



**URBAN
MAIN™**



DOWNTOWN RECOVERY IN THE CENTRAL SHENANDOAH REGION: IMPACTING TRENDS, RESEARCH AND PREDICTIONS FOR 2022

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Chief Program Officer
Main Street America

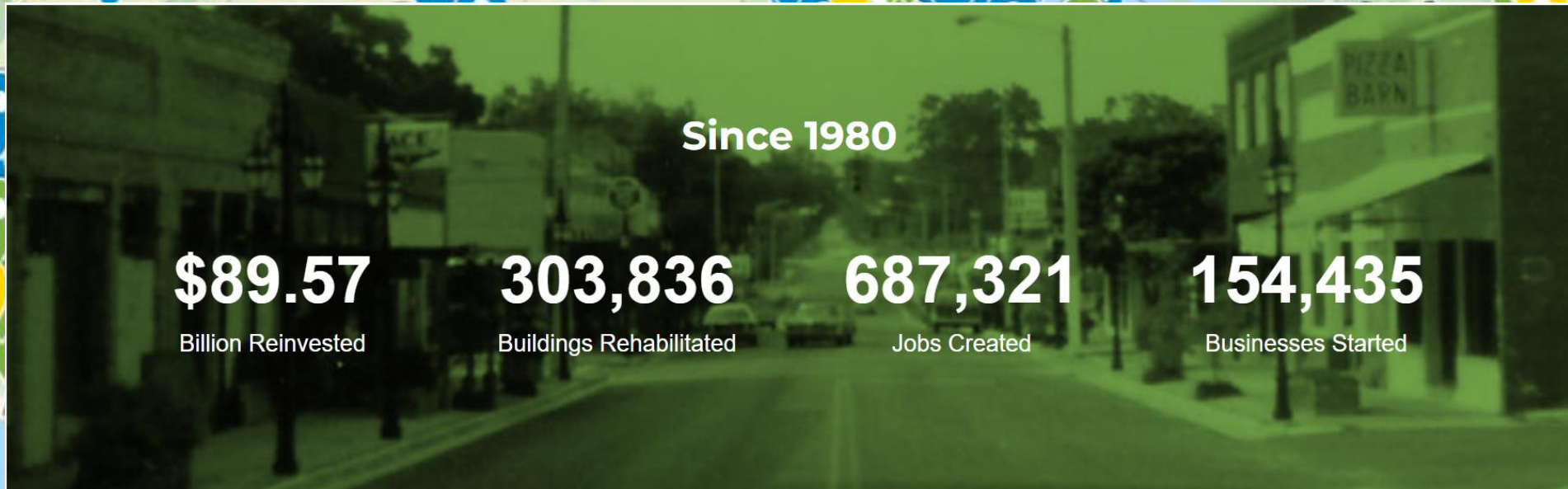


ABOUT MAIN STREET AMERICA

Main Street America leads a collaborative movement with partners and grassroots leaders that advances shared prosperity, creates resilient economies, and improves quality of life through place-based economic development and community preservation in downtowns and neighborhood commercial districts across the country.

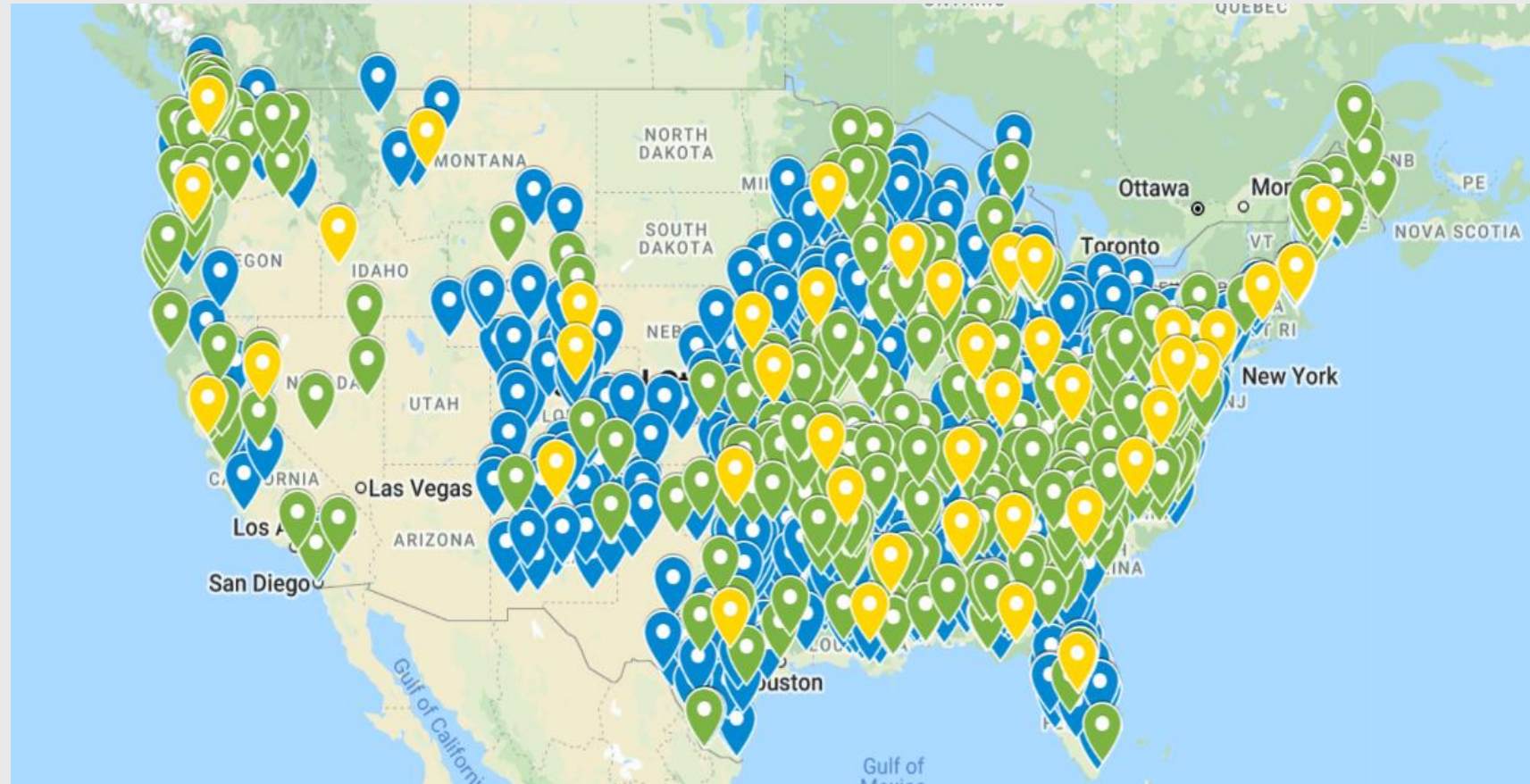



MAIN STREET'S REACH AND IMPACT



MAIN STREET AMERICA MEMBERS ACROSS THE MAP

- + 1200 MSA programs
- + Approximately 300,000 small businesses nationwide
- + 70% Rural
- + 70-80% LMI





2022 State of Main Street Small Business Survey Results (February 2022)

<https://www.mainstreet.org/blogs/national-main-street-center/2022/03/22/main-spotlight-findings-from-the-winter-2022-small>

ANNUAL CONFIDENCE SURVEY – MAIN STREET BUSINESSES

- + We asked small business owners how confident they were feeling about their future.
- + Responding on a ten-point scale, 26% of small business owners said they were extremely confident (10 out of 10), and 59% rated their confidence as an 8, 9, or 10.
- + Demonstrates in the face of challenges, the resiliency and optimism of small businesses.



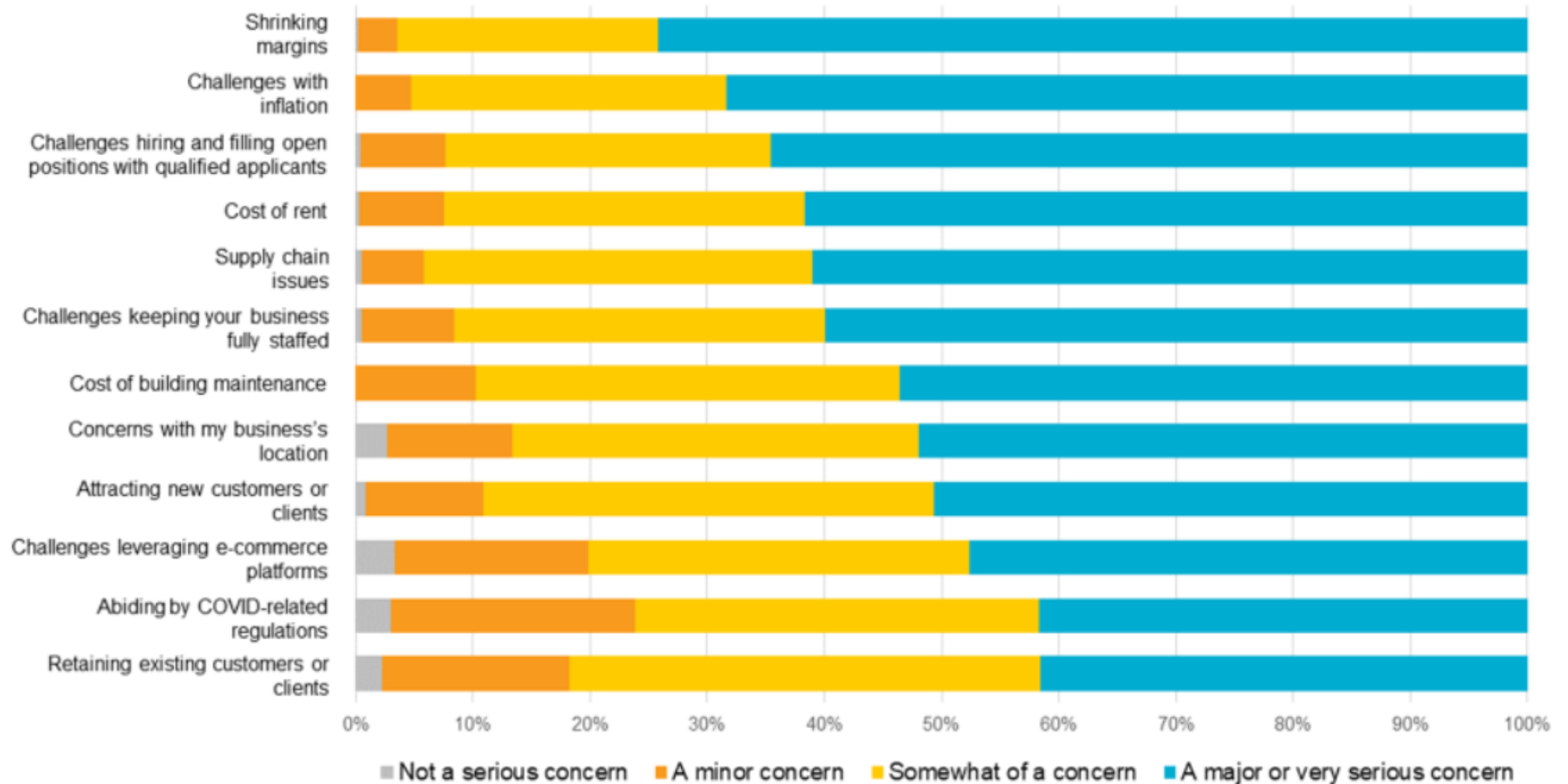
SMALL BUSINESS SURVEY: USE OF TECHNOLOGY

- + Use of e-commerce continues to rise but still doesn't represent a robust revenue-generating component for most small businesses**
 - 44% are generating revenue through e-commerce. This is up from 37 percent two years ago.
 - 79% of small businesses using e-commerce said online sales brought a quarter of their overall revenue or less. This has not changed in two years.

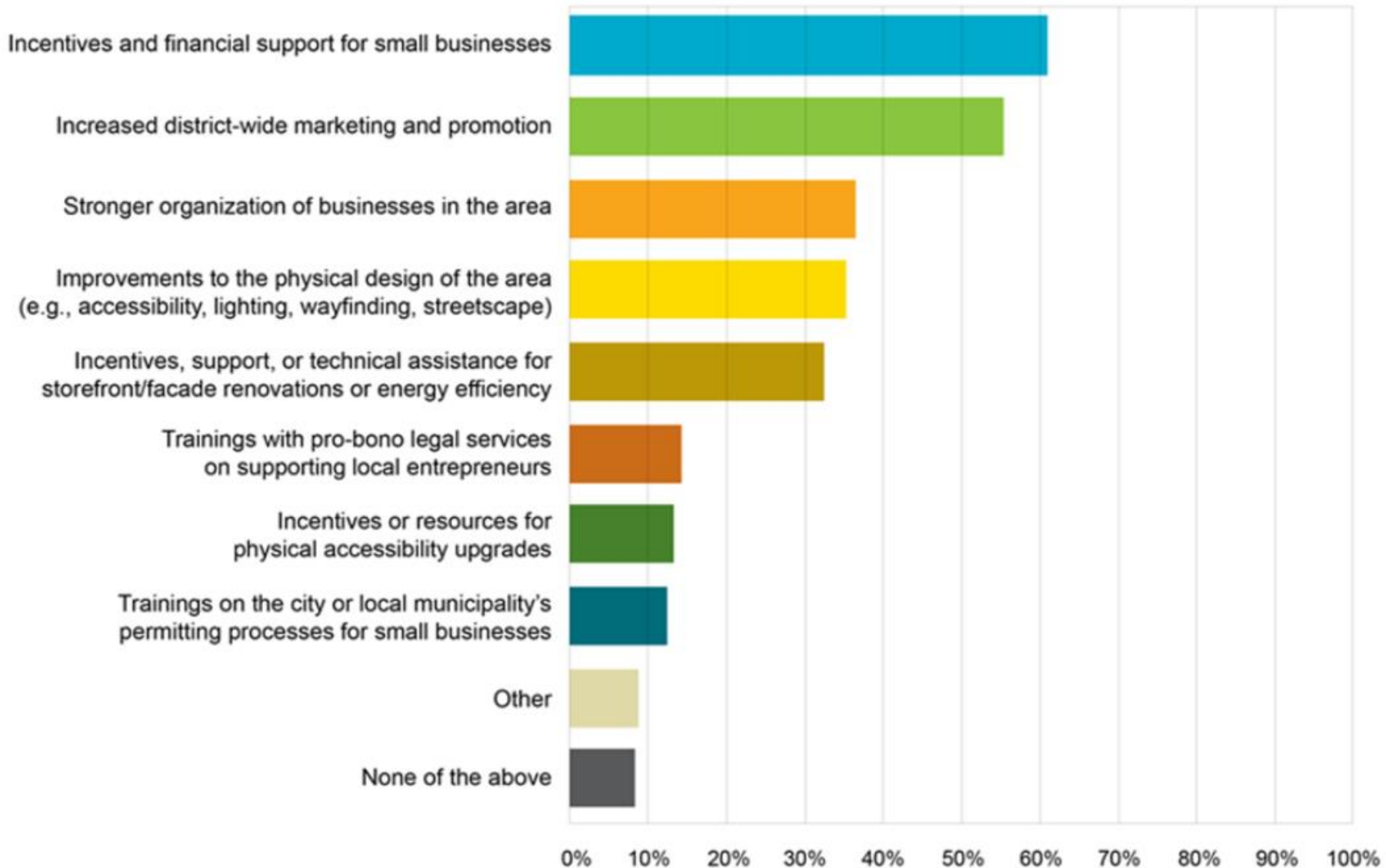
SMALL BUSINESS SURVEY: USE OF TECHNOLOGY

- + The pandemic has convinced many to incorporate technology into their business models.
 - 46% of respondents had incorporated or were considering touchless payment options; and
 - 37% implemented or were considering taking orders online for in-store pickup

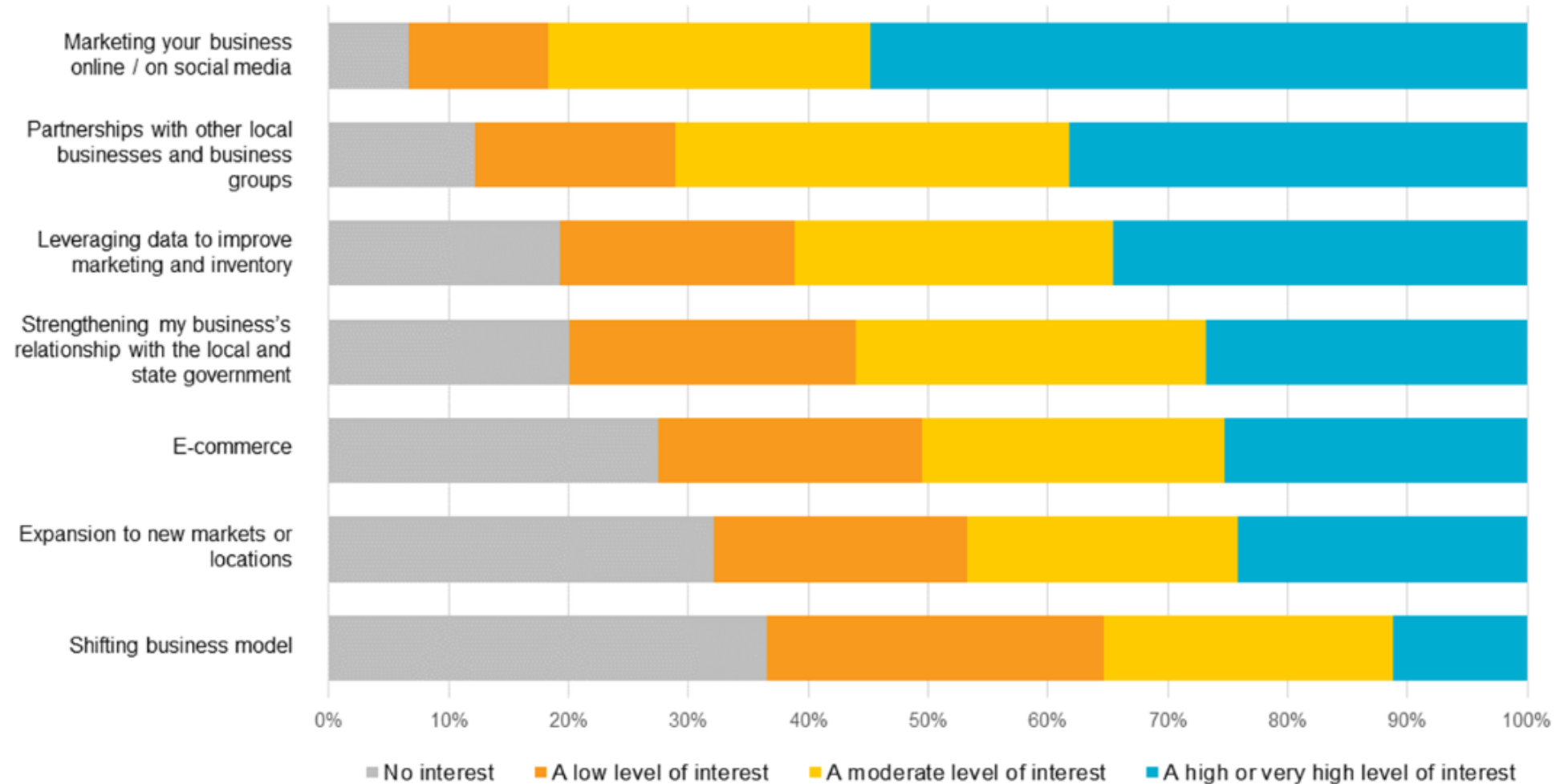
SMALL BUSINESS SURVEY: TOP CONCERNS



SMALL BUSINESS SURVEY: SUPPORT NEEDED



SMALL BUSINESS SURVEY: TOPICS OF INTEREST



A photograph of a city street lined with historic, multi-story brick buildings. The street is paved with asphalt and has yellow double lines down the center. Several cars are parked along the sides of the street, including a dark sedan in the foreground on the left and a white SUV. A semi-transparent dark grey triangular overlay covers the upper right portion of the image, containing the title text in yellow. The sky is blue with some white clouds.

A FEW TRENDS AND PREDICTIONS FOR SMALL BUSINESS AND OUR MAIN STREETS...

MAIN STREET WORKFORCE CONSTRAINTS REMAIN, RESULTING IN ACCELERATED TECHNOLOGY INTEGRATION AND FURTHER BUSINESS MODEL SHIFTS

+ December 2021 Quit Rates:

- 6.9 percent for restaurant employees
- 4.9 percent for retail employees
- Average industry 2.8 percent

+ 4.5 million workers left their jobs in November 2021. Restaurants and hotels represented the largest segment of separations. However, they also logged the biggest decline in openings.

+ This suggests they are making adjustments

INFLATION AND WORKFORCE WILL LEAD TO MORE RETAIL AUTOMATION

- + Throughout history from agriculture to manufacturing, mature industries adjust to control for rising labor costs through automation
- + Labor shortages and wage increases will move into retail at an accelerated rate
- + (Mordor Intelligence): The **retail automation** market is expected to grow at a CAGR of 15.41% over the forecast period (2021-2026).
- + Starbucks, for example, is partnering with Amazon on automated checkout technology. McDonalds even announced that it has been testing artificial intelligence through automated voice ordering at its drive throughs in 10 Chicago locations. This is on the heels of installing more automated cooking equipment such as fryers and soda dispensaries
- + And Walmart has removed nearly all staffed check-out lanes.



MAIN STREET RESTAURANTS ARE ADOPTING LESS LABOR INTENSIVE PRACTICES

- + Already, many Main Street restaurants are shifting to a counter service model rather than having to rely on wait staff.
- + Many businesses have also scaled down menu items to limit cook staff needs and control for supply chain hiccups.
- + QR codes tied to menus but allowing for direct ordering from your table.



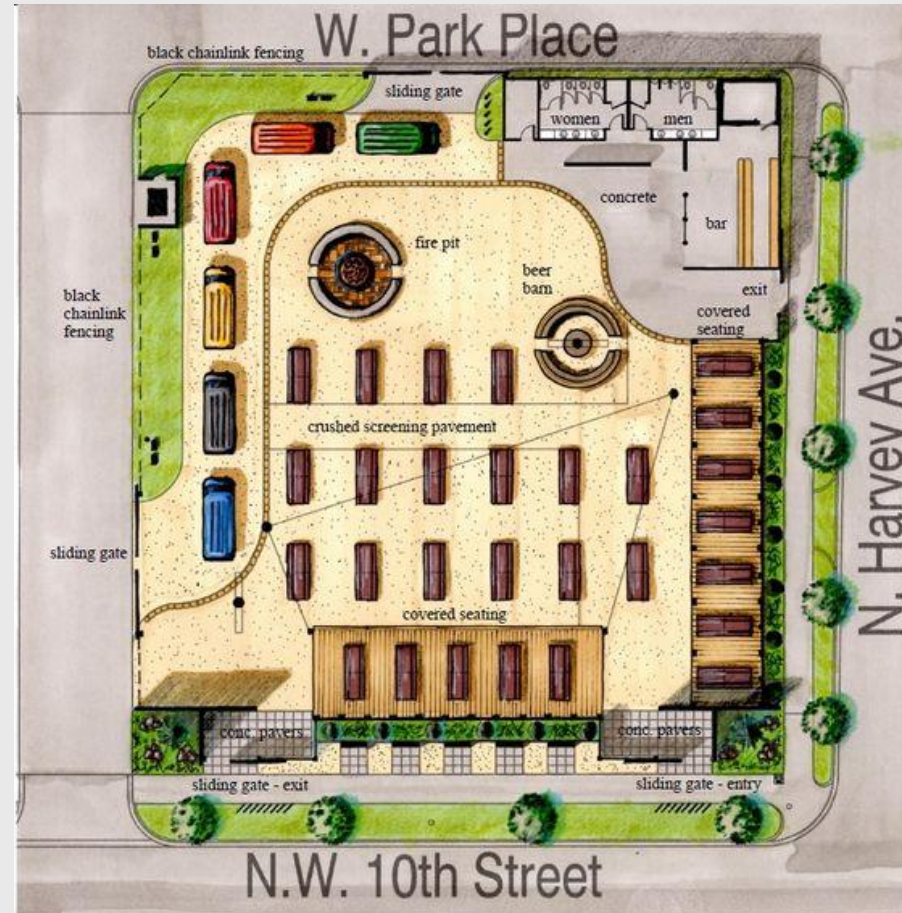
ECOMMERCE WILL HAVE MORE IMPACTS ON BRICKS-AND-MORTAR STORES THAN JUST SALES CAPTURE

- + UBS is estimating that about 80,000 retail stores, which is 9% of total stores, will shut across the country by 2026. That assumes e-commerce sales rise to represent 27% of total retail sales by then, up from 18% today.
- + However, Bricks and Clicks will also allow retail to shift uses and functions of space...moving to more “showrooming” concepts, thus carrying far less inventory.
- + Continues to the trend to lower square foot averages per store. *4.4% drop over the last few years on average.*
- + More and accelerated moves to cooperative retail concepts as complementary stores look to co-exist in one space.

CONTINUED EXPANSION AND INNOVATION IN PLACE IMPACTS FROM COVID

With outdoor dining being so successful and the creation of social districts expect to see more growth in food truck hub developments and communal dining “parks” with delivery from participating downtown restaurants.

*Check our recent DORA Ordinance from Danville



OUR APPROACH TO ATTRACTING, ENGAGING, AND RETAINING VOLUNTEERS WILL CONTINUE TO EVOLVE

- + Based on a 2021 survey of Main Street Program directors, 58 percent reported “some decrease” or a “substantial decrease” in actual volunteer hours served.
- + *Project-based volunteering often occurs at the volunteers’ own time and convenience, rather than the expectation of coming to a committee meeting.*
- + *Anticipate that Main Street organizations will seek to partner with other local organizations that represent areas of engagement on the Four Points in order to leverage capacity and resources.*
- + ***As such, work planning should also evolve into more joint planning efforts, resulting in more holistic work planning for our downtowns and commercial corridors and reflecting the entirety of revitalization activities.***

PREDICTIONS DUE TO THE RISE OF REMOTE WORK...

- + *More drop-in space arrangements for private business offices.*
- + *Private building owners shifting to more Co-Work Spaces*
- + *More commercial movement in repurposing office space to housing or longer-term stay Airbnb managed units. In December 2021, month-long stays at Airbnbs increased by 68 percent, according to the company. These opportunities are best positioned for smaller communities within a two- to three-hour drive time of major metropolitan areas and offering amenities such as co-work spaces, internet connectivity, a pleasant downtown with third spaces, and outdoor recreation access.*

PREDICTION: MORE CREATIVITY IN HOW WE THINK ABOUT WORKFORCE HOUSING IN OUR DOWNTOWNS



WELCOME TO THE TOMORROW BUILDING

CRASH A FEW NIGHTS

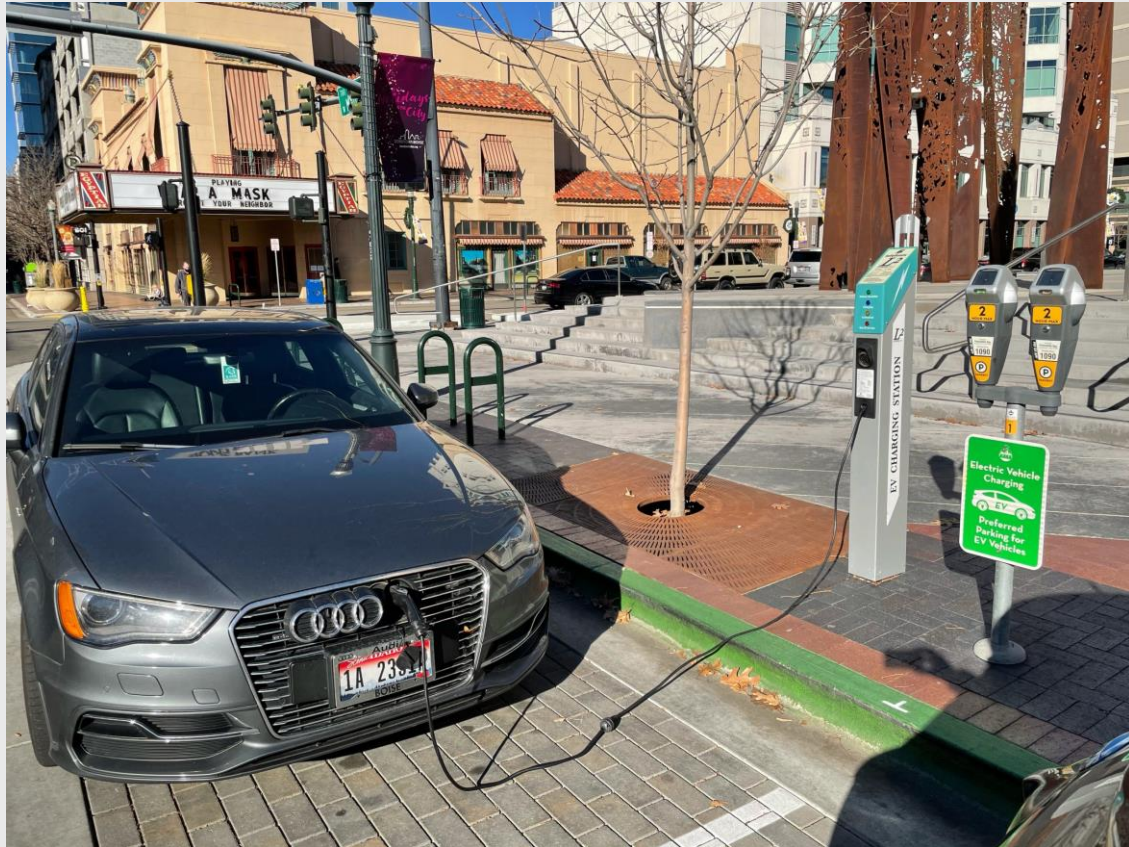
CRASH FOR A WHILE

CONTACT US

VIRTUAL TOUR




THE GROWING WAVE OF ELECTRIC CAR ADOPTION COMBINED WITH SUSTAINABLE TOURISM WILL PROVIDE OPPORTUNITIES FOR MORE DOWNTOWN TOURISM DEVELOPMENT



- + A report by the International Council on Clean Transportation (ICCT) assessed the rapidly growing market for zero-emission vehicles in the United States and projected that the number of electric vehicles riding the roads would top 26 million by 2030.
- + electric charges taking anywhere from 20 minutes to 8 hours
- + *density of activity will be critical test as to where electric car tourists will make their stops.*

PREDICTION: A GROWING SHIFT IN OUR WORK AROUND ENTREPRENEURIAL-LED ECONOMIC DEVELOPMENT

- + (MSA) 74 percent of your Main Street businesses came from people that lived in your community
- + (U.S. Census) There were 3.5 million more businesses formed in 2020 than in 2019
- + (U.S. Census): New Business formation grew 48 percent comparing January 2020 to December 2021.

A photograph of a historic street scene with multi-story brick and stone buildings. A dark, semi-transparent diagonal overlay covers the right half of the image, creating a split effect. The sky is blue with some clouds.

Q&A
Thanks!

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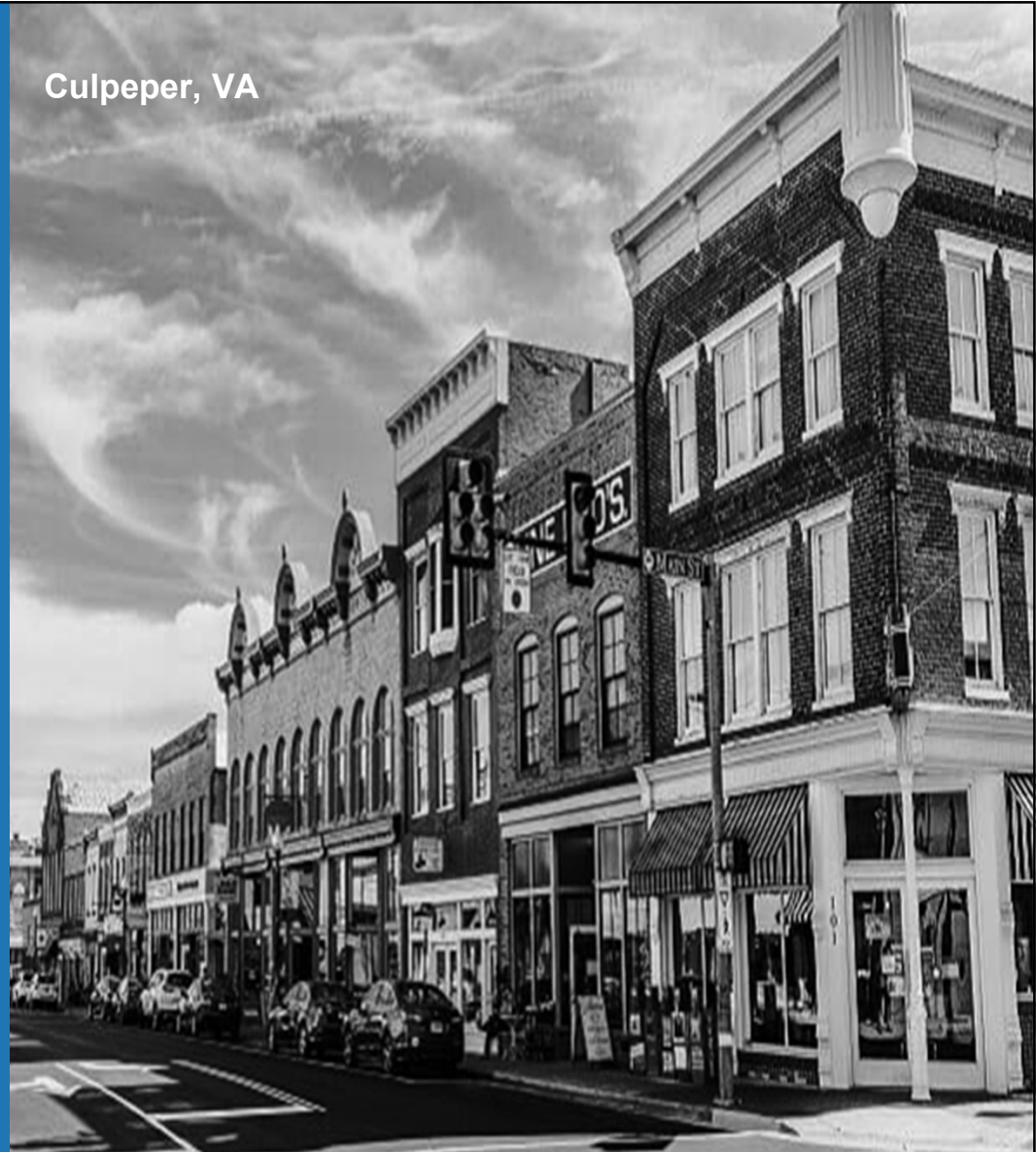
Main Street 101

Central Shenandoah PDC

April 22, 2022



Culpeper, VA



DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



Agenda

- What is Main Street?
- Virginia Main Street (Coordinating Program)
- Virginia Main Street Grants
 - Community Vitality Grant (CVG)
 - Financial Feasibility Study (FFG)
- Q&A





What is Main Street?



What is Main Street?

- Network of over 2,000 commercial districts
- Grassroots revitalization framework that creates vibrant people-centered places
- Asset-based economic development
- Made up of passionate advocates, dedicated volunteers, influential stakeholders and community organizers



**National Trust for
Historic Preservation**
Save the past. Enrich the future.™

The Main Street Approach

Organization

Bring all sectors of the community together to build consensus and common vision, assemble resources and lead revitalization efforts



Sense of Ownership

Design

Improve physical elements while preserving and enhancing the community's authentic fabric



Sense of Place



Sense of Vitality



Sense of Activity

Economic Vitality

Strengthen / diversify the local economy by supporting existing base and encouraging strategic use of space and entrepreneurship development

Promotion

Position district as the center of activity, culture, commerce and community life, market its assets and promote its positive image

Transformation Strategies

Transformation Strategies are generated through meaningful community engagement and informed by an analysis of the district's market position, guiding a revitalization program's work. An effective strategy serves a particular customer segment, responds to an underserved market demand or creates a differentiated destination. Most importantly, identified strategies are measurable, and they're comprehensive and implemented through a broad range of activities that span the four areas of work represented by the Four Points.



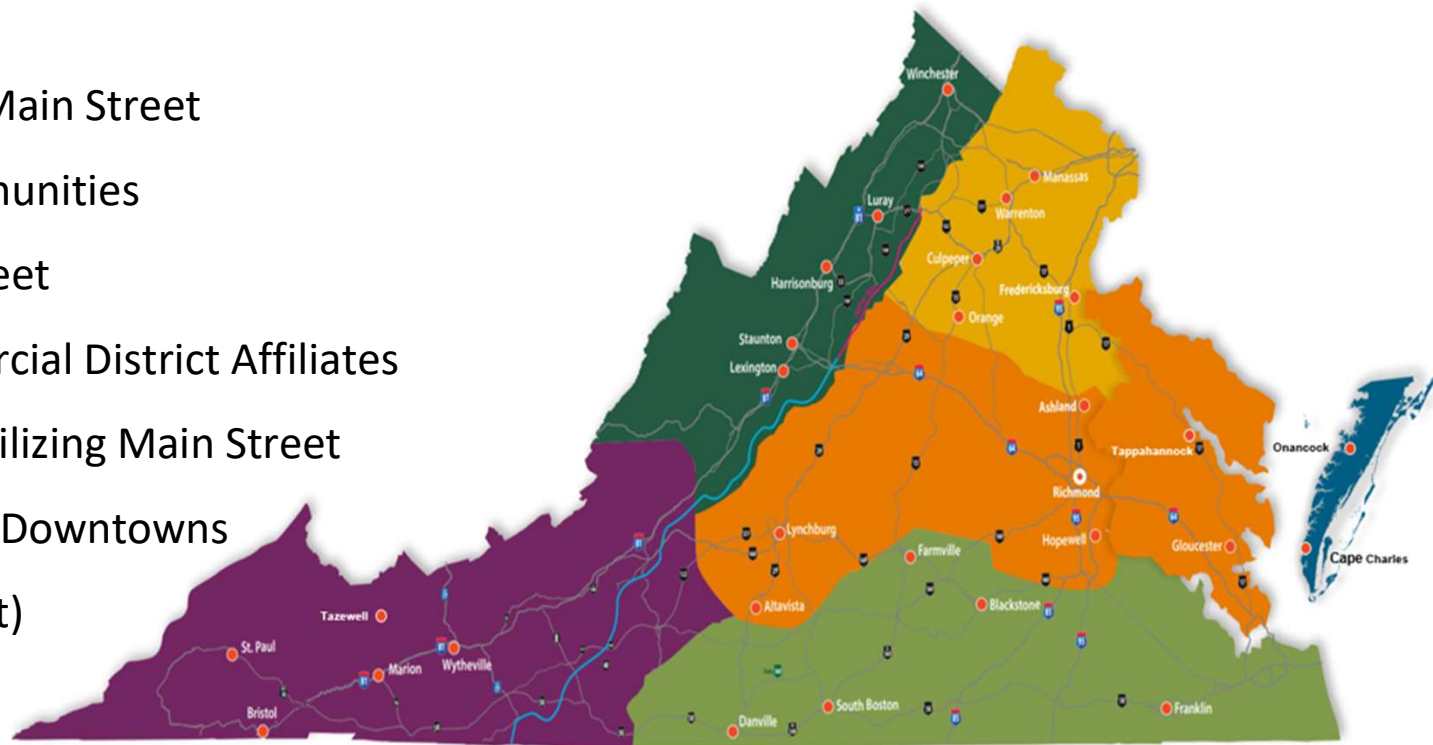
Outcomes of a Main Street Effort

- Utilizes historic assets
- Public-private collaboration
- Preserves and creates jobs
- Increased entrepreneurship
- Increases tax revenue
- Community pride
- Vibrancy
- Regional allure
- Sense of Place



State-Coordinated Program

- Since 1985
- 28 Advancing Virginia Main Street
 - Designated Communities
- 70+ Exploring Main Street
 - Formerly Commercial District Affiliates
- 2018 - Introduced Mobilizing Main Street
 - Formerly Virginia Downtowns
 - Cape Charles (first)



Virginia Main Street (Tier System)

Introducing Main Street

- No requirements
- Join email list
- Follow social media / VMS blog
- Attend trainings



1

2

Exploring Main Street

- Noncompetitive application
- Learn about best practices and connect to a network of peers



3

Mobilizing Main Street

- Expand program development + future designation
- Learning lab for regions + districts that do not fit requirements



4

Advancing Main Street

- Competitive App Process
- Designation (State)
- Accreditation (National)



Virginia Main Street (Tier Grants)

Exploring Main Street

- Community Vitality Grant
 - Up to \$7,000
- Financial Feasibility Grant
 - Up to \$25,000
 - Available after 07/01/2022 (TBD)
- Work from Home Pilot



Mobilizing Main Street

- Community Vitality Grant
 - Up to \$7,000
- Financial Feasibility Grant
 - Up to \$25,000
 - Available after 07/01/2022 (TBD)
- Work from Home Pilot



Advancing Main Street

- Downtown Investment Grant
 - Up to \$25,000
- Financial Feasibility Grant
 - Up to \$25,000
 - Rolling application through 06/30/2022
- Work from Home Pilot





Community Vitality Grant

Glade Spring, VA



Community Vitality Grant (Overview)

- CVG funds are available for EMS and MMS communities.
- CVG funds assist communities and organizations in achieving their long-term revitalization goals.
- Projects include, but are not limited to:
 - Organizational Development
 - Vision / Mission Development
 - Work Plan + Budget Development
 - Market Studies
 - Website Development
 - Design / Economic Vitality Projects
 - Entrepreneur Support Programs
 - Wayfinding System Development
 - Other Consultant Services



Community Vitality Grant (Key Dates)

- Grant applications are due **April 28, 2022**.
- Grants are available for **\$7,000**.
 - 2:1 match requirement
 - For every \$2 of grant funding applied for, there must be \$1 in matching funds (includes in-kind / volunteer hours).
- Projects must be underway by **October 01, 2022**.
- Projects must be completed by **May 31, 2023**.
- Quarterly reporting through CAMS



Community Vitality Grant (Funding Priorities)

- Clearly explain how the proposed project or service is an effective organizational or economic vitality strategy for the commercial district.
- Proposed organizational development projects via consultant services must advance the sustainability of the local organization and positively contribute to the revitalization of downtown.
- Proposed economic vitality, promotion or design projects must directly support existing work plans and identified strategies for improving the functionality and/or usage of the downtown district.
- Projects or services that enhance or complement other DHCD resources the community or organization is currently receiving will receive priority.
- Proposed projects will increase organizational readiness, strengthen entrepreneurial ecosystems or enhance the built environment for the business district.

Funds are not available for continuing operations, program administration or predictable expenses.

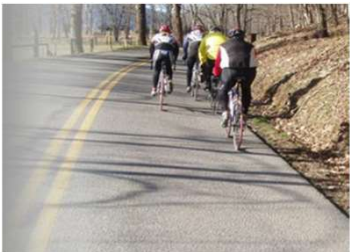
Community Vitality Grant (Project Examples)



The **Southern Virginia Food Hub** (SVFH) in South Hill, VA utilized DHCD funding to provide additional support for the SVFH Producer Services Coordinator, focusing on community outreach efforts to ensure broad public awareness of SVFH services. The project led to increased foot traffic downtown, assisted new food businesses to become viable, and provided the community with healthy food options!



The **Town of Bowling Green** utilized DHCD funding to form the Bowling Green Virginia Community Alliance (BGA CA) and cover costs associated with establishing the organization as a 501(c)3 non-profit, as well as building its website. The project provided the framework for a coalition of Main Street stakeholders committed to the revitalization process with the resources to achieve the goal of a revitalized historic commercial district!



The **Town of Pulaski** elevated awareness of town's location on the New River Valley Trail through promotions and physical enhancements to bring bicycle-oriented tourists into downtown businesses. These activities increased awareness of Pulaski as an outdoor recreation destination, improved visitation by outdoor enthusiasts and bolstered sales for local businesses!



Financial Feasibility Grant



Orange, VA

Virginia Main Street | How-to-Apply Webinar



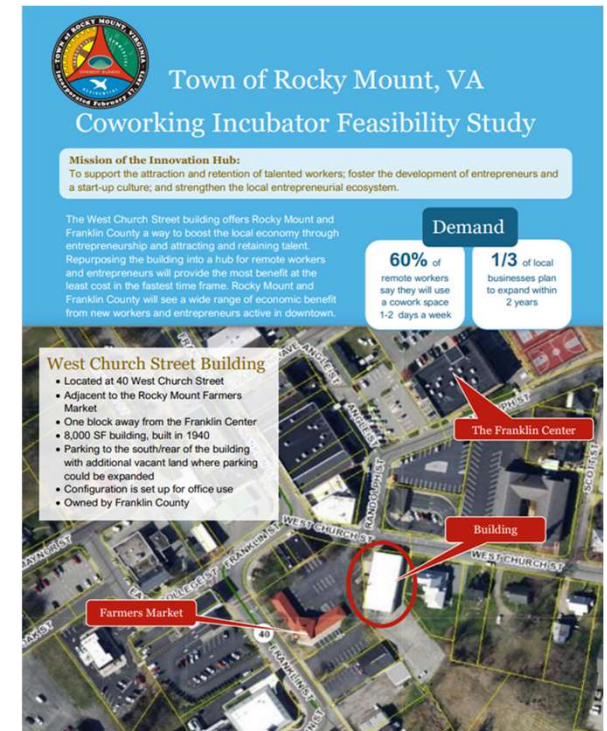
Financial Feasibility Grant (Overview)

- FFG funds are available for AVMS communities.
 - EMS and MMS communities may apply if there are unspent funds by July 01, 2022.
- FFG funds help to identify the highest and best use of such properties and develop any necessary plans or studies that will allow the owner to develop the property or allow the Main Street organization to “shop” the rehabilitation and reuse of said property to private developers and investors.
- FFG funds typically aid the development of preliminary design reports and renderings, building code and zone assessments, pro forma development and construction estimates, as well as environmental reports, market demand studies, and gap-financing research as needed for identified properties.



Financial Feasibility Grant (Key Dates)

- Grant applications are due on a rolling basis until **June 30, 2022** for AVMS communities.
 - Applications will open to EMS and MMS communities **July 01, 2022** if there are any unspent funds.
- Grants are available for **up to \$25,000**.
 - No match required
- All program funding will be obligated by **August 01, 2022**.
- Projects must be underway by **October 01, 2022**.
- Projects must be completed by **May 31, 2023**.
- Quarterly reporting through CAMS



Financial Feasibility Grant (Funding Levels)

- Level 1
 - Code and zoning assessment
 - Building programming (identification of highest & best use)
 - Pro forma development + construction budget
 - Preliminary design concepts + basic rendering sketches
- Level 2
 - Professional market demand study for proposed new building use
 - Environmental assessment (Phase 1)
 - Assessment of all available incentives + tax credits
 - Letters of Intent (LOIs) for historic tax credit investors (where applicable or available)
 - Financing plan
 - Identification of tenants or end users, residential and commercial (if applicable)

DHCD reserves the right to only fund Level 1 activities for any project application. DHCD reserves the right to only fund Level 2 activities for any project, if it is determined that Level 1 activities have been satisfactorily completed previously.

Financial Feasibility Grant (Funding Priorities)

- Clearly explain how the redevelopment of the building would be catalytic for the Main Street community.
- The proposed project should demonstrate that the successful redevelopment of this property will have significant economic benefits for the Main Street community and will result in a stronger, more diversified business environment in the Main Street district and/or increased downtown housing.
- The proposed project will indicate the strong likelihood of redevelopment, based on owner willingness or identified willing developers, and that FFG funds are necessary to move the project forward.



Financial Feasibility Grant (Project Examples)



Luray Downtown Initiative (LDI) utilized FFG funds to determine the highest and best use of the Artisan Grill property. The study focused on the importance of the building to the community's economic restructuring strategy, potential reuse, estimates for rehab costs, funding sources and more. It was determined that a niche retail or restaurant business should be successful if it offers a concept, good or service that taps both the local and secondary markets and attracts tourists to the area.



The **Staunton Downtown Development Association (SDDA)** conducted a feasibility study to aid the transformation of two adjacent historic buildings (former Dixie Theater), and while honoring their pasts, broaden their uses as gathering places for all members of the community. The project created increased collaboration among a variety of audiences and creators, helping SDDA grow the next generation of thinkers and change makers.

Grant Manuals

- VMS FY2023 grant manuals have been uploaded to the [DHCD website](#), and you can also access them below:



**FY2023
Community Vitality Grant
Application Manual**

[View Here](#)



**FY2023
Downtown Investment Grant
Application Manual**

[View Here](#)



**FY2023
Financial Feasibility Grant
Application Manual**

[View Here](#)



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