

North Carolina Main Street
DECADES OF SUCCESS

The Economic Impact of Main Street in North Carolina



Executive Summary

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

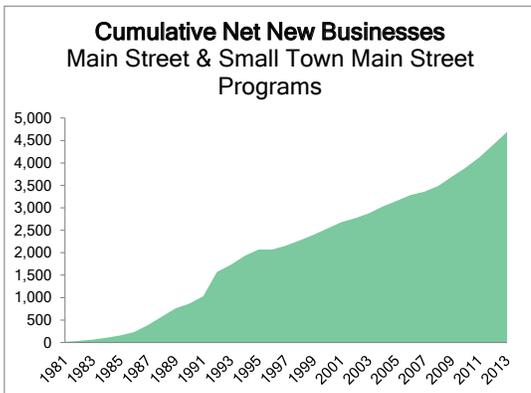
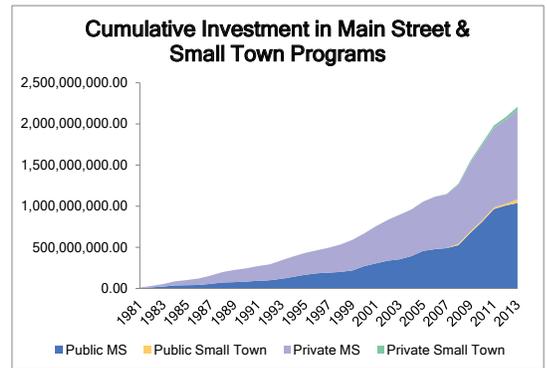
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In 1980 North Carolina became one of the first state Main Street programs in the nation. In the 33 years since its inception, the 100+ North Carolina Main Street and Small Town Main Street communities have demonstrated that downtown revitalization in the context of historic preservation is cost effective economic development, spurring investment, new businesses, and more jobs all while maintaining each community's distinct character.

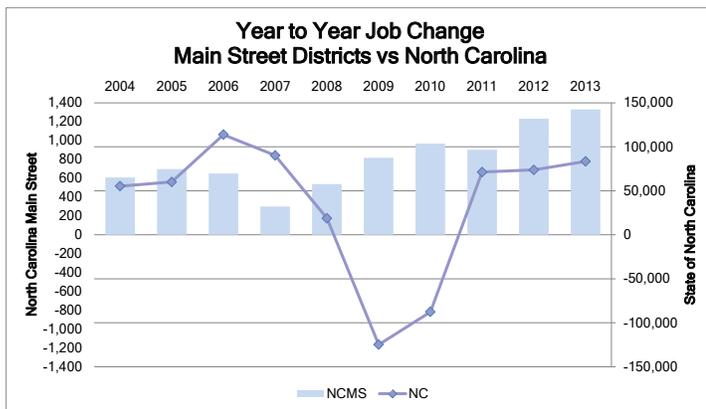
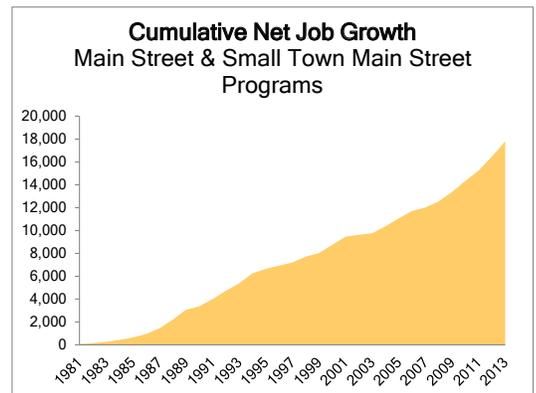
Proven Success

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 Streets tops 4,700. These establishments provide powerful economic development that creates jobs, sales tax revenue and overall economic stability for North Carolina towns.

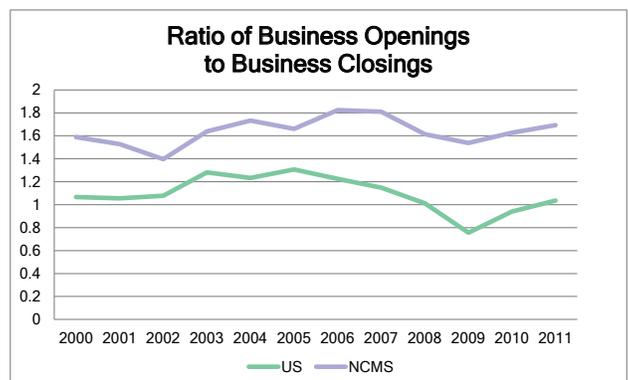


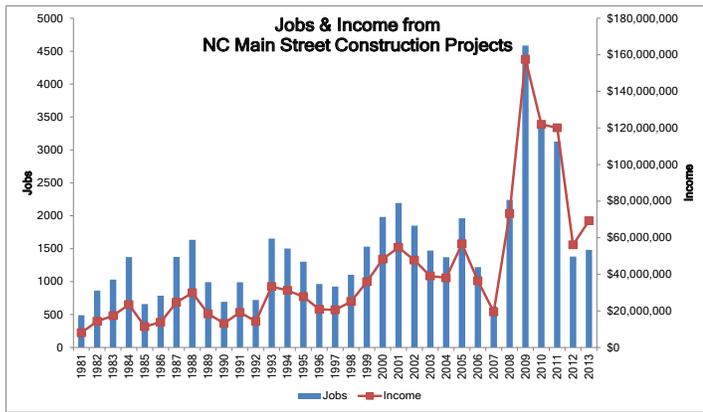
Since the beginning of the program, more than 18,000 cumulative net new jobs have been created in Main Street districts.



Main Street districts have remained centers of commerce through the most recent recession. From 2004-2013, Main Street districts outpaced the rest of the state when the year to year change in jobs was measured.

A useful measurement of economic development effectiveness is the ratio of business openings to business closing. North Carolina Main Street programs have consistently outperformed the national economy even in the depths of the recent recession.



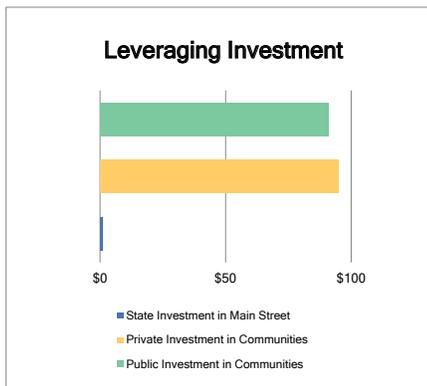


Much of the investment on North Carolina Main Streets has been in the rehabilitation of historic buildings and the construction of infill structures. Construction jobs in Main Street projects have provided an annual average of over 700 direct jobs and over 750 indirect and induced jobs. Those jobs generate \$40 million in salaries and wages for North Carolina workers.

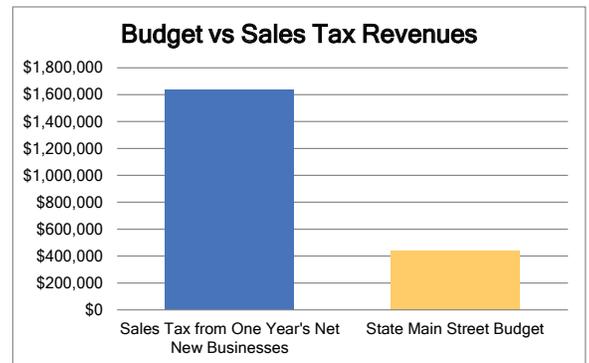
Main Street districts thrive across all regions of the state. While some zones perform better than others, the data still shows that Main Street districts are creating new jobs and spurring private investment.

Region	Towns in Region	Ave Jobs/Town/Year	Ave Private Investment/Town/Year
Western Zone	11	12.8	\$970,765
Northwest Zone	15	9.7	\$1,187,629
Southwest Zone	17	17.3	\$1,562,459
Piedmont-Triad (Central) Zone	10	15.1	\$1,052,208
Sandhills (South Central) Zone	14	6.4	\$250,835
North Central Zone	20	8.5	\$1,039,251
Northeast Zone	15	7.7	\$556,715
Southeast Zone	9	15.8	\$1,807,079

¹ Not every town was part of Main Street every year

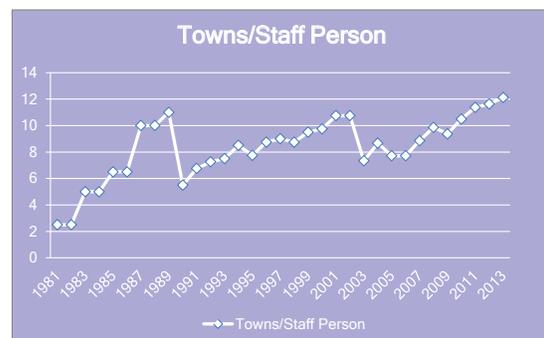
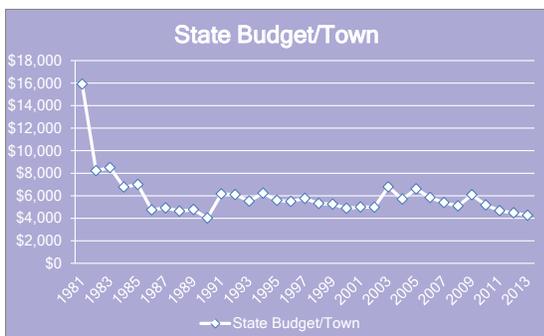


North Carolina Main Street has proved to be extraordinarily fiscally effective. Since 1981, the program has cost just over \$11.8 million. For every \$1 the state invested, private citizens contributed \$95 in their own investments to Main Street districts. For every \$1 the state invested, other public investments added \$91.



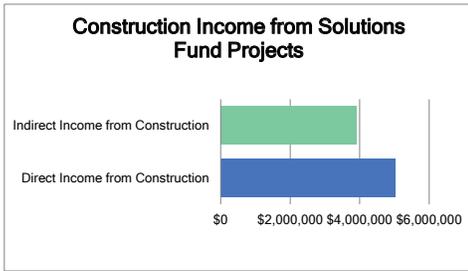
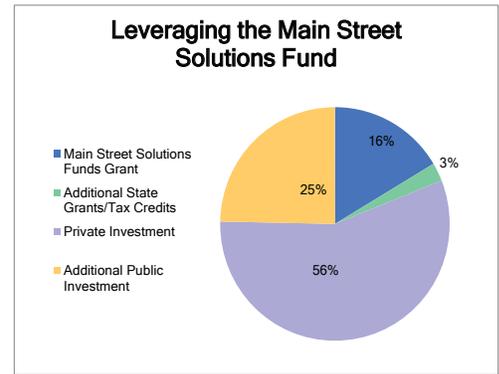
Each year an estimated \$1.6 million in sales taxes are generated just from net new businesses in Main Street districts. This is 3.7 times the annual budget for the state Main Street program.

The State Main Street staff has made effective use of their allotted budget. The state budget to town ratio has dwindled while the number of towns for each staff person to handle has increased.



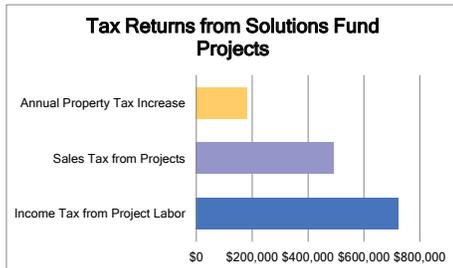
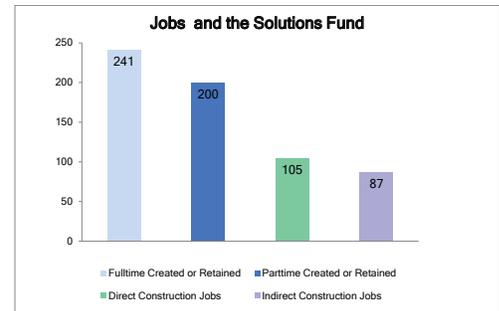
Solutions Fund

Overall since 2009, the Main Street Solutions Fund has invested over \$2.6 million into 16 different Main Street communities. These grants are an effective leverage of scarce public dollars as the private sector has invested over \$9 million into the same projects.



The Solutions Grants are not large investments, on average making up just 16% of the total project cost. On average 56% of project costs came from private investment.

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.

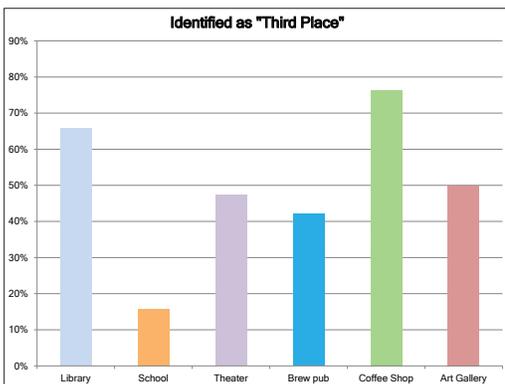
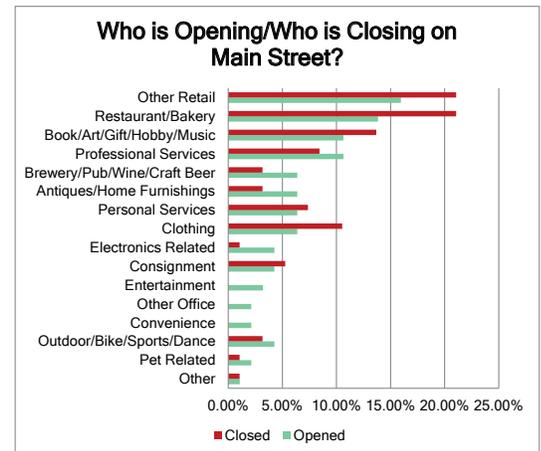


The increase in jobs was even more impressive. In the two years prior to receiving a Solutions Fund grant, recipient Main Street districts averaged 26.5 net new jobs per year. In the two years after receiving the grant those same districts averaged 110.5 net new jobs per year.

Much of the state's investment in Solutions Fund projects comes back to the taxpayers in increased sales, income, and property taxes.

Main Street Today

The thriving downtowns found in North Carolina Main Streets are incredibly diverse. There is no formula for retail mix or number of restaurants that guarantees success. To get a feel for trends in Main Streets today, the current managers were surveyed on the three most recent business openings and closings. The results show that retail and restaurant/bakery establishments are popping up on Main streets.



The managers also indicated on the survey that Main Street establishments are serving as valued community gathering spots. Coffee shops, libraries, art galleries, theaters and brew pubs are bringing people to downtowns.

Decades of Proven Success

Main Street is neither the big fix nor the instant answer. North Carolina Main Street districts have prospered over the last three decades because of positive, incremental change block by block, business by business, year by year. But when these decades of success are measured there are no programs of economic development that are more effective in attracting investment, spurring new jobs, and effectively leveraging scarce resources than North Carolina Main Street.