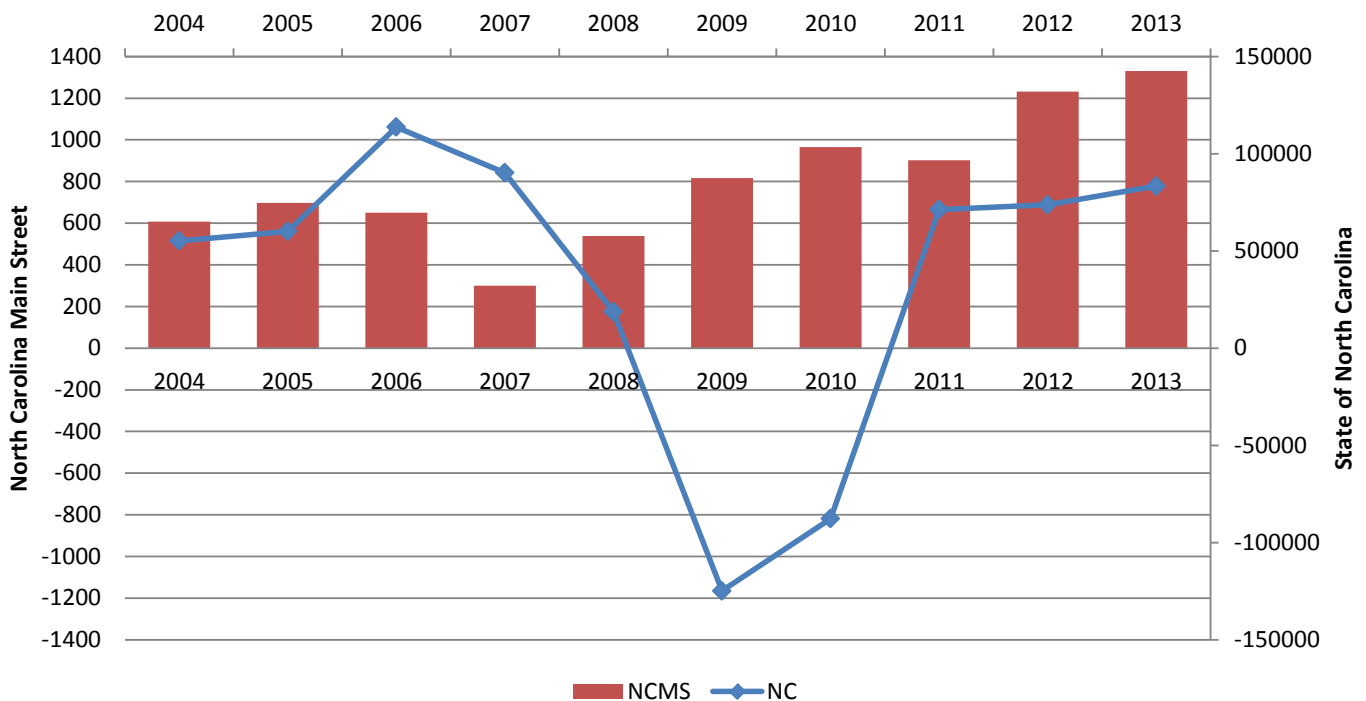
But it's not just a new business filling a storefront. These entrepreneurs hire local employees. Since 1980, North Carolina Main Street districts have seen more than 18,000 net new jobs.

Cumulative Net New Jobs



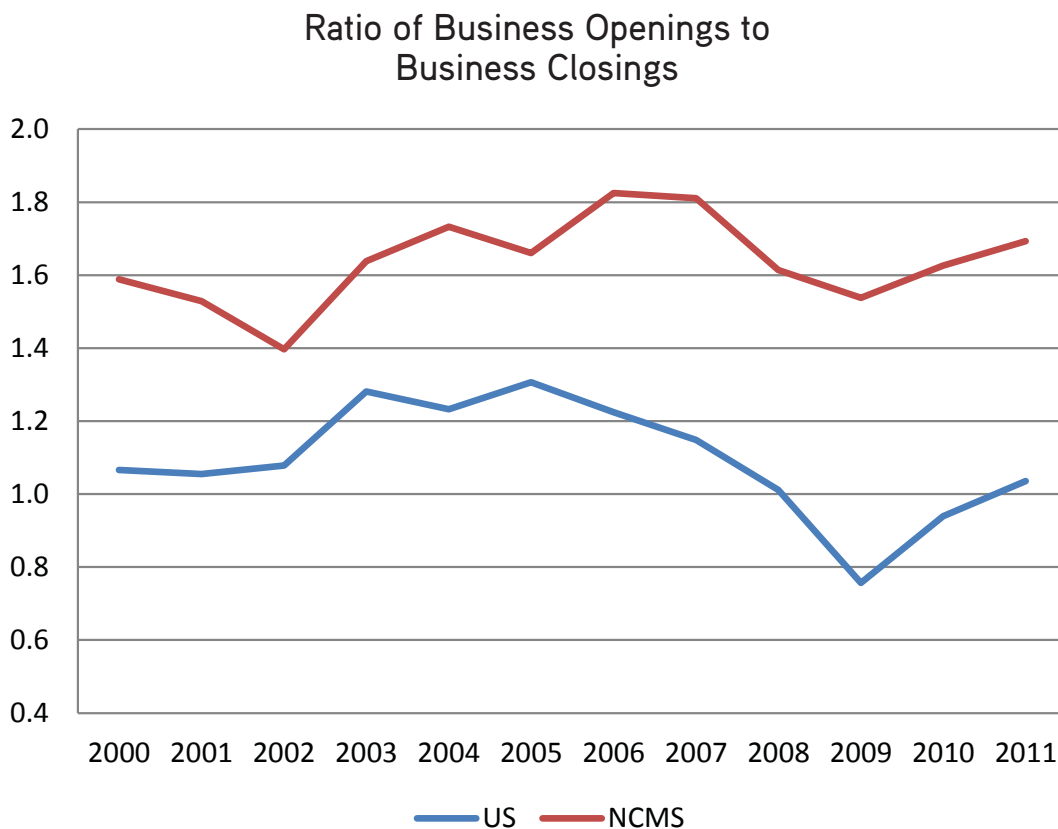
What is particularly impressive about the net job growth is that even during the most recent recession, Main Street businesses were still hiring. In the depths of the Great Recession, the state of North Carolina had thousands of fewer jobs than a year earlier. Not so on Main Street. Every year over the last decade, there has been a net growth of jobs in Main Street districts.

Year to Year Job Change Main Street Districts vs. North Carolina



The Main Street program is not a job subsidy program. Rather, it provides support to communities to cultivate a positive business environment. The fact that Main Street communities outpaced the rest of North Carolina indicates the increased stability that a Main Street district provides.

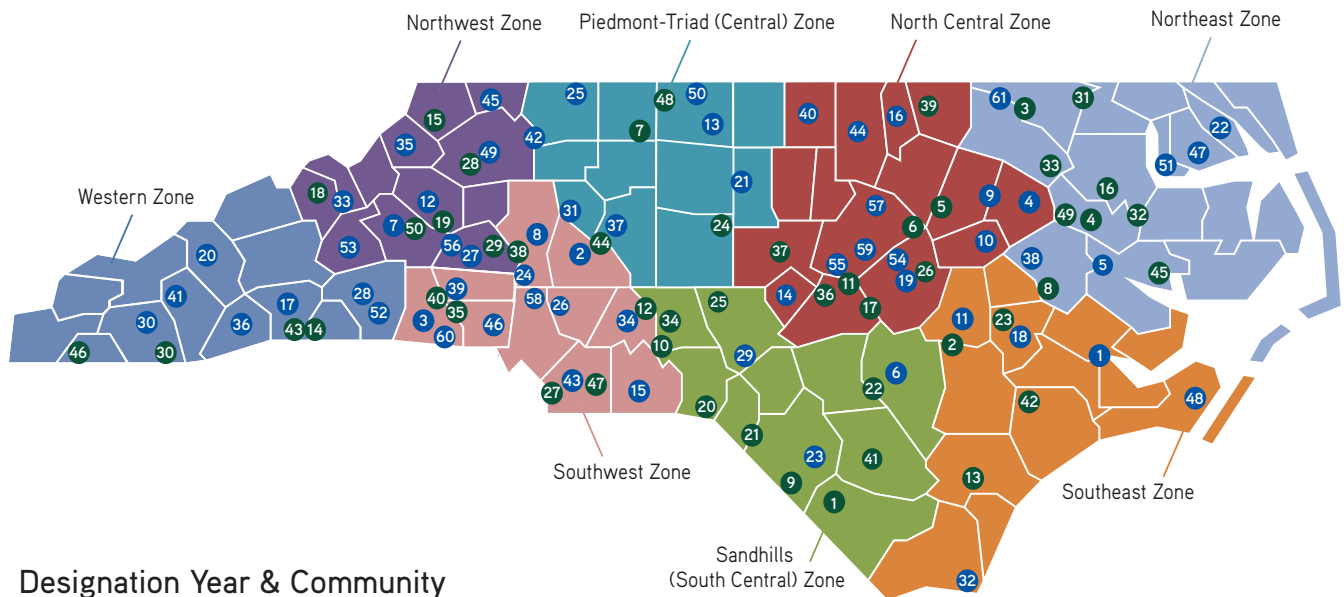
Another measure of an economic environment that is conducive to success is the ratio between businesses that are opening and those that are closing. The typical national ratio is between 1.1 and 1.2 to 1. That is to say, for every 11 or 12 businesses that open, 10 close. This ratio has held true over the last decade, on average, but during the depths of the recession the ratio throughout the U.S. fell below 1: more businesses were closing than opening. Not so in North Carolina Main Street districts. Even during the economic downturn, at least 15 businesses were opening for every 10 that closed. This countercyclical pattern evidences the strength and stability of North Carolina Main Street districts.



Regional Differences

North Carolina is a diverse state composed not of one economy but several. Some regions in the state boom while others bust. In recognition of these regional differences, the North Carolina Department of Commerce identified eight “Prosperity Zones” to better focus the appropriate state strategies and economic development tools. This study looked at differences in Main Street communities in these zones using two measurements: number of net new jobs per community per year and amount of private investment per community per year.

North Carolina Main Street and Small Town Main Street Communities



Designation Year & Community

1980	1982	1984	1986	1988	1990	1991	1993
1 New Bern	6 Clinton	11 Goldsboro	16 Henderson	21 Burlington	26 Concord	31 Mocksville	34 Albermarle
2 Salisbury	7 Morganton	12 Lenoir	17 Hendersonville	22 Elizabeth City	27 Newton	32 Southport	35 Boone
3 Shelby	8 Statesville	13 Reidsville	18 Kinston	23 Lumberton	28 Rutherfordton	33 Spruce Pine	36 Brevard
4 Tarboro	9 Rocky Mount	14 Sanford	19 Smithfield	24 Mooresville	29 Aberdeen (N/A)		37 Lexington
5 Washington	10 Wilson	15 Wadesboro	20 Waynesville	25 Mount Airy	30 Franklin		
1995	1998	2000	2003	2004	2005	2006	
38 Farmville	42 Elkin	46 Belmont	50 Eden	5 Spring Hope	7 Walnut Cove	54 Clayton	56 Hickory
39 Lincolnton	43 Monroe	47 Hertford	51 Edenton	6 Zebulon (N/A)		55 Fuquay-Varina	57 Wake Forest
40 Roxboro	44 Oxford	48 Morehead City	1 Chadbourn (N/A)	3 Weldon		8 Ayden	10 Mount Gilead
41 Sylva	45 Sparta	49 North Wilkesboro	2 Mount Olive	4 Williamson		9 Fairmont	
2007	2008	2009	2010	2011	2012	2013	
11 Angier	17 Benson	58 Davidson	29 Catawba	35 Bessemer City	40 Cherryville	45 Belhaven	
12 Badin	18 Burnsville	59 Garner	30 Highlands	36 Lillington	41 Elizabethtown	46 Hayesville	
13 Burgaw	19 Granite Falls	23 La Grange	31 Murfreesboro (N/A)	37 Pittsboro	42 Richlands	47 Marshville	
14 Tryon	20 Hamlet (N/A)	24 Liberty	32 Plymouth	38 Troutman	43 Saluda	48 Mayodan	
15 West Jefferson	21 Maxton (N/A)	25 Robbins	33 Scotland Neck	39 Warrenton	44 Spencer	49 Robertsonville	
16 Windsor	22 Roxboro		34 Troy			50 Valdese	

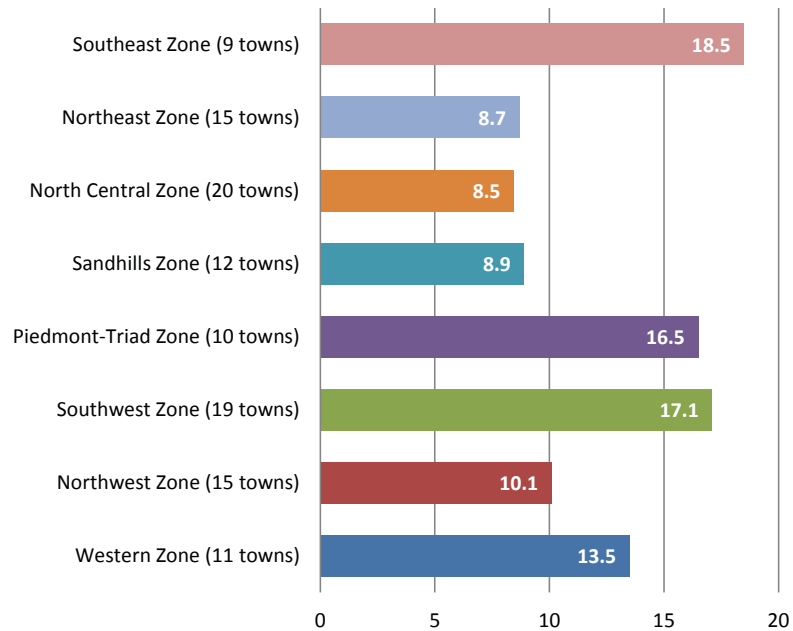
● Main Street Community

● Small Town Main Street Community

(N/A) Indicates community is “not active” in the program

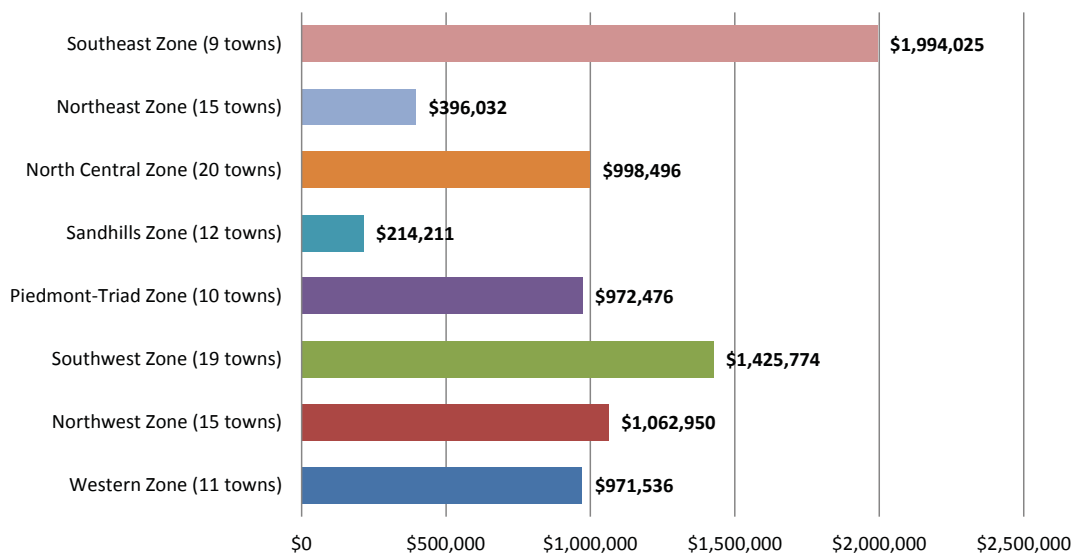
North Carolina's 100+ Main Street communities are widely dispersed throughout the state and therefore the Prosperity Zones. Between 9 and 20 Main Street and Small Town Main Street programs are located in each zone. These programs clearly have an impact on the regional economy. Over the past 15 years, the average net new jobs per community each year ranged from 8.5 in the North Central Zone to 18.5 in the Southeast Zone.

Average Net New Jobs/Town/Year 1989 - 2013



The amount of private investment largely paralleled the net job growth. The 12 towns in the Sandhills Zone averaged just under a quarter million dollars of private investment per year. In the more prosperous Southeast and Southwest zones, the private investment per town each year exceeded \$1.4 million.

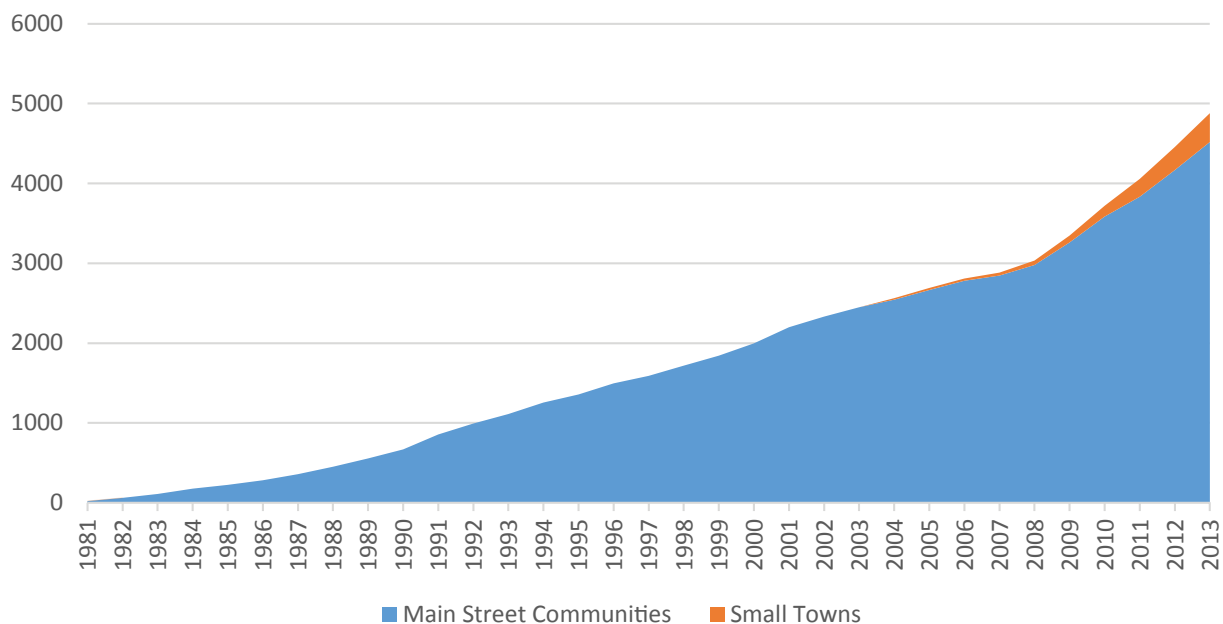
Average Private Investment/Town/Year 1989 - 2013



Buildings and Property

Main Street sees the inventory of historic buildings in each district as a means of maintaining community character and creating differentiation in an increasingly competitive world. Investments in historic buildings in Main Street districts are a key component, without which the program would not be considered a success from either an economic development or historic preservation standpoint. These investments represent confidence in the market. The 33 years of real estate investments in Main Street is impressive, totaling more than 4,500 building rehabilitations in North Carolina Main Street districts.

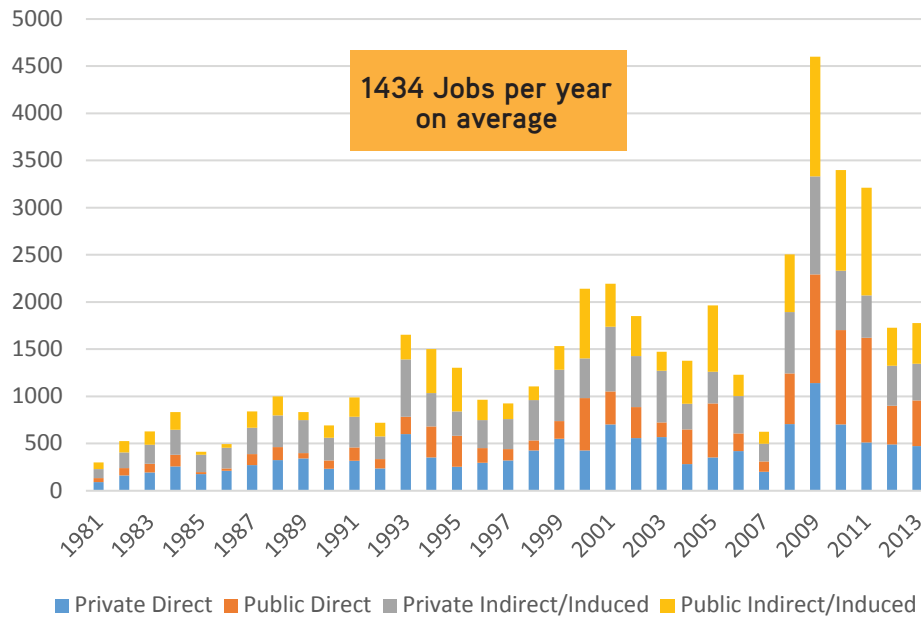
Cumulative Building Rehabilitations
1981 - 2013



While the results of these rehabilitations offer spaces for new business, jobs, and residents, the projects themselves are also contributors to economic development. Historic preservation and restoration projects are labor-intensive, meaning the carpenters, painters, and specialists like stained glass experts are employed for longer and for more pay.

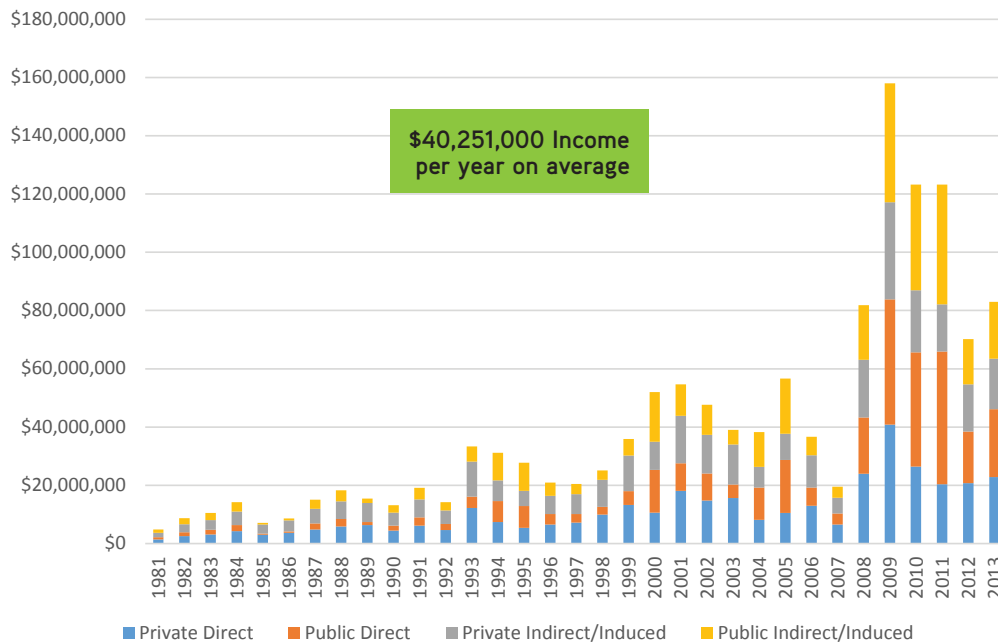
But downtowns are not museums; they are living, evolving places. Main Street districts have also seen new construction and investment in infrastructure, public spaces, and amenities. Since 1981, there have been an average of more than 1,400 full-time equivalent construction jobs created each year as a result of public and private investment in Main Street districts.

Annual Jobs from Construction Activity 1983 - 2013



But those aren't just jobs—those jobs have paychecks. The work done on buildings, infrastructure, and amenities in North Carolina Main Street districts has provided paychecks of in excess of \$40 million on average every year since 1981. In recent years, that amount has often exceeded \$80 million.

Income from Construction Activity 1981 - 2013



Historic Preservation Tax Credits

In 1998, North Carolina enacted the State Historic Preservation Tax Credits, which provide a 20 percent tax credit for rehabilitation expenditures. Nearly 300 projects in Main Street districts have used the credits, resulting in over \$190 million invested. Project costs range from \$25,000 to \$26 million.

While just over 6 percent of all of the rehabilitation projects in Main Street districts used the historic tax credits, those projects represented nearly 30 percent of the total dollars invested. Those projects alone generated 5,499 full-time equivalent construction jobs for one year and paychecks for North Carolina workers of \$138,134,000.

An interesting pattern emerges when the period prior to the state tax credit is compared to the years following its enactment. In the 18 years before the state adopted the historic tax credit, 146 projects used the federal tax credit, investing around \$51 million for an average project size just under \$350,000. In the 15 years since the state tax credit has been available, virtually the same number of projects have been completed in Main Street districts. But the ability to layer the state tax credit on top of the federal credit has made it possible to undertake much larger and riskier projects. Since 1999, nearly \$140 million has been invested using the State Historic Preservation Tax Credit in Main Street communities, with an average project size exceeding \$963,000.

	1981 - 1998	1999 - 2013
# of Projects	146	145
Investment	\$50,894,761	\$139,655,535
Average Project Size	\$348,594	\$963,142

Cost of an Empty Building

Sometimes economic impact can be measured not by what does happen, but rather by what does not. Vacancies are a challenge in many communities, and Main Street districts are no exception. It is not uncommon for a local Main Street manager to spend much of his or her time trying to fill those vacancies. And for good reason.

If a storefront sits empty for a year, obviously the building owner is not collecting rents. Commercial rents in Main Street communities in North Carolina fall into four categories: \$2-\$6 per square foot per year, \$6-\$10 per square foot per year, \$10-\$14 per square foot per year, and more than \$14 per square foot per year. Based on those ranges, here is what the property owner does not collect each year the building sits empty.

Annual Rent per square foot	\$2 - \$6	\$6 - \$10	\$10 - \$14	\$14 +
Rents not collected	\$6,000	\$16,000	\$30,000	\$40,000
Assumed square footage of space	1500	2000	2500	2500

But the property owner is not the only one who loses revenue when a building sits empty for a year.

Business Category	Revenue not received	\$2 - \$6	\$6 - \$10	\$10 - \$14	\$14 +
BANKS	Deposit Balance	\$4,886	\$13,028	\$24,428	\$32,571
	Interest & Fees	\$1,576	\$4,204	\$7,882	\$10,509
SERVICE PROVIDERS	Advertising/Marketing/PR	\$1,489	\$3,970	\$7,444	\$9,925
	Security/Maintenance/Repairs	\$525	\$1,401	\$2,627	\$3,503
	Legal/Accounting	\$309	\$825	\$1,546	\$2,062
	Printing/Reproduction	\$175	\$467	\$876	\$1,168
	Insurance	\$1,472	\$3,925	\$7,360	\$9,813
UTILITY COMPANIES	Utilities	\$309	\$825	\$1,546	\$2,062
	Telephone/Internet	\$212	\$565	\$1,060	\$1,414
EMPLOYEES	Wages/Salary	\$7,128	\$19,009	\$35,642	\$47,522
	Pension/Benefits	\$478	\$1,273	\$2,388	\$3,184
GOVERNMENT	Taxes	\$5,255	\$14,012	\$26,273	\$35,031
BUSINESS OWNER	Compensation	\$8,664	\$23,105	\$43,322	\$57,763
	Profits	\$3,918	\$10,448	\$19,589	\$26,119

Upper-Floor Housing

If a vacant storefront is a drain on the downtown economy, there is one strategy that can have a sizable positive impact: downtown upper-floor housing. This strategy is emerging as a major opportunity in North Carolina communities, with over half of towns already reporting downtown housing. In most communities, the range of rents is \$400 to \$800 per month, with some locations commanding up to \$1200 per month.

Just as it is not only the property owner who loses money when a building sits empty, other stakeholders can gain when an upper floor becomes a residential unit. The table below shows the impact that one couple living in an upper-floor apartment will have on the immediate downtown economy if the goods and services are available.

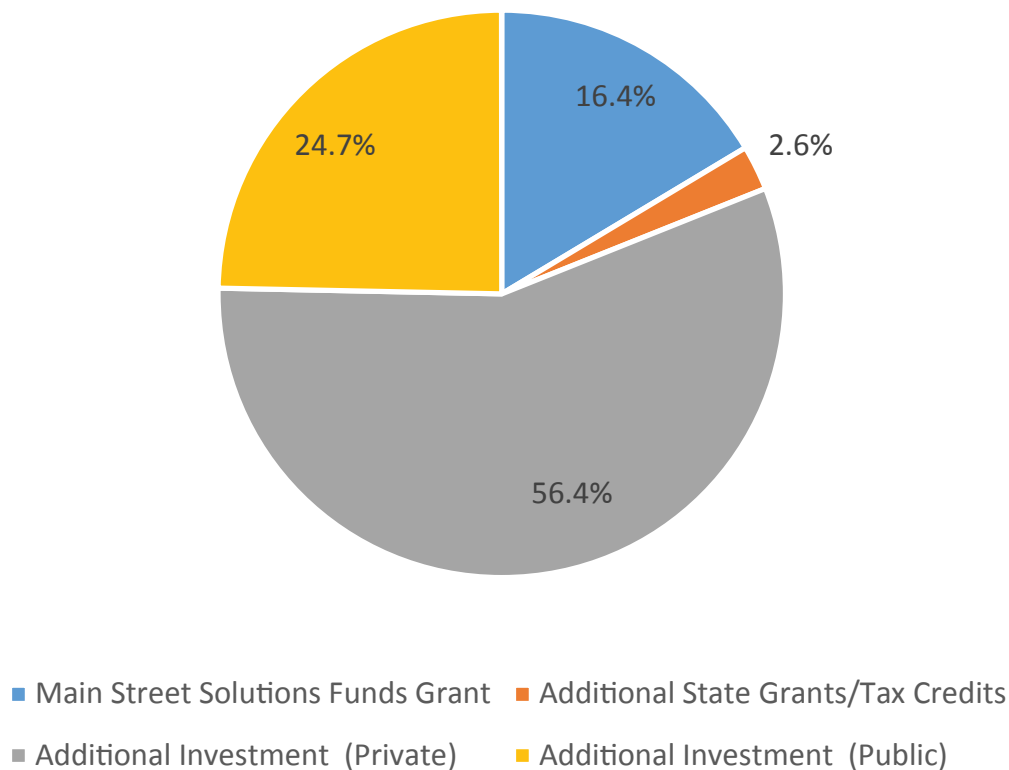
Annual expenditures downtown of a couple paying monthly rent of...			
	Up to \$400	\$400-\$800	\$800-\$1200
Food at home	\$1,607	\$2,307	\$3,758
Food away from home	\$562	\$899	\$1,560
Alcoholic beverages	\$121	\$233	\$346
Housekeeping supplies	\$215	\$282	\$437
Furniture	\$81	\$138	\$259
Small appliances, miscellaneous housewares	\$23	\$35	\$58
Miscellaneous household equipment	\$228	\$262	\$470
Men and boys apparel	\$81	\$121	\$173
Women and girls apparel	\$144	\$187	\$336
Footwear	\$81	\$121	\$230
Other apparel products and services	\$46	\$69	\$115
Gasoline and motor oil	\$937	\$1,498	\$2,458
Vehicle Maintenance and repairs	\$294	\$467	\$734
Vehicle insurance	\$288	\$497	\$972
Health care	\$1,325	\$1,728	\$2,808
Fees and admissions	\$67	\$101	\$216
Audio and visual equipment and services	\$276	\$397	\$634
Pets, toys, hobbies, and playground equipment	\$202	\$367	\$396
Other entertainment supplies, equipment, and services	\$35	\$69	\$144
Personal care products and services	\$225	\$311	\$518
Reading	\$23	\$35	\$58
Education	\$134	\$323	\$470
Tobacco products and smoking supplies	\$190	\$285	\$389
Miscellaneous	\$336	\$302	\$538
Cash contributions	\$346	\$446	\$696
Total Expenditures	\$7,867	\$11,480	\$18,773

Main Street Solutions Fund

The Main Street Solutions Fund was created to provide direct support to small businesses in eligible small towns in Tier 2 and Tier 3 counties and designated North Carolina Main Street communities. Since 2009, the Main Street Solutions Fund has invested \$2.6 million into 16 different Main Street communities. These funds are used to fill gaps in economic development projects that benefit the small businesses that create and retain jobs in North Carolina Main Street downtowns. Grants range from \$50,000 to more than \$200,000. Main Street Solutions Fund assistance may make the difference between a project reaching completion or falling by the wayside.

These grants effectively leverage scarce public dollars, as the private sector has invested over \$8 million into the same projects. The Solutions Fund grants are not large investments, on average making up just 16 percent of the total project cost. In contrast, an average of 56 percent of project costs come from private investment.

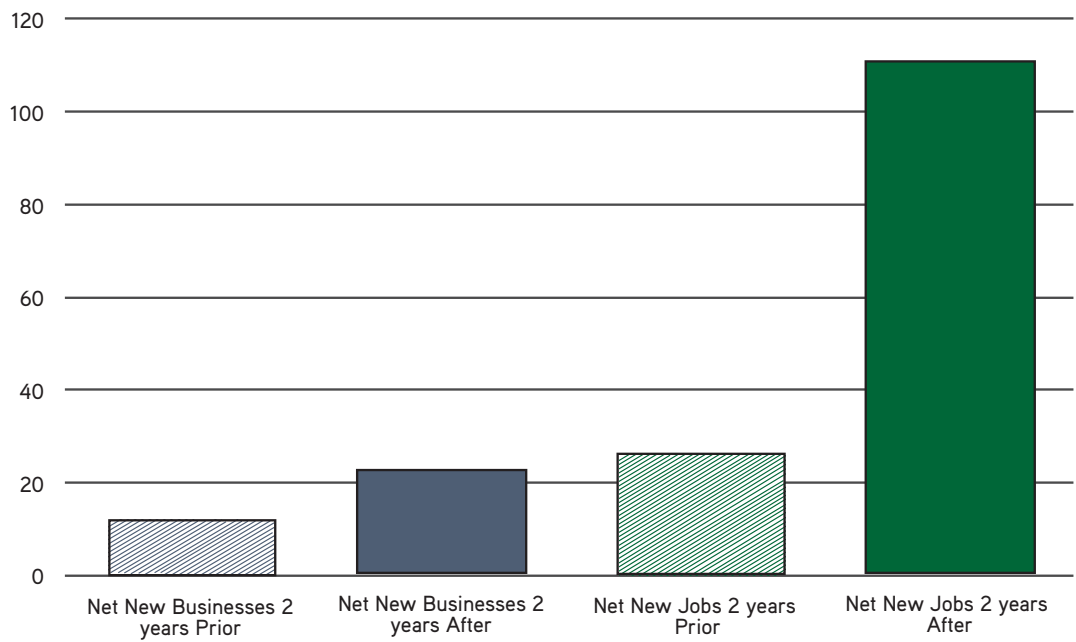
Share of Project Cost



The impacts of a Solutions Fund grant on the recipient community are remarkable. In the two years prior to receiving a Solutions Fund grant, recipient Main Street districts averaged 12.1 net new businesses per year. In the two years after receiving the grant, those same districts averaged 23.3 net new businesses per year.

The increase in jobs was even more impressive. In the two years prior to receiving a Solutions Fund grant, recipient Main Street districts averaged 26.5 net new jobs per year. In the two years after receiving the grant, those same districts averaged 110.5 net new jobs per year.

New Businesses and Jobs per Year Before and After Solutions Fund



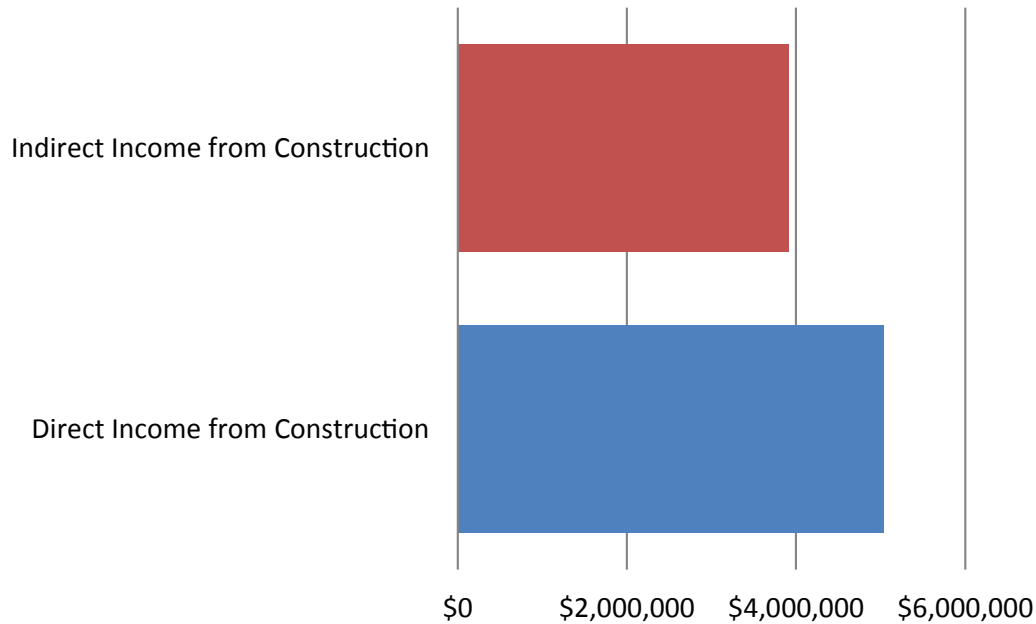
The Main Street Solutions Fund was created to create and retain jobs, and it has done that well. Roughly 240 full-time jobs have been retained or created, as well as another 200 permanent part-time jobs. These numbers do not include the construction and related jobs that came about from the projects themselves, which have added another 192 direct and indirect jobs.

Jobs and the Solutions Fund



While those construction jobs go away once the project is completed, they go away with sizable paychecks. Since 2009, workers who are directly and indirectly employed as a result of Main Street Solutions Fund projects have received \$9 million in salary and wages.

Construction Income from Solutions Fund Projects



But construction workers and full-time employees of the expanded businesses are not the only beneficiaries of the Main Street Solutions Fund projects. The public sector has received significant returns via property tax, sales tax, and income tax.

Tax Returns from Solutions Fund Projects



The projects highlighted below show the range of economic activity that the Main Street Solutions Fund has helped make possible.

Burlington's Company Shops Market

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)	Additional Investment (Public)
2009-2010	Burlington	\$3,254,937	\$298,460	\$1,225,477	\$1,731,000
		100%	9.2%	37.6%	53.5%

In Burlington, the idea was simple—to create a grocery store in a former A&P grocery store. The dedicated community rallied around the plan and supported the new business through the renovation and opening of the Company Shops Market. The community-centered business sells ownership shares to support the store financially. Today, over 2,500 owners receive membership discounts, right-to-vote, and patronage dividends. As the store succeeds, the patrons do too. Stocked with local sustainable foods, North Carolina-bottled beer and wine, hot lunches, and coffee, the Market is a community gathering place in historic Burlington.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
1	17	15



Company Shops Market, Burlington

Goldsboro's Arts Downtown

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)	Additional Investment (Public)
2010-2011	Goldsboro	\$1,817,397	\$200,000	\$694,682	\$922,715
		100%	11%	38.2%	50.8%

When a downtown business moves out of the district, some communities might assume the business is gone forever – but not Goldsboro. In 2011, with the aid of a Solutions Fund grant, the Downtown Goldsboro Development Corporation successfully courted their local Arts Council back to downtown after a ten year hiatus. The public-private partnership renovated a corner building into a retail shop called the Arts Market, two galleries, offices, art and music classrooms, and artist studios. The Arts Council of Wayne County facility now hosts nationally juried shows, First Friday programming, and serves as an economic hub. The catalytic impacts of Arts Downtown is being felt with new businesses, renovation projects and leveraging other grants for downtown Goldsboro.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
3	18	29



Arts Downtown, Goldsboro

Highlands' Town Square

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)
2010-2011	Highlands	\$1,292,540	\$200,000	\$1,092,540
		100%	15.5%	84.5%

After wandering over sharp mountain roads, travelers arrive in the several-block downtown of Highlands, anchored on one end by the world-renowned Old Edwards Inn. Highlands joined the Small Town Main Street program in 2009 and immediately capitalized on the designation to create an anchor at the other end of Main Street. A locally owned business, Lupoli Construction, transformed an old motel into 21,500 square feet of retail, office, and restaurant space. The father-daughter team at Lupoli handled both construction and marketing to bring a mix of locally owned and national boutique brands to Town Square. In addition, the project created a public courtyard area with public restrooms and hosts Friday night concerts in the summer.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
8	52	29



Town Square, Highlands

Kinston's Miller Furniture

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)
2010-2011	Kinston	\$1,168,374	\$200,000	\$968,374
		100%	17.1%	82.9%

The Miller Furniture Renovation Project in downtown Kinston is a great example of what to do when a 40,000 square foot building sits empty – create partnerships to refill it. The building, historically a furniture store was renovated to create entrances for two new restaurants. The Ginger 108, an Asian bistro, and the Boiler Room Oyster Bar, a 1950s themed burger and oyster diner, both with local owners, are leaders in the emerging restaurant scene in Kinston. The renovation project has spurred additional entertainment venues in downtown Kinston and placed Kinston on the map as a regional destination.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
2	8	0

LaGrange's Margaret Blount Harvey Building

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)	Additional Investment (Public)
2009-2010	La Grange	\$229,102	\$87,131	\$6,450	\$135,521
		100%	38.0%	2.8%	59.2%

The La Grange Town Council and town staff sought a solution to combat the continuing decline of their downtown. Lenoir Community College and its Board of Trustees wanted to expand their capacity to provide educational services to La Grange. By leveraging Main Street Solutions Fund monies and the private donation of a building, these entities partnered to develop a high-tech facility to house the Lenoir Community College Annex. The project enabled La Grange, population 2,800, to retain 2 businesses, create a community college satellite operation, and serve as a catalyst for additional façade improvements.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
3	4	5

Lenoir's Carolina Distillery

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional State Grants/Tax Credits	Additional Investment (Private)	Additional Investment (Public)
2010-2011	Lenoir	\$822,590	\$200,000	\$264,000	\$264,000	\$338,590
		100%	24.3%	32.1%	32.1%	41.1%

Located on a prominent corner in downtown Lenoir, the renovated 39,600 square foot former furniture store sat vacant for nearly three years. The renovation is ongoing but the building houses the Carolina Distillery and Howard Brewing. Carolina Distillery leapt into the micro-distillery scene in North Carolina after recent law changes. The project served as a second career for the founders, who were armed with a dream, a family recipe, and a history of moonshining. Western North Carolina is gaining a reputation nationally for brewing and distilling, and Carolina Distillery is right in the middle of it in downtown Lenoir.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
2	8	7

Morganton's Development Incentive Grant (D.I.G.) Challenge

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional State Grants/Tax Credits	Additional Investment (Private)	Additional Investment (Public)
2009-2010	Morganton	\$1,109,404	\$271,455.00	\$50,000.00	\$620,000.00	\$167,949.00
		100%	24.3%	32.1%	32.1%	41.1%

In less than ten months, the Morganton Main Street Program, in partnership with numerous other local entities leveraged a Solutions Fund award of \$271,455 into a \$1.1 million project that created two new restaurants, four outdoor seating venues, a wine & jazz bar, an art gallery and retail stores in downtown Morganton. The partners offered business assistance, rehabilitation guidance, funding, and hospitality training to ensure success of the project. The result was six downtown vacancies filled with new life and an inspired attitude for downtown owners, businesses and customers. The impacts of the project are numerous: a younger downtown support group, interest in the art and music scene, and additional public and private investments into downtown.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
8	56	69

New Bern's Branch's Furniture and Bank of the Arts

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)
2011-2012	New Bern	\$528,240	\$125,000	\$403,240
		100%	23.7%	76.3%

In a two-part project, New Bern renovated a 12,000 square foot former grocery store for an existing furniture vendor Branch's Furniture to expand and open a high-end market. The project enabled Branch's Furniture to double their showroom and increase their product line to over 300 manufacturers. The second initiative renovated a 1914 bank building to house the Craven Arts Council and Gallery, hence the building's nickname as Bank of the Arts. Main Street Solutions Grant Funds were used to renovate the building and expand the Arts Council's operation and retail shop. New Bern, one of the original North Carolina Main Street communities, continues to pursue impactful projects for their downtown.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
2	7	4



Bank of the Arts, New Bern

Newton's Carolina Vines Wine Bar and Shop

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)
2010-2011	Newton	\$339,024	\$50,000	\$289,024
		100%	14.7%	85.3%

In a prominent location on the downtown square in Newton, Carolina Vines Wine Bar and Shop opened in summer 2013 filling an underutilized building. The local owners purchased the property and completed a historically accurate façade renovation, rehabilitated the interior and plan to convert the upper floor into residential use. The Wine Bar and Shop serves as a community third place with a successful monthly wine club and attracts visitors with a unique selection of wine and beer. The establishment does not have a kitchen, but coordinates with local restaurants to deliver to the wine bar allowing customers to stay longer. Carolina Vines Wine Bar and Shop is a catalyst for increased interest in downtown improvements and the potential for business growth and investment in downtown Newton.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
1	2	4



Carolina Vines, Newton

Rocky Mount's Douglas Block

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)	Additional Investment (Public)
2009-2010	Rocky Mount	\$1,275,950	\$100,000	\$301,000	\$874,950
		100%	7.8%	23.6%	68.6%

The Douglas Block, a public-private partnership in Rocky Mount, is an \$8 million redevelopment project that includes rehabilitation, reinvestment and infill to the downtown. A \$100,000 Main Street Solutions Fund Grant went towards the transformation of a long-abandoned automotive repair shop into the city's hottest restaurant and night spot, the Prime Smokehouse. The new restaurant serves barbeque and hosts traveling jazz acts. Additionally, the project enabled Wee Care Pediatrics to move into the Douglas Block providing much needed medical care to the community. While Phase II of the \$8 million redevelopment is underway, the Solutions Fund partnership benefited two businesses and two buildings in the process.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
2	11	0



The Douglas Block, Rocky Mount

Salisbury's Twin Cottages

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional State Grants/Tax Credits	Additional Investment (Private)	Additional Investment (Public)
2010-2011	Salisbury	\$460,570	\$111,000	\$30,000	\$317,444	\$1,500
2012-2013		100%	24.2%	6.5%	68.9%	0.3%

Salisbury took a chance on two historic Victorian cottages, located in a transitional neighborhood on the edge of downtown, that had sat vacant for more than three years. The first structure was renovated and transformed into The Perfect Smoke Cigar Lounge with historic preservation tax credits and private investment. With an additional Solutions Grant, the twin property next door was renovated into Emma's Café utilizing private investment. These two downtown additions are a catalyst for additional interest in developing entertainment and dining venues and have reinforced the possibilities for taking long time vacant properties and rehabilitating them into unique venues for new businesses.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
2	5	12



The Perfect Smoke Cigar Lounge, Salisbury

Tryon's Depot Plaza and Commons and St. Luke's Plaza

Award Year	Community	Total Project Cost	Main Street Solutions Fund Grant	Additional Investment (Private)	Additional Investment (Public)
2011-2012	Tryon	\$1,350,000	\$200,000	\$1,130,000	\$20,000
2013-2014		100%	14.8%	83.7%	1.5%

Tryon, a town built into the hillside, has a one-sided Main Street commercial district; the other side of the road is taken up by the railroad tracks. The Town sought to implement a master plan to redevelop their historic train depot and make needed infrastructure improvements. A public-private partnership was formed that included private investments to build a new construction dentist office on Depot Plaza, renovate the historic Depot, and convert a former gas station across the street into a retail space on St. Luke's Plaza. Tryon's economic and investment climate has been transformed as a direct consequence of the Main Street Solutions Funds and the Depot Plaza and St. Luke's Plaza projects.

Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
4	13	4



St. Luke's Plaza dedication, Tryon

Principles Vignettes

A decade after the National Main Street Center was established, staff, local Main Street managers, and state program coordinators reviewed what had been happening in Main Street programs around the country. While many communities had a positive story to tell, there seemed to be a set of common denominators that were true of the most successful local programs. These came to be known as the Principles of Main Street.

Each of North Carolina's 100+ Main Street and Small Town Main Street programs has a story to tell. Though quantitative data such as amount of investment or net new jobs are important, these qualitative stories are often what keep community members involved. We have selected eight programs from around the state to demonstrate each of the Main Street principles. The examples were chosen for geographic dispersion, community size, and length of time in the Main Street or Small Town Main Street program.

1) Comprehensive

Commercial districts are complicated places. This means that successful, sustainable Main Street programs must be comprehensive. Building stronger businesses, attracting new economic activity, and promoting businesses and events all help to strengthen the local economy. Designing a welcoming physical environment and developing partnerships with diverse local stakeholders are also critical. Comprehensive programs simultaneously address all four points of Main Street: design, promotion, economic restructuring, and organization.

Town	Morganton
Population	16,861
Year joined the program	1982
Cumulative Net New Jobs	404
Cumulative Net New Businesses	150
Private Investment	\$47,718,427

In Morganton, none of the four points of Main Street is forgotten. In fact, the downtown Master plan adopted in 1997 was consciously written around the four points. The Main Street organization is not only strong in itself—it has aided other entities in writing grants, developing loan pools, and building partnerships. For nearly 30 years, Morganton has advanced the design component of Main Street with façade grant and loan programs. On the economic restructuring side, Morganton Main Street isn't just a cheerleader. It has provided funding for a downtown restaurant, upper-floor housing, and live/work developments. And its ongoing promotion efforts regularly land downtown Morganton on the pages of tourism and travel publications.



Morganton

2) Incremental

The incremental principle states that successful revitalization starts with simple, visible activities that have clear results. These small projects build capacity for larger, more ambitious projects—and increase the community’s confidence in what downtown can be. Downtown revitalization is “trickle up” economic development over time: business by business, building by building, block by block.

Town	Clinton
Population	8,743
Year joined the program	1982
Cumulative Net New Jobs	520
Cumulative Net New Businesses	98
Private Investment	\$5,342,238

Clinton has been a North Carolina Main Street community from nearly the beginning. As with all organizations, its momentum has sometimes wavered—but that, too, is part of the incremental process of Main Street. The first step is recognizing there is a problem. The board and staff of Clinton Main Street realized that after 30 years of effort, they no longer had working committees or active volunteers. So they stepped back, recommitted to Main Street and the Four-Point Approach, recruited volunteers to fill the committees, and adopted an aggressive work plan for the coming years. They aren’t waiting for a big fix or a quick fix. They are returning to the basics of one step at a time.



Clinton

3) Self-help

Building a thriving Main Street takes vision, tenacious optimism, and dogged perseverance. These qualities are especially important in the early days of the program, but they remain important throughout. Main Street supporters play the roles of bridge-builders and salespeople when few others recognize the possibilities. The self-help principle celebrates local leaders who see potential where no one else does—and who engage their communities to help make it happen.

Town	Rocky Mount
Population	57,136
Year joined the program	1982
Cumulative Net New Jobs	-75
Cumulative Net New Businesses	34
Private Investment	\$14,738,137

The City of Rocky Mount and the Main Street organization looked at a deteriorating building stock, high levels of vacancy, and businesses struggling to remain open. They knew that if they didn't address these issues, no one else was going to. So they stepped up in their own way. Here is how their self-help efforts are described: "This revitalization effort extends beyond traditional efforts that primarily focus on restoring buildings and improving physical structures to include the revitalization of the cultural fabric and social and economic vitality of a once-thriving part of Rocky Mount's Central City Historic District." With a major commitment of the City, the development of strategic financial partnerships, and creative real estate transactions, the history embedded in the buildings of downtown Rocky Mount is coming alive again.



Rocky Mount

photo credit Sunset Studios

4) Partnerships

A thriving Main Street community needs both public and private partners that are actively engaged in revitalization efforts. Achieving complex goals requires many partners that bring diverse skills and resources to the table. Bringing agencies, organizations, institutions, and individuals together requires dedication, creative thinking—and a firm handshake. The partnership principle recognizes all of that.

Town	Elizabeth City
Population	18,478
Year joined the program	1988
Cumulative Net New Jobs	209
Cumulative Net New Businesses	115
Private Investment	\$9,053,365

The best-funded Main Street program in the country does not have the financial and human resources to address the revitalization of downtown by itself. Success is absolutely contingent upon finding partners: not one or two, but dozens. And if partners are limited to business owners and residents within the boundaries of the Main Street district, success will be limited. In Elizabeth City, the municipal government, the county, the convention and visitors bureau, and multiple business owners—in and out of the Main Street district—have become partners and financial investors in Main Street. That pays the bills. But for major festivals, people as well as money are needed. So Elizabeth City Downtown, Inc. has built partnerships with an exceedingly diverse group of organizations, from the Shrine Club to the Junior ROTC, from the high school to three local colleges, from the Junior Women's Club to the Boy Scouts to the North Carolina Potato Association. Elizabeth City's Main Street program works because its partnerships work.

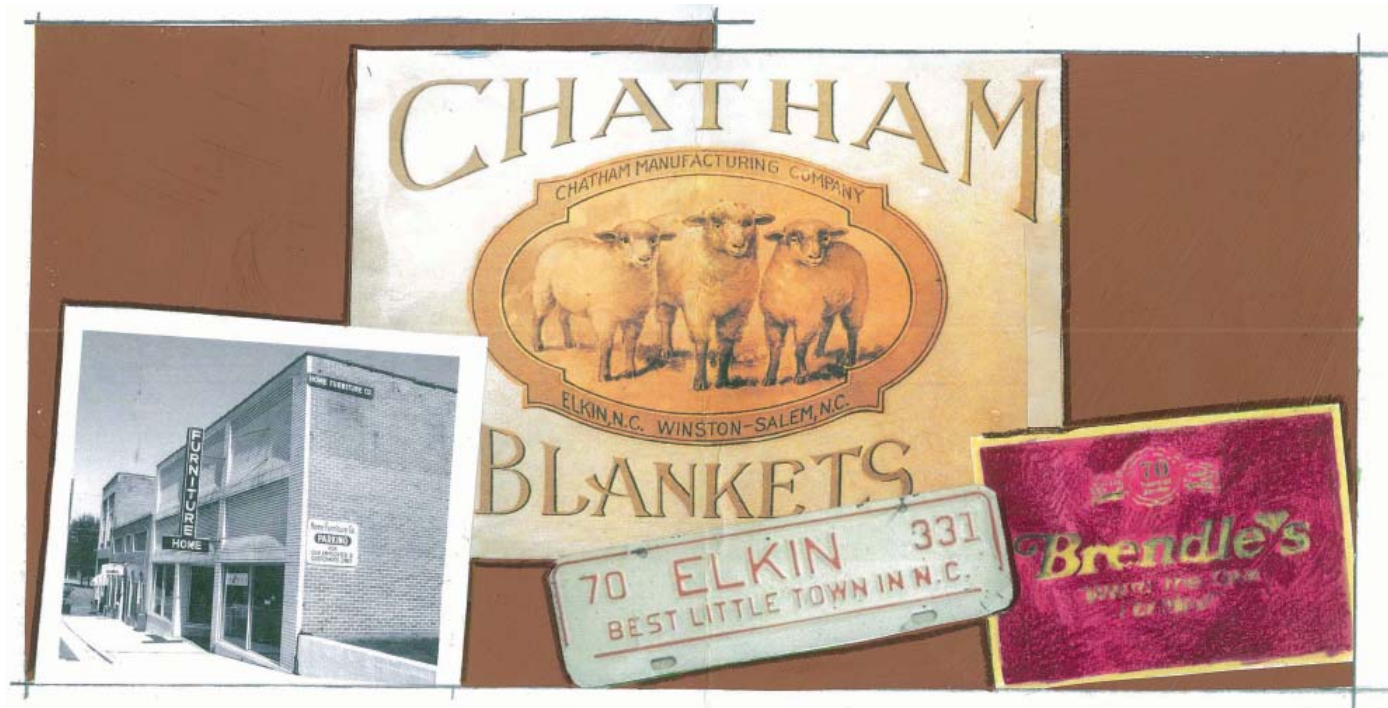


5) Identifying and Capitalizing on Existing Assets

Historic commercial districts can offer one of the most distinctive experiences in a community. When healthy, they are the heart of cities and towns. Identifying the unique buildings, public spaces, and cultural assets that make places what they are is a central principle of Main Street. And capitalizing on them—through façade rehabilitations, streetscape improvements, or something a little quirkier—can be one of the most exciting parts of revitalization work, with tangible results.

Town	Elkin
Population	4024
Year joined the program	1988
Cumulative Net New Jobs	306
Cumulative Net New Businesses	89
Private Investment	\$9,183,754

In many towns of 4000 people, there is all too often a sense that “we’re too small to have anything of value.” The Main Street organization in Elkin knows better. A local resident recently purchased the Reeves Theater with plans to restore it. Businesses are being offered a mural grant program to create works representing the life and history of the community. And although small-town in population, Elkin is big-city in its interest and commitment to the literary arts. A program is underway to add literary quotations to twenty buildings over the next year. These “little changes” are generating renewed interest in the built heritage of Elkin.



Elkin

6) Quality

Quality first! The best Main Street programs do a good job with the resources they have and don't stretch themselves thin for mediocre results. Quality work builds confidence in the program and lays a strong foundation for an exceptional downtown district. Whether in design, promotion, organization, or economic restructuring, strong projects achieve lasting—and quality—results.

Town	Waynesville
Population	9789
Year joined the program	1986
Cumulative Net New Jobs	647
Cumulative Net New Businesses	169
Private Investment	\$41,757,966

One walk down Main Street in Waynesville and it becomes quickly apparent that this is a community committed to quality. Quality shows up in major projects, like the restoration of the historic town hall. It also shows up at a small scale, like the benches, planters, and even trash receptacles. And the emphasis on quality is not limited to the built environment. Window displays in businesses, art in the galleries, and food in the restaurants are all about quality. So are the events featuring crafters or musicians or artisans. You are welcome in Waynesville if what you have to offer meets the quality test. Waynesville is a success story program in part because, for nearly 30 years in the Main Street program, it has refused to settle for second-best.



Waynesville

7) Change

Effective Main Street programs not only change opinions about downtown districts—they change practices, habits, and the physical environments of the districts themselves. These shifts might come slowly, but incremental, lasting improvements ensure that they will come. As public confidence increases, the community will become involved in sustaining positive changes and moving Main Street forward.

Town	Bessemer City
Population	5,386
Year joined the program	2011
Cumulative Net New Jobs	12
Cumulative Net New Businesses	5
Private Investment	\$382,287

Change is never easy. But the citizens of Bessemer City committed themselves to change when they joined the Small Town Main Street program. Yes, there are physical symbols of change—buildings that were vacant are now occupied, and long-neglected buildings have begun to recapture the beauty that was nearly forgotten. But perhaps even more important is the change in attitudes. Business owners, building owners, and investors have begun to look at downtown through the lens of Main Street. Citizens' sense of their own community has become more positive, more inviting, and more business-friendly. That change is becoming apparent in the region, as other towns are looking to Bessemer City as a model. Bessemer City's Main Street organization today is leading the change for a better community tomorrow.



Bessemer City

8) Implementation

Successful implementation requires small steps in addition to big results. “Game-changing” projects are made possible by achieving incremental goals that build organizational capacity. And smaller, visible changes allow Main Street programs to recruit volunteers and partners, as community members recognize that things are getting done. Some approaches to economic development spend their time talking about it. The Main Street approach does it. That’s implementation.

Town	Goldsboro
Population	37,051
Year joined the program	1984
Cumulative Net New Jobs	1178
Cumulative Net New Businesses	151
Private Investment	\$44,508,514

Some organizations talk about downtown revitalization; the Downtown Goldsboro Development Corporation does it. Twenty-three houses were at risk in downtown Goldsboro. So, did the DGDC write letters to the editor, call congressmen, and carry protest signs? No, it acquired the houses and sold 13 of them to new homeowners as part of the Neighborhood Plan efforts. Similarly, DGDC wasn’t content to make comments on the city’s streetscape project. It played an active role in its implementation, paving the way for the second phase beginning soon. The organization hosts 35 downtown events, 34 of which are completely free and open to the public. It doesn’t always have a budget for promotional and marketing materials, so it does promotion itself. Some organizations say, “Here’s what we should do.” The Downtown Goldsboro Development Corporation just gets it done.



Goldsboro

The Embodiment of the Main Street Principles

Good Main Street programs try to follow the Main Street Principles; great Main Street programs live and breathe them.

Town	New Bern
Population	30,316
Year joined the program	1980
Cumulative Net New Jobs	591
Cumulative Net New Businesses	138
Private Investment	\$97,045,495

New Bern was there at the beginning. When North Carolina became one of the six pilot states for a new program called Main Street, New Bern was one of five communities initially chosen to participate. That made sense, since it had already embarked on a preservation-based downtown revitalization effort a decade earlier. For 33 years, New Bern has been a national example: not just of a successful Main Street program, but of how historic preservation can be the foundation for sustainable economic development. Name any of the eight principles of Main Street and New Bern could provide an example. Communities all over the country look to New Bern to see how it's done.



New Bern

Main Street Today

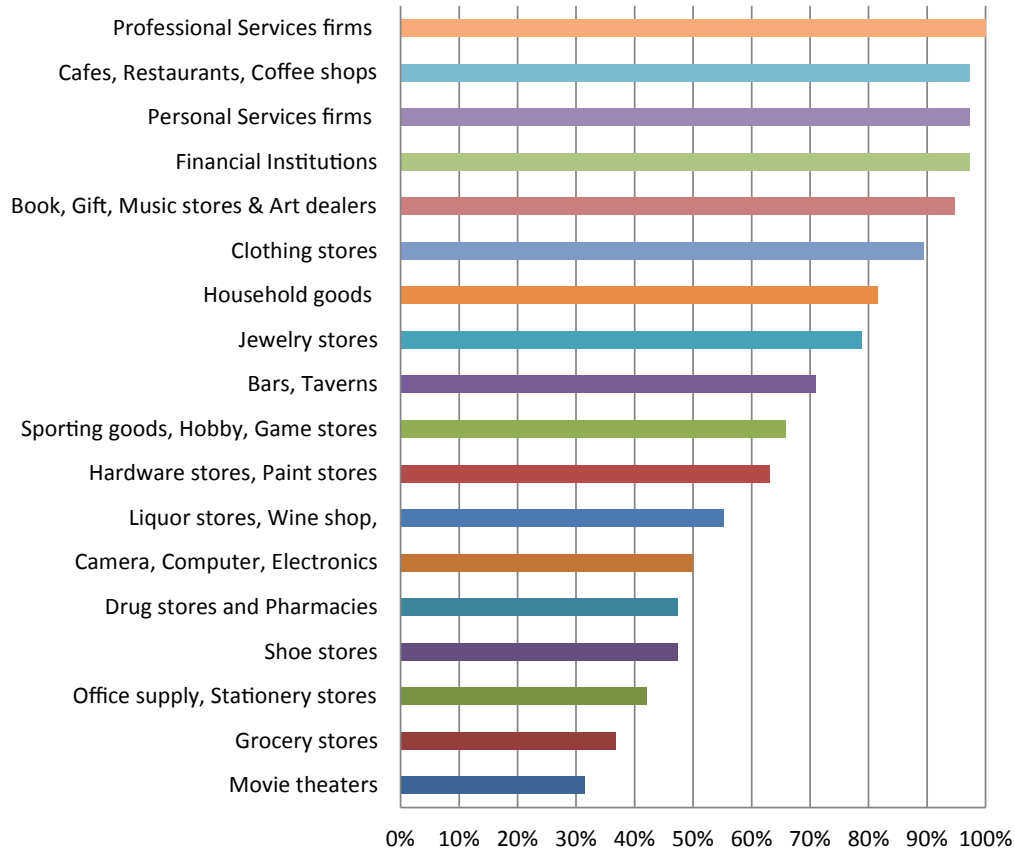
The thriving downtowns found in North Carolina Main Street communities are incredibly diverse. The challenge for downtowns—unlike strip centers or regional malls—is that there is no formula. It is not a case of “two of these and three of those” for a successful downtown. This makes downtown revitalization harder, but vastly more interesting than simply developing another retail center. To understand the trends in North Carolina Main Streets today, current Main Street managers were surveyed as to the condition and makeup of their downtowns.

The survey sought to capture who is coming to, shopping in, and benefitting from Main Street. Some assume that the major focus of Main Street is to serve tourists. In a few communities, tourism is a viable industry and visitors constitute a major customer base. But in most North Carolina Main Street communities, the primary customer groups are local. Main Street managers reported that nearly half of all downtown customers are either downtown workers or residents living nearby.

Who are the Customers?		
Number of Businesses to Directly Benefit from Grant	Full-time Jobs Retained or Created	Permanent Part-time Jobs Retained or Created
Customer Category	Average	Range
Downtown Workers	23.6%	5% - 60%
Nearby Residents	23.2%	5% - 50%
Other City Residents	19.5%	5% - 60%
Market Area Residents	18.4%	5% - 70%
Tourists	16.9%	1% - 60%
Other	5.4%	0% - 10%

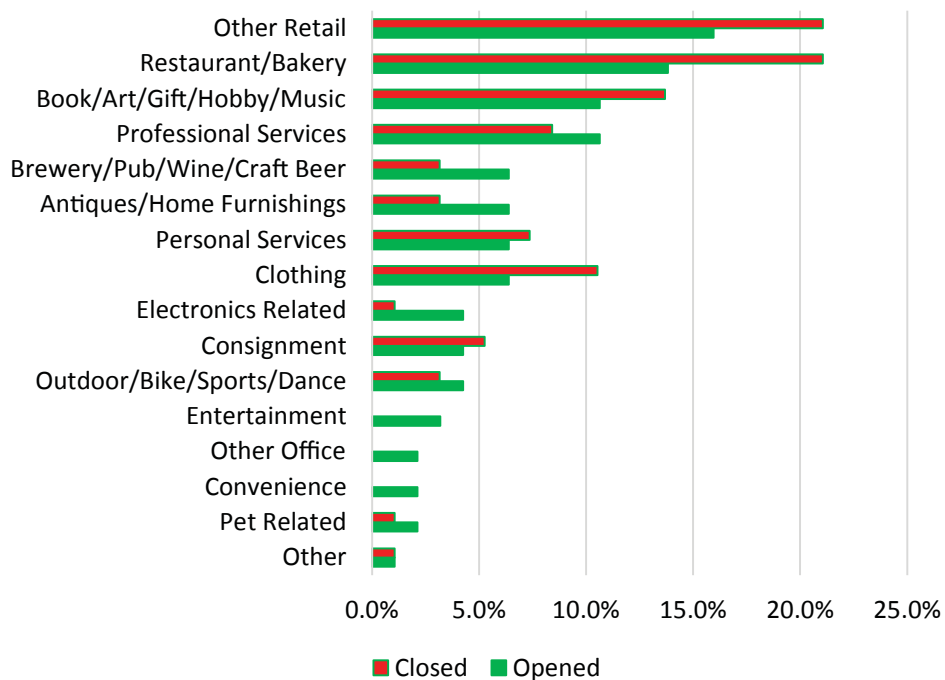
The survey also asked Main Street managers what types of businesses were located downtown. Professional service firms topped the list, with every responding Main Street identifying that type of business. The next three most common business types were cafes, financial institutions, and personal service firms. At one time, many of these downtowns had a 60 or 70 percent market share of their area’s retail activity. That is clearly no longer the case. On the positive side, firms like attorneys, accountants, and financial institutions tend to provide economic stability to a downtown area. The next most common business category was retail: gift, book and music stores, and art galleries. This is a very positive sign. The vast majority of these businesses are locally owned, therefore retain more of their revenues in the local market. Additionally, because these are specialty stores, customers are drawn to them for goods and services that aren’t available at the big-box discounter or the regional mall.

Types of Businesses in Main Street Communities



To gauge which business types are establishing themselves in Main Street districts, the survey asked managers to report the three most recent business openings and closings. The results show that professional services, brewery/pub/wine and craft beer, and antiques and home furnishings have more businesses opening than closing.

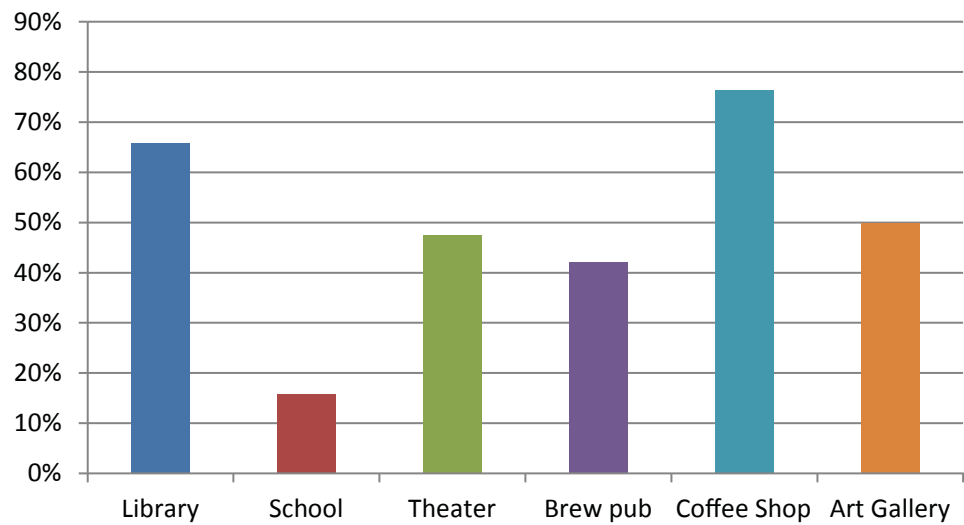
Businesses Opening/Businesses Closing





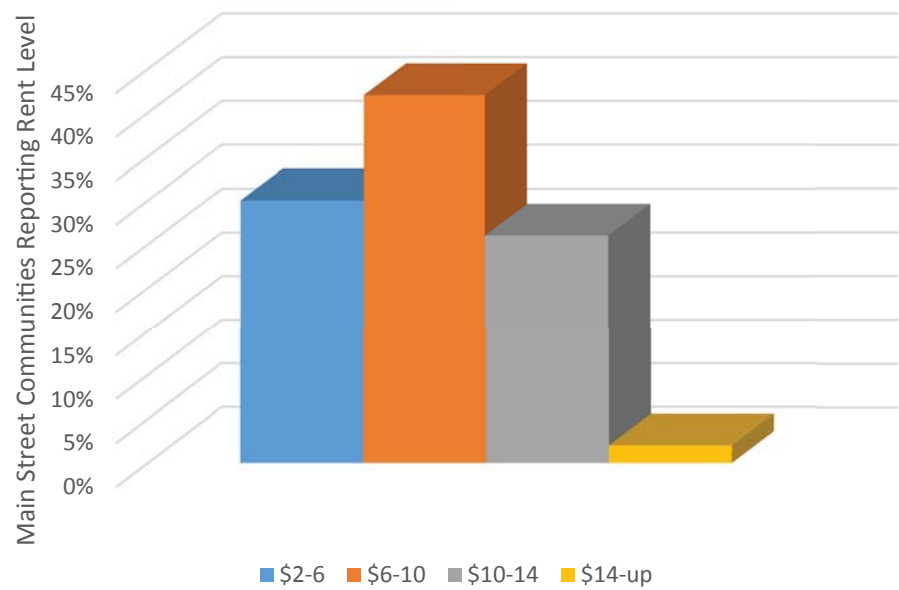
For those who recognize quality of life as a major economic development variable, there is an important concept called the “Third Place.” According to this approach, home is the first place and work the second. Most of us need a third place to interact with other members of the community. The managers were asked what locations served as “third places” in their downtown. Not surprisingly, the local coffee shop topped the list. Closely following as third places were the library, art galleries, and the theater. Even small towns in North Carolina clearly value qualitative venues to interact with others.

Identified as “Third Place”



The rent levels in North Carolina Main Street communities vary widely, although nearly half of managers report local commercial rent levels between \$6 and \$10 per square foot per year. A quarter of the communities are seeing rents between \$10 and \$14. Part of the responsibilities of a Main Street manager is to know his or her local commercial rents and understand what changes in those rents mean for downtown. When downtown commercial rents are on the lower end of the spectrum (less than \$10 per square foot per year), it allows for an affordable environment for businesses to expand, start up, or relocate. This is particularly important in the early years of operation. However, rents at these levels do not provide the opportunity for most building owners to make major reinvestments in the rehabilitation of the building without subsidies.

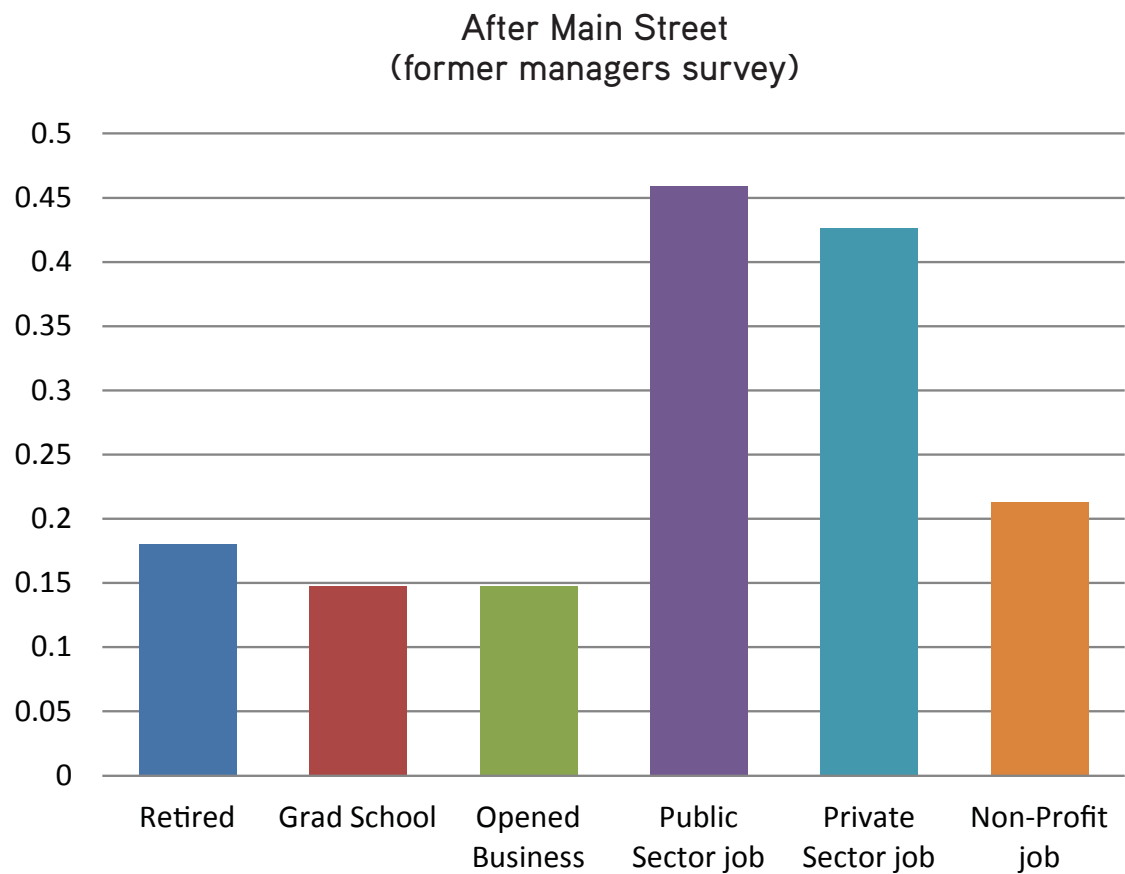
Rent Levels on Main Street
(\$/square foot/year)



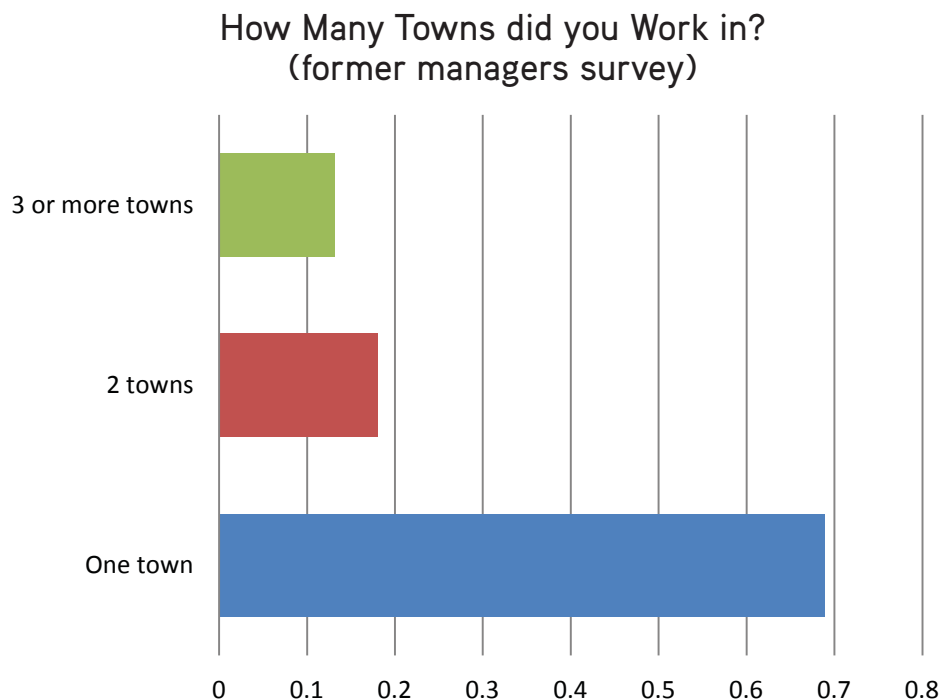
Main Street Management—A Career and a Career Path

With a program that is three decades old and with more than 100 towns and cities participating in Main Street, hundreds of North Carolinians have served as Main Street managers over the years. The state Main Street office has done an excellent job of keeping track of former managers, so it was possible to conduct a survey among that group.

One of the major lessons of the survey was that being a Main Street manager is both an interesting career and a useful path to other careers. As the table below indicates, more than 45 percent of former managers took a subsequent job in the public sector, followed closely by 43 percent who found work in the private sector. One in five went to work for a nonprofit entity. The numbers total more than 100 percent since many of these former managers have had more than one career since leaving Main Street.



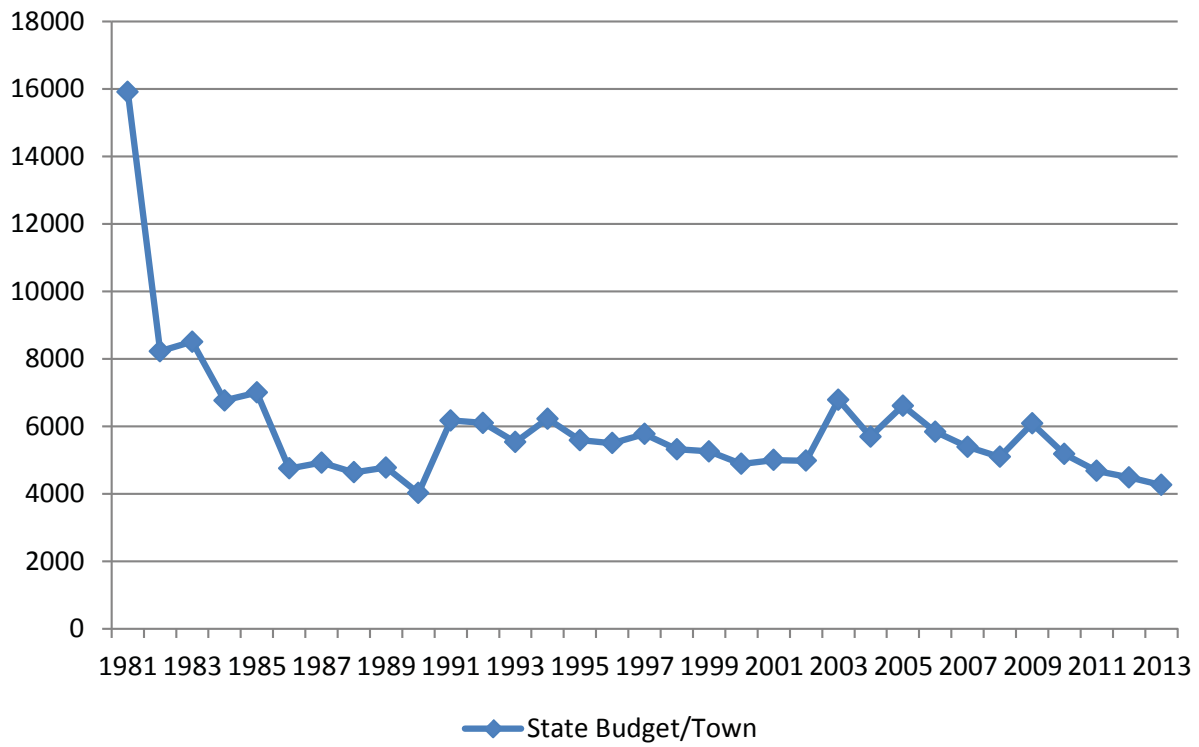
Nationally, there is a mythology about Main Street managers that they are constantly job-hopping from one Main Street community to another. While a few of the former managers worked in three or more towns, two-thirds of them worked in only one Main Street program.



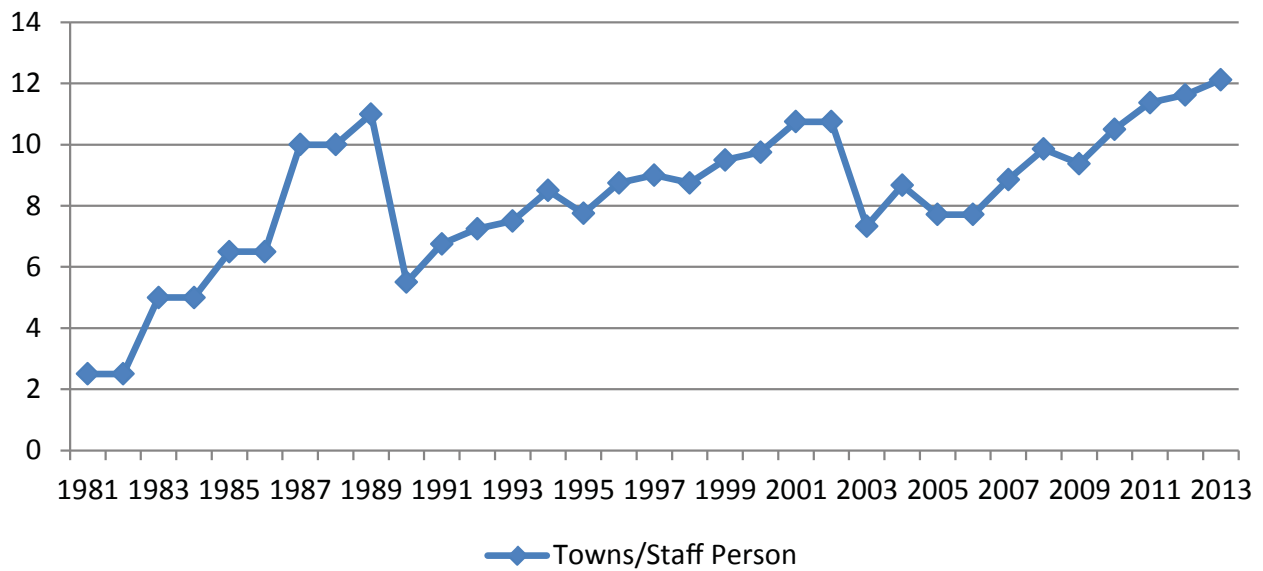
Finally the former managers were asked what impact the Main Street program had on their community. Ninety percent of the respondents answered ***increased community pride***, followed by ***greater support for locally owned businesses and greater commitment to historic preservation***.



State Budget/Town



Towns/Staff Person



Every \$5,000 appropriated to the North Carolina Main Street program has meant:

- 10 net new jobs in Main Street districts
- 3 net new businesses in Main Street districts
- \$691,000 in private-sector investment

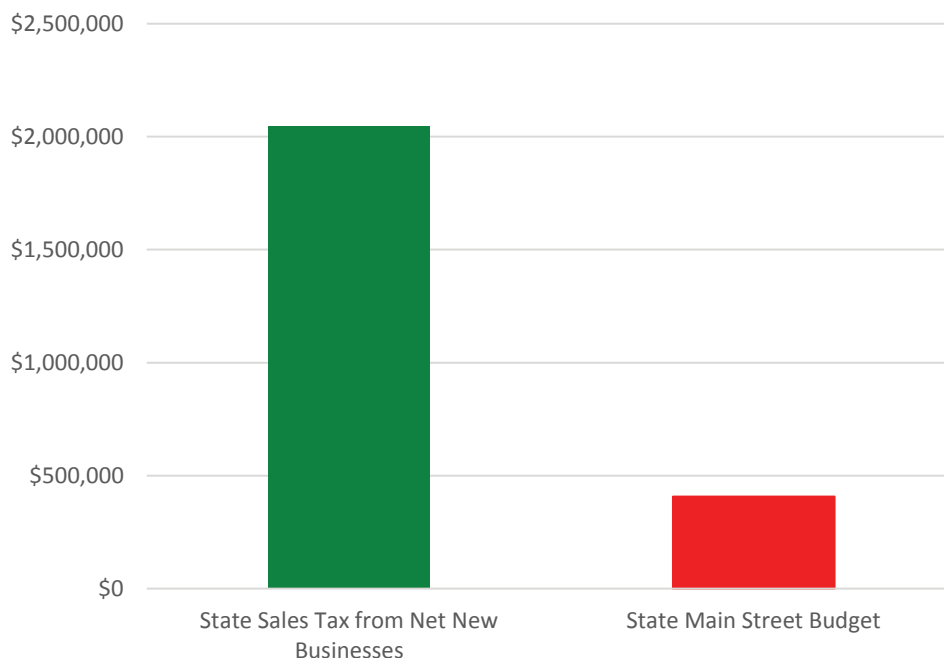
Even if every net new job were only a minimum wage job, over the last decade just the income tax on the net new jobs would have generated \$1.80 for the state treasury for every \$1 that the Main Street program costs. But because many of the net new jobs pay higher than minimum wage, the return to the treasury is much greater.

Each year's net new businesses conservatively remit \$5 in sales taxes to the state treasury for every \$1 that the Main Street program costs.

For each year over the last decade, private-sector investment projects in Main Street districts have generated, on average:

- State income taxes of \$2,923,841
- State sales taxes of \$4,119,355
- Local sales taxes of \$1,734,465
- Additional property taxes each year of \$950,392

**Return on Public Investment
State Sales Taxes from One Year's Net New
Businesses vs. Main Street Budget**



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The Principles of Main Street come from the National Main Street Center.

Methodology

- Data for net new jobs, business growth, buildings rehabilitated and sold, and amount of investment in rehabilitation and acquisition comes from the annual reports that each Main Street community is required to submit to the North Carolina Main Street program.
- Calculations for jobs and income created through the rehabilitation of buildings was based on data from IMPLAN®, an Input-Output econometric model created by the private-sector firm MIG.
- Demographic and population data was drawn from 2010 and earlier U.S. Census information.
- Estimates of impact on downtowns from upper-floor housing were based, in part, on the Consumer Expenditure Survey of the Bureau of Labor Statistics of the U.S. Department of Labor.
- Additional data was obtained from various databases of the U.S. Department of Commerce, U.S. Department of Labor, Small Business Administration, and other government sources.
- In every instance, the selection, evaluation, and application of data were conducted by the authors of this report. Any errors of fact or judgment are solely the responsibility of the authors and not the suppliers of data, the North Carolina Main Street program, or the North Carolina Department of Commerce.

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Heart of Brevard	City of Kings Mountain	City of Saluda
Burlington Downtown Corporation	PRIDE of Kinston	City of Sanford
Town of Burnsville	City of Lenoir	Uptown Shelby Association
Town of Catawba	Uptown Lexington, Inc.	Downtown Smithfield Development Corporation
City of Cherryville	Downtown Development Association of Lincolnton	Town of Spencer
Clayton Downtown Development Association	Town of Liberty	Town of Spruce Pine
Town of Clayton	Marion Business Association	Downtown Statesville Development Corporation
City of Clinton	Town of Mocksville	Town of Sylva
Concord Downtown Development Corporation	City of Monroe	Town of Tarboro
Town of Davidson	Mooresville Downtown Commission	Town of Troutman
City of Eden	Downtown Morehead City Revitalization Association	Town of Troy
Destination Downtown Edenton	City of Morganton	Tryon Downtown Development Association
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Town of Granite Falls	City of Reidsville	Town of Wilkesboro
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North Carolina Main Street

DECADES OF SUCCESS

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