



ECONOMIC VITALITY

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

Economic Vitality Roles and Responsibilities

The job of the Economic Vitality Committee is to identify new market opportunities for the traditional commercial district, find new uses for historic commercial buildings, and stimulate investment in property. The EV Committee must develop a thorough understanding of the district's economic condition and its best opportunities, focusing on incremental changes that gradually improve the area's economic foundation and eventually make large-scale investment possible.

Five Major Areas of Responsibilities:

- ◆ Learning the district's current economic conditions and identifying opportunities for market growth
- ◆ Strengthening existing businesses, expanding, recruiting new ones
- ◆ Finding new economic uses for traditional Main Street buildings
- ◆ Developing financial incentives and capital for building rehabilitations and business development
- ◆ Monitoring the economic performance of the district

These activities require close collaboration with program committees such as the Promotion Committee to ensure that Main Street's promotional activities reinforce the economic direction the district is pursuing. Synchronizing business development with real estate improvement is also important; if property owners invest too much money in physical improvements before small businesses have been strengthened, rents could increase beyond the ability of the merchants to pay them. Therefore, the EV committee should work with Design committee to balance real estate and business development, gradually accelerating the pace as the district's market improves.

Learning about the Market & Identifying Opportunities:

- ◆ Gather all readily available information, examine & identify weaknesses and opportunities in the marketplace.
 - ◆ Census of population
 - ◆ Census of retail trade
 - ◆ State sales tax reports for your community examining 5 years of data
 - ◆ Trends in the assessed value of Main Street real estate
 - ◆ Any Market Analysis recently conducted

Examples of Information to Gather & Committee Projects:

- ◆ Buildings & businesses
 - ◆ Business inventory
 - ◆ Building inventory (with Design Committee)
- ◆ Demographic & Retail Sales Data. Sources could include:
 - ◆ Census Data
 - ◆ ESRI Data
 - ◆ Data from local & state resources
- ◆ Original research
 - ◆ Downtown business survey
 - ◆ Consumer Intercept & On-line Surveys

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Diversifying Main Street's Uses & Examples of Committee Projects:

- ◆ Planning & Zoning: revising land use regulations to allow a broad range of uses downtown.
 - ◆ Revision of community's comprehensive plan
 - ◆ Removal of regulatory barriers to developing upper-floor uses
- ◆ Housing: finding space in under-used upper-floor spaces and large, white-elephant buildings.
 - ◆ Inventory of vacant space
 - ◆ Develop financial incentive program to Develop upper-floor housing
- ◆ Small-scale industry: using vacant space for low impact industries.
 - ◆ Coordinate with regional industrial development groups
 - ◆ Recruitment of "home-based cottage industries"

Main Street Investment Needs & Examples of Committee Projects:

- ◆ Small-Scale improvements
 - ◆ Matching-fund grant pool (Façade Grants)
 - ◆ Visual merchandising seminars
 - ◆ Low-interest revolving loan fund
 - ◆ Major building rehabilitation
 - ◆ Community Initiated Development Training for real estate development
- ◆ Business expansions
- ◆ Real estate market analysis
- ◆ "Over-the-counter" updates on market opportunities provided to business owners

Strengthening Business by:

- ◆ Providing owners with information on changing markets.
- ◆ Recruiting complementary businesses to strengthen an existing business cluster
- ◆ Developing financial assistance and incentives to help existing businesses expand, upgrade, or reinvest in inventory

Designing Effective Incentive Programs:

An effective incentive program can help you stimulate investment in needed areas. To help you make your incentive program as effective as possible keep the following in mind:

1. Focus the incentive on a particular need: façade improvements, new signs, store fixtures, upper-floor housing development, accessibility improvements, key priorities.
2. Offer incentives to motivate business or property owners to make improvements. Some may have greater need for technical assistance, than financial.
3. Make the incentive appropriate for the task at hand.
4. To stimulate quick investment, offer the incentive for only a limited time.
5. Don't confuse a financial incentive with ongoing financing. An incentive is meant to stimulate investment, not sustain it.

This information adapted from the National Trust Main Street Center Committee Handbook and drawing from the NC Main Street & Rural Planning Center's Staff experience.



This document was created to assist designated NC Main Street Communities and any other community that would like to develop best practices for downtown economic development.