

# Economic Restructuring Committee Members Handbook

## *Unraveling Main Streets Economic Puzzle*

**O**ver the past several decades, Main Street has undergone profound economic changes, brought on by a building glut that initially took the form of regional shopping malls and strip centers, and continued in the 1980s and '90s with the advent of discount superstores. With an excess of space, it was inevitable that Main Street would suffer economically.

As businesses struggled to compete with chain stores at the mall, vacancies popped up. With less revenue coming in from retail tenants, property owners had less to invest in routine maintenance, and buildings fell into disrepair. Main Street began to look shabby, and thus the cycle of disinvestment began.

## What does the Economic Restructuring Committee Do?

The job of the Economic Restructuring Committee is:

- To identify new market opportunities for the traditional commercial district
- Find new uses for historic commercial buildings
- Stimulate investment in property

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The Economic Restructuring Committee must:

- Develop a thorough understanding of the district's economic condition and its best opportunities
- Focus on incremental changes that gradually improve the area's economic foundation
- Make large-scale investment possible

The Economic Restructuring Committees five major responsibilities are:

1. Learning about the district's current economic condition and identifying opportunities for market growth
2. Strengthening existing businesses and recruiting new ones
3. Finding new economic uses for traditional Main Street buildings
4. Developing financial incentive and capital for building rehabilitations and business development
5. Monitoring the economic performance of the district

These activities require close collaboration with other Main Street program committees. For instance:

- When identifying the district's best market opportunities and developing an economic development strategy, you must work closely with the Promotion Committee to ensure that Main Street's promotional activities reinforce the economic direction the district is pursuing
- Your market research will probably reveal several equally viable economic choices for the commercial district. Seek input from the board, other committees, and the public to determine the economic path the program should take.
- Synchronize business development with real estate improvement. If property owners invest too much money in physical improvements before small businesses have been strengthened, rents will increase beyond the ability of merchants to pay them. Work with the Design

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Committee to balance real estate and business development, gradually accelerating the place as the district's market improves.

### **Don't wait until you've compiled and analyzed all the data to start working!**

Begin today. As your committee gathers more information, you will be able to refine its strategy; but if you wait, you may lose the momentum generated by the Design and Promotion Committees' early actions. Start with simple activities and easy-to-gather information and then gradually begin conducting primary market research and analyzing additional information.

<b>TYPES OF INFORMATION GATHERERS</b>	<b>EXAMPLES OF COMMITTEE PROJECTS</b>
Building and businesses	<ul style="list-style-type: none"><li>• Business Inventory</li><li>• Building Inventory</li></ul>
Demographics and retail sales data	<ul style="list-style-type: none"><li>• Data collection (Census of Population, recent sales tax report from your state department of revenue or taxation)</li></ul>
Original research	<ul style="list-style-type: none"><li>• Downtown business survey</li><li>• Downtown user survey</li></ul>
Analysis of retail leakage and surpluses in the community	<ul style="list-style-type: none"><li>• Sales gap analysis</li></ul>

## Learning about the Market and Identifying Opportunities

The Economic Restructuring Committee's first task is to gather all readily available information and examine it to identify weaknesses and opportunities in the marketplace. Some of the first documents you should review include:

- *Census of Population* – examine the two most recent Census reports and compare demographics from the most recent Census with those 10 years earlier
- *Census of Retail Trade* – examine the two most recent reports and compare retail sales from the most recent Census with those from five years ago
- State sales tax reports for your community – examine five years of data
- Trends in the assessed value of Main Street real estate

- Any market analyses recently conducted by chain stores or franchises that have opened in the area

## Strengthening Existing Businesses

One of the best places to start the process of restructuring and expanding the commercial district's economy is with existing businesses. *Resist the temptation to jump in and begin recruiting new businesses right away!* As with industrial development, it's usually wiser to help businesses that already have a foothold in your district expand instead of trying to attract new ones.

In the early phases of the revitalization program, strengthening existing businesses and discovering Main Street's best opportunities are far more important activities than recruiting new stores-and will build a much stronger economic foundation for your district.

## Finding New Economic Uses for Main Street Buildings

It is highly unlikely that your commercial district will be able to support the concentration of retail uses it supported 50 years ago. There's just too much commercial space on the market<sup>0</sup> and too few retail dollars o sustain all the businesses that space can hold. To remain viable, most traditional commercial districts need to attract new uses for space once employed for other purposes.

New uses might include housing, small-scale industry, offices, entertainment, religious or civic activities, and other uses. Finding new ways to use unoccupied or under<sup>0</sup>used space benefits the commercial district in a number of ways.

- It provides property owners with additional rental income, which in turn, encourages them to rehabilitate or keep building in good repair.
- It brings in new workers and residents to strengthen the district's market for convenience goods and services.

## Encouraging Investment in Main Street Businesses and Buildings

Revitalizing a traditional commercial district takes money, of course – not just funding for the Main Street program itself but capital to invest in building rehabs, business development and expansion, and capital improvements.

It's usually best if all this reinvestment doesn't take place at once. Remember, the scale of investment should match business sales increase. Begin with small-scale, high-impact improvements, such as upgrading signs, taking care of deferred maintenance, improving window displays, and repairing sidewalks and streets.

Meanwhile, take the time to study market opportunities and work with property owners to improve their operations. As businesses grow stronger, encourage larger-scale improvements and work with financial institutions, bonding authorities, statewide revolving funds, and other sources of capital to make funding available.

At the beginning of your revitalization effort, your Main Street program can stimulate action by developing incentive programs that help business and property owners get started. Low-interest loans, incentive grants, and free technical assistance, for example, can be instrumental in spurring improvements during the program's early years.

<b>Diversifying Main Street's Uses</b>	<b>EXAMPLES OF COMMITTEE PROJECTS</b>
Planning and zoning: revising land-use regulations to allow a broad range of uses downtown.	<ul style="list-style-type: none"> <li>• Revision of community's comprehensive plan</li> <li>• Revision of community's comprehensive plan upper-floor uses</li> </ul>
Housing: finding space in under-used upper-floor spaces and large, white-elephant buildings	<ul style="list-style-type: none"> <li>• Inventory of vacant space</li> <li>• Financial incentive program to develop upper-floor housing</li> </ul>
Small-scale industry: using vacant space for industries such as publishing, telecommunications, small-scale assembly operations, craft industries, and consulting firms	<ul style="list-style-type: none"> <li>• Coordination with regional industrial development groups</li> <li>• Recruitment of home-based cottage industry</li> </ul>

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MAIN STREET INVESTMENT NEEDS	EXAMPLES OF COMMITTEE PROJECTS
Small-scale improvements	<ul style="list-style-type: none"> <li>• Matching fund grant pool</li> <li>• Visual merchandising seminars</li> <li>• Low-interest revolving loan fund</li> </ul>
Major Building rehabilitation	<ul style="list-style-type: none"> <li>• Community Initiated Development training for real estate development</li> </ul>
Business Expenses	<ul style="list-style-type: none"> <li>• Real estate market analysis</li> <li>• “Over-the-counter” updates on market opportunities provided to business owners</li> </ul>

Strengthening Business by:	EXAMPLES OF COMMITTEE PROJECTS
Providing business owners with information on changing markets	<ul style="list-style-type: none"> <li>• Business improvement seminars</li> <li>• Retailers’ resource library</li> <li>• Newsletter business assistance column</li> </ul>
Recruiting complementary businesses to strengthen an existing business cluster	<ul style="list-style-type: none"> <li>• Business cluster analysis</li> <li>• Targeted business recruitment</li> </ul>
Developing financial assistance and incentive to help existing businesses expand, upgrade, or reinvest in inventory	<ul style="list-style-type: none"> <li>• Study of financing needs</li> <li>• Identification of sources</li> <li>• Financial incentive program for business expansions or improvements</li> </ul>

## Monitoring Economic Performance

What is a realistic goal to set for increasing retail sales this year? What level of investment in physical improvements should you be encouraging? Are the activities of your committee successful? You’ll need to monitor the economic performance of your Main Street area in order to learn the answers to these questions.

Measuring Main Street’s economic performance involves the following:

- Collecting base-line data. At the beginning of your revitalization effort, the Economic Restructuring Committee should review the *Census of Population, Census of Retail Trade*, and state sales tax data; find out the assessed values of commercial buildings in the district; and conduct consumer surveys.
- Record information on economic change. Keep track of monthly changes in Main Street jobs, businesses, and property investment.

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- Measuring annual performance. Conduct an annual business survey to measure changes and compile an annual report summarizing the net change in jobs and businesses in the district.

## Committee Role

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Committees are the backbone of a Main Street program, providing the workers who actually “roll up their sleeves” and get the work done, from planning to project implementation and the Economic Restructuring Committee is no exception!

You will be pulling together a large and influential group, and the vibrancy of the economic development vision and plan you establish will be a source of satisfaction for your committee- and a point of pride for the community.

On the Economic Restructuring Committee, you will regularly find yourself:

- Holding meeting to analyze data, develop strategies, measure progress, and brainstorm ideas.
- Visiting business people – to get their ideas, find out how their businesses are doing, and update them on plans.
- Talking with the media to answer questions, give them fresh news, or gather data.
- Coordinating groups to help conduct surveys or meet with potential business prospects.
- Meeting with financiers to develop incentive programs and identify sources of capital for building rehabs and business expansions.
- Working with realtors, developers, and property owners – to plan real estate improvement projects.

As you can see, your committee will need to be as large as your ambitions! Even though you should count on volunteer help from all your Main Street committees and the board, you will still need to build an active, committed group for Economic Restructuring Committee activities only.

## How Does Economic Restructuring “Fit” in the Organization?

It’s good to remember that the board sets the organization’s direction, while committees make the projects happen. Thus, while the board may have some general ideas about economic restructuring strategy, it should be looking to your committee for concrete work plan proposals that it will review and approve. Once proposals are approved, your group will need to put together resources and complete the projects.

The Economic Restructuring committee has primary responsibility for gathering and interpreting market information, which it will then use to create an economic development strategy for the commercial district. Other committees will rely on your committee’s research and analysis for their work. The Promotion Committee, for example, will develop a strategy aimed at the market groups that, in the option of the Economic Restructuring Committee, offer major opportunities for the district’s future. Because the entire program depends on the information it gathers and analyzes, the Economic Restructuring committee must develop good communication with the board and the other committees.

A good way to maintain two-way communication between the board and your committee is to have one member, often the committee chair, serve as a board member as well. A liaison member can report on other groups’ activities at each committee meeting and minimize confusion or duplication of efforts.

## How Does Economic Restructuring “Fit” in the Organization?

A minimum of five to seven people typically meet at least once a month to review the committee’s progress, discuss findings, and plan the next steps. Individuals or small working groups who then bring their findings to the committee’s monthly meetings can do many economic restructuring tasks.

While just about anyone with time and a sincere interest should be welcomed to serve on your committee, remember that a really productive, effective Economic Restructuring Committee member:

- Knows and supports the Main Street approach to economic restructuring.

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- Has a genuine desire to serve on the committee.
- Expresses self clearly, yet eagerly exchanges ideas with others.
- Keeps an open mind about the district’s economic options.
- Thinks about the “big picture,” yet also concentrates on the details.
- Knows when to be decisive and come to closure.
- Stays focused on the task at hand.
- Has a basic understanding of economics and is sensitive to the needs of small retailers.
- Rolls up sleeves willingly and pitches in to do the committee’s work.
- Have skills or interest in business, finance, economics, or marketing.
- Carries out plans and projects in a timely and professional manner.

## Who Serves on the Economic Restructuring Committee?

The committee needs a broad range of people to guide its development. Not only will you want people with a variety of technical and professional skills; but you will also want people with different working styles – some who enjoy working independently, some who are good number crunchers, some who are good at working out the details, and some who can see the big picture. Likely candidates are:

- Merchants
- Property Owners
- Realtors
- Mortgage bankers
- Consumers

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- Marketing professionals
- Developers
- Stock Brokers
- Business students
- Representatives of Small Business Development Centers

There's often a tendency to ask the "big players" in the community – the presidents of major financial institutions, managers of industries, or heads of major commissions and agencies – to serve on the Economic Restructuring Committee. Remember, though, that this group has lots of tedious, hands-on work that requires regular attendance at meetings and a significant time commitment. Be sure to balance your committee with a variety of people who, together, meet all your needs.

## You as the Economic Restructuring Committee Chairperson

The real "stars" of many Main Street programs are the committee chairs. Public recognition, leadership status, the ability to "make a difference" in the community, and the satisfaction of a job well done are all potential rewards. Accountability to the board for your committee's projects, responsibility for other volunteers, time demands, and the potential for failure are also part of the mix. As committee chair, you must understand these roles and responsibilities clearly.

As the Economic Restructuring Committee Chair, you will be:

- **Recruiting members** – organizing training/ orientation, assigning, and supervising tasks.
- **Running meetings** – preparing agendas, notifying members, and taking minutes.
- **Organizing work plans** – scheduling work, managing tasks, knowing "the buck stops here."
- **Forging consensus** – managing discussions, resolving conflicts, and moving ahead on issues.
- **Representing the board** – explaining mission, clarifying policies, reporting on board activities.

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- **Representing the committee to board** – presenting work plans and reporting on projects.
- **Working with staff** – coordinating actions, scheduling projects, solving problems.
- **Doing the “paperwork”** – managing funds, negotiating contracts, and filing reports.

Your responsibilities are great, but you are not alone. Many of the committee activities listed above can be supported by, but not delegate to, the staff and board leadership.

## What Are the Qualities of a Good Chair?

In addition to the qualities listed previously for committee members and effective chair also:

- Understands – and routinely teaches others – about the Main Street approach to economic restructuring.
- Has genuine desire to lead the committee and make great things happen.
- Has strong organizational skills, for self and others’ work.
- Enjoys leading and managing both people and projects
- Facilitates group discussion, making sure meeting agendas stay on track and are completed.
- Maintains a positive attitude that encourages participation and enthusiasm by others.
- Respects others people’s viewpoints and skills
- Manages difficult personalities and conflicts to bring the group to consensus.
- Communicates the committee’s goals and progress to members and to the public.
- Displays integrity, self-confidence, persuasiveness, decisiveness, and creativity.

## Choosing a Committee Chair

While your committee will probably be asked to develop a list of potential chairpersons, it is ultimately the board of directors' responsibility to appoint that person. Where should you look for candidates? Good chairs are often drawn from the membership of that committee. Otherwise, your search might include outsiders with leadership experience or potential and unique skills or interests in economic development, such as those listed earlier as potential candidates for committee membership in general.

## Staff Role in Committees

As a committee volunteer, you have great responsibilities, some of which can be supported by, but not delegated to, the staff- typically, a single program manager. It's important for you to understand what staff does- and does not do- for your committee.

The manager participates in the committee's work in the following areas.

1. Committee Development
  - a. Helps committee and chair learn the mechanics of committee management, provides expert advice and concise information on revitalization and the Main Street approach
  - b. Collaborates with committee members and chair as a strategist/planner.

*Does not have authority over the committee or its structure*

2. Work Plans
  - a. Assists committee members in developing work plan documents
3. Projects
  - a. Coordinates data collection, analysis, financial incentive programs, and other economic development activities.
  - b. Helps members coordinate business improvement seminars and workshops

*Is not responsible for taking the lead on organizing projects or completing reports*

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### 4. Volunteer Management

- a. Helps chair develop good systems for recruitment, supervision, and reward of members
- b. Helps develop volunteer capacity of committees by participating in recruitment efforts

*Does not become the volunteer's boss*

### 5. Committee Meetings

- a. Attends most meetings to provide technical information and professional opinions
- b. Helps strategize and develop solutions
- c. Works with chair to assure that decisions and assignments are made and completed

*Is not responsible for calling and running meetings or taking minutes*

- d. Helps committee members complete their projects but doesn't assume responsibility for those activities
- e. Integrates own work plan with the committee's work plan.

*Is not someone to whom volunteers delegate all their work*

## Committee Action Plans

As a busy committee member, you may feel that spending time creating documents such as a detailed committee work plan is a frivolous luxury, but it isn't. If you want to raise money for projects, motivate volunteers, get things done, and make the time you spend on the committee productive and enjoyable, a good work plan is a necessity.

### Developing a Good Work Plan

Planning doesn't need to be painful, boring, or time-consuming. This handbook will outline a quick and effective process and give you a sample form to use, as well as examples of typical work plan activities. Below, we've suggested some important steps that can help you build a solid work plan for economic restructuring.

#### 1. Gather Information

*ASK: What Information Exists? What Research is Needed to Understand the District's Economy?*

- a. Gather census information, sales tax data, and any market studies.
- b. Identify gaps in information and research that needs to be done.

#### 2. Identify District's Current Economic Strengths

*ASK: Which Businesses or Activities Are Most Successful? What Customers Do We Attract?*

- a. Identify groups of businesses that appear to be doing well.
- b. Identify types of customers who currently shop in the district.
- c. Discuss why the district is strong in these areas.

#### 3. Evaluate public Relations Needs

*ASK: Is the community or Region providing all the goods and services for which market demand exists?*

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- a. Conduct a retail sales gap analysis and compare potential buying power of area residents with actual sales for major retail categories.
- b. List businesses the district may be able to support.
- c. Discuss whether the district can support other economic uses, such as housing, small-scale industries, and entertainment.

### 4. Identify Real Estate Development Needs

*ASK: What Are the District's Real Estate Improvement Priorities?*

- a. Meet with Design Committee to discuss property conditions, maintenance needs, and other potential improvement needs
- b. Discuss how much new investment the district might support, based on current rents and ability of businesses to make improvements.

### 5. Draft Work Plan Proposal

*ASK: How Can You Strengthen Businesses? What New Ones Should You Add? What Are the Real Estate Development Priorities?*

- a. Develop a 12-month work plan, based on the resources of the program, your committee, and potential outside partners.

### 6. Get Board Approval

*ASK: How Does Your Plan Fit into the Organization?*