

CHAPTER FOUR

**Profile of, and Economic Impacts from,
the Florida Main Street Program**

INTRODUCTION AND SUMMARY

This chapter examines the contributions of the Florida Main Street Program. It begins with an overview of the national Main Street effort. This is followed by a profile of the Florida Main Street initiative and details of its direct investment as well as its total economic impacts. The analysis is for the fiscal year (FY) 2000–01, which, when this study commenced, was the last annual period for which Florida Main Street Program information was fully available. The results of the analysis are summarized below:

- The State of Florida has an active Main Street program with 47 communities participating (e.g., Clermont, Dade City, Ft. Myers, Lake Wales, Palm Harbor, Vero Beach, and Ybor City).
- In FY 1999, the Florida Main Street Program resulted in the following total investment.

EXHIBIT 4.1 Florida Main Street Program (FY 2000–01)

<u>Component</u>	
Rehabilitation	\$27.3 million
New construction	<u>\$45.3 million</u>
Total private and public investment	\$72.6 million
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Number of new jobs	1,267

- If we net out rehabilitation and other preservation outlays previously tallied, such as spending by heritage tourists in the Main Street communities (since we want to avoid double counting), and make other adjustments, the FY 2000–01 Florida Main Street investment/output is *roughly* \$63.6 million of construction plus retail job benefits.
- The total national economic impacts, including both direct and multiplier effects, from the FY 2000–01 Florida Main Street investment included a gain of 4,370 jobs, \$116 million in income, \$187 million in gross domestic product, and \$43 million in taxes. The in-state Florida gains were roughly 50 to 80 percent of the above-cited figures (see below) with in-state wealth creation of \$116 million.

EXHIBIT 4.2
Total Economic Impacts of the Annual Net Florida Main Street Investment

	In Florida	Total (U.S.)
Jobs (person years)	3,202	4,370
Income (\$million)	\$81 million	\$116 million
GDP/GSP ^b (\$million)	\$132 million	\$187 million
Total taxes (\$million)	\$31 million	\$43 million
Federal (\$million)	\$16 million	\$22 million
State/Local (\$million)	\$15 million	\$21 million
In-state wealth (\$million) (GSP minus federal taxes)	\$116 million	—

^bGDP/GSP=Gross Domestic Product/Gross State Product.

THE MAIN STREET PROGRAM: NATIONAL OVERVIEW

In 1980, the National Trust for Historic Preservation established the National Main Street Center (NMSC). With the goal of revitalizing downtown areas and neighborhood commercial districts across the United States, the NMSC set up the Main Street Program. The program focuses on improving downtown business districts, primarily through historic preservation themes. All Main Street Programs are locally driven and funded, though advice from the NMSC is available. In the past twenty years, almost 2,000 communities and more than forty states have used the Main Street approach to invigorate their downtown areas. The results have produced both economic and social benefits.

Main Street programs are initiated by concerned citizens such as business and property owners or civic and government officials. Public and private community leaders are then called upon to organize the program, raise funds, and hire a Main Street Manager. They also create committees and a board of directors to carry out the work. Once these entities are in place, a long-term strategy can be formed based on local issues and concerns. Each community's overall strategy, however, is based on the Main Street Four Point Approach. The approach stresses looking at four areas in order to encourage successful downtown revitalization. These four components are:

- *Design:* Enhancing the visual appearance of the downtown.
- *Organization:* Building consensus and cooperation among the groups and members that have a concern with the downtown. Groups in both the public and private sectors must collaborate.
- *Promotion:* Marketing the improved downtown to the public to attract customers, investors, developers, and new businesses.
- *Economic Restructuring:* Strengthening the downtown's existing economic assets, while expanding its economic base to meet new opportunities.

The implementation of the Main Street Four Point Approach is based on eight principles known as the Main Street Philosophy. The principles are:

- Comprehensive: A successful revitalization must have a comprehensive long-term approach.
- Incremental: Begin with small projects, which will show progress, then move onto larger ones.
- Self-Help: Local leaders are the key to making the projects successful.
- Public/Private Partnership: Both the public and private sectors must contribute to the program.
- Identifying and Capitalizing on Existing Assets: The existing and unique local assets of a community should be the solid foundation for its program.
- Quality: All elements of the program must be focused on quality.
- Change: Changes in attitude and practice must be made in order to improve the public opinion of the downtown.
- Action-Oriented: Frequent and visible changes will help to change the perception of the downtown, serving as reminders that revitalization is under way.

NMSC provides informational material, in a variety of formats, to assist communities. Often it will provide technical assistance to state programs. It also sponsors a national conference, which provides training. Sometimes, NMSC will provide specialized assistance to a community for a fee.

Downtown revitalization afforded through the Main Street Program is important and worthwhile for many reasons, both tangible and intangible. The most important reasons include:

- Business is strengthened and stabilized: profits are kept in town, local family-owned businesses are supported, and tax revenues increase.
- Main Street districts often become tourist attractions, which draw revenue.
- Infrastructure is improved.
- Jobs are created through construction done during renovations.
- Community-eroding sprawl is controlled.

- A civic forum is created, which develops a sense of community through parades and celebrations held on Main Street.
- Main Street is a symbol of economic health, pride, and community history.

The Main Street Program has been extensively applied. From 1980 to 2000, the total amount of public and private reinvestment in Main Street communities has been \$15.2 billion. According to NMSC, 206,000 new jobs have been created as well as 52,000 new businesses and 79,000 building rehabilitations. On average, for every \$1 spent, \$39 has been reinvested.

THE FLORIDA MAIN STREET PROGRAM

In numerous small Florida cities, downtowns are in a state of decline. The automobile, suburban housing, and the growth of local and regional shopping centers and malls have greatly reduced the traditional role of these communities' downtowns as the principal center of economic activity. Many government programs, such as urban renewal and various city beautification programs, have failed to halt the decline of Florida's main commercial corridors.

The Florida Main Street Program attempts to spur revitalization by capitalizing on the unique character of the downtown coupled with development of progressive marketing and management techniques. The Florida Main Street Program is based on the Main Street Four Point Approach of the NMSC. As noted, the NMSC was established in 1980 by the National Trust for Historic Preservation; the Florida Main Street Program has been in existence since the mid-1980s.

In the late 1980s and early 1990s, a grassroots effort by local citizens began a small town renaissance in Florida.

A statewide Florida Main Street program was inaugurated in 1985 to aid towns with populations between five thousand and fifty thousand—with DeLand in central Florida as one of its first selections. With the state acting as an advisor, many communities began to revitalize their historic or traditional commercial areas.

Each Florida community had to come up with its own plan to “bring back” its downtown. Community involvement was stressed. The qualifications were strict, and very few towns were selected as Main Street cities in the early years of the program. Some 80 Florida cities have benefited from the Florida Main Street Program since 1985. Among the business districts that have been spruced up and revitalized are Crestview, Marianna, Milton, and Panama City in the panhandle; Venice, Fort Myers, and Tarpon Springs on the Gulf coast; Clermont, Sanford, Dunellon, and Wauchula in central Florida; Homestead and Miami's Overtown neighborhood in the south; and Fort Pierce, Daytona Beach, and DeLand along the Atlantic coast.

DATA MAINTAINED BY THE NATIONAL MAIN STREET PROGRAM

Every month, communities participating in a Main Street program are supposed to compile a series of data items (e.g., Project Status Information Sheets and a Reinvestment Summary Sheet) including a “Monthly Report.” The Monthly Report is divided into five sections. The first section asks for feedback in the format known as the Main Street Four Point Approach, as designed by the NMSC; the community must report on the month’s accomplishments in organization, promotion, quality design, and economic restructuring. The second section asks the community to discuss any “brick walls” (obstacles) that the program has encountered. Section three requests a list of the previous month’s completed meetings and the following month’s planned meetings. Section four focuses on goals and methodology—what does the community plan to accomplish next month? The last section asks if the community has any questions or needs that it would like addressed by the Main Street Program staff.

The Project Status Information Sheets comprise Project Status, Acquisitions, Business Starts, Business Failures, and Business Rehabilitation sheets. The Project Status sheet displays the proposed, pending, and completed work in the Main Street District. The Acquisitions sheet tracks the buying and selling of buildings. The Business Starts sheet shows new businesses that have opened, as well as the expansion or relocation of existing businesses to the Main Street District. If any business in the Main Street District closes down, it is included in the Business Failures sheet. The Building Rehabilitation sheet records substantial building improvement projects. Since the purpose of these sheets is to track the work and progress of the local program, they are updated frequently. All of the sheets are maintained by the local Main Street Manager.

The Private Sector Reinvestment Summary Sheet, which builds from the Project Status Information Sheets, comprises seven categories, all of which contain cumulative totals reflecting results since the inception of the community’s local Main Street Program. Twice a year the figures compiled in the Reinvestment Summary are included in an informational packet which the specific state Main Street Program distributes throughout the state and also submits to NMSC. The categories of data in the Reinvestment Summary are:

Of the three databases mentioned above—Monthly Report, Project Status, and Reinvestment Summary—the last contains the most complete information for ascertaining the total economic impacts of the Main Street Program, encompassing both direct and multiplier effects.

The reinvestment outcomes for Florida Main Street are detailed in Exhibit 4.3 and are summarized below.

EXHIBIT 4.3
Florida Main Street Program: Reinvestment Statistics

	FY 2000–01 \$ Millions	Cumulative (Mid-1980s–2001) \$ Millions
Rehab	27.3	85.4
New Construction	45.3	195.9
Total Private and Public Investment	72.6	281.3
New Jobs	1,584 jobs	7,043 jobs

Source: Florida Main Street Program

**DIRECT ECONOMIC IMPACTS
OF THE FLORIDA MAIN STREET PROGRAM**

The reinvestment results summarized above comprise the *direct* economic impacts of the Florida Main Street program. These data allow us to translate the direct Main Street investment into total economic benefits, including multiplier effects. In doing this calculation, we focus on the impacts for FY2000–01.

We must make an adjustment to the data, however, to avoid double counting. This study previously calculated the average level of historic rehabilitation occurring in Florida, that is, the renovations taking place in properties on, or eligible for, historic designation. Some of the Florida Main Street rehabilitation is likely taking place in such designated properties; while we do not know this amount for certain, we estimate this would be 33 percent, that is, that one-third percent of the Florida Main Street Program–counted rehabilitation is effected in designated or eligible properties. (This is a very gross estimate.) The *net* Main Street rehabilitation, that is, the amount over and above that tallied in the rehabilitation chapter, is therefore 80 percent of the FY2000–01 Florida Main Street rehabilitation, or about \$18.3 million (\$27.3 million x .75).

We similarly have to adjust the net jobs credited to Main Street since these include employment associated with heritage tourism (e.g., a Florida heritage traveler visiting a Florida Main Street area and patronizing a store manned by an employee credited to the Florida Main Street Program). If we didn’t adjust, we would then be double counting. While we do not know the exact overlap between Florida Main Street jobs and jobs associated with Florida heritage tourism (the latter counted in Chapter Three), we estimate this overlap at 20 percent. (Again, this is a very gross estimate.) Therefore to avoid double counting, we will credit 80 percent of the Florida Main Street-generated jobs as net of the tourism-associated employment, or 1,267 jobs (1,584 jobs x .8).

In summary, the net additional annual direct economic gains from the Florida Main Street Program (using FY2000–01 figures) include:

\$18.3 million of rehabilitation
45.3 million of new construction
63.6 million
and

1,267 net jobs (Since the 1,267 net jobs will contain many part-time retail positions, we count these 1,267 jobs as 850 full-time equivalent [FTE] positions.)

TOTAL ECONOMIC IMPACTS FROM THE FLORIDA MAIN STREET PROGRAM

The next step is to translate the above-cited direct effects into total economic benefits by applying the PEIM. The total economic impacts of the Florida Main Street Program investment just noted are summarized below and detailed in Exhibits 4.4 and 4.5. For example, of the 4,370 national jobs created annually, about 73 percent (3,202 jobs) are created within the state. Florida retains nearly all of the jobs (1,660 of the 1,937) created directly by state-based Main Street activity. However, the indirect and induced impacts of Florida Main Street activity tend to “leak out of the state.” This finding is not surprising, in light of Florida being only one state in the national economy.

We can learn other interesting aspects of the impacts of Main Street investment by examining them by industry. For example, the largest number of in-state Florida jobs fostered by Main Street investment is in the retail sector (1,165 of 3,202 jobs). Other sectors gaining relatively larger number of jobs, in Florida from Main Street are construction, services, and manufacturing.

In summary, the economic impacts estimated through the PEIM models of the Florida and the U.S. economies reveal that the annual Main Street activity in Florida generates valuable employment and attendant income and production benefits.

TABLE 4.4
National Economic and Tax Impacts of Annual Florida Main Street
Preservation Activity (\$63.6 Million + 850 Retail Jobs)

	Economic Component		
	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	37	534.9	2,052.6
2. Agri. Serv., Forestry, & Fish	35	585.4	647.7
3. Mining	37	904.9	3,214.9
4. Construction	810	26,312.6	30,829.2
5. Manufacturing	624	20,856.6	31,769.4
6. Transport. & Public Utilities	178	6,755.7	14,846.3
7. Wholesale	161	6,728.9	11,738.9
8. Retail Trade	1,356	20,822.3	33,073.3
9. Finance, Ins., & Real Estate	424	15,009.2	33,963.2
10. Services	675	16,958.8	23,666.7
Private Subtotal	4,339	115,469.3	185,802.4
Public			
11. Government	31	1,029.3	1,011.0
Total Effects (Private and Public)	4,370	116,498.6	186,813.4
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	1,937	46,391.2	63,294.3
2. Indirect and Induced Effects	2,433	70,107.5	123,519.1
3. Total Effects	4,370	116,498.6	186,813.4
4. Multipliers (3/1)	2.256	2.511	2.952
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			110,685.7
2. Taxes			
a. Local/State			21,211.3
b. Federal			
General			12,530.0
Insurance Trusts			9,779.7
Federal Subtotal			22,309.6
c. Total taxes (2a+2b)			43,520.9
3. Profits, dividends, rents, and other			32,606.7
4. Total Gross State Product (1+2+3)			186,813.4
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			49.6
Income			1,322,219
Local/State Taxes			240,736
Gross State Product			2,120,229

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

TABLE 4.5
In-State Economic and Tax Impacts of Annual Florida Main Street
Preservation Activity (\$63.6 Million + 850 Retail Jobs)

	Economic Component		
	Employment (jobs)	Income (\$000)	Gross Domestic Product (\$000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	4	111.3	372.0
2. Agri. Serv., Forestry, & Fish	15	190.0	185.5
3. Mining	5	308.8	681.3
4. Construction	625	19,992.5	23,475.6
5. Manufacturing	389	13,091.4	19,045.6
6. Transport. & Public Utilities	113	4,166.4	8,637.1
7. Wholesale	110	4,453.1	8,505.7
8. Retail Trade	1,165	16,448.9	28,559.9
9. Finance, Ins., & Real Estate	304	9,969.7	25,183.0
10. Services	461	11,885.1	16,666.3
Private Subtotal	3,190	80,617.2	131,311.9
Public			
11. Government	13	439.5	434.2
Total Effects (Private and Public)	3,202	81,056.7	131,746.1
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	1,660	39,509.4	54,539.7
2. Indirect and Induced Effects	1,542	41,547.3	77,206.4
3. Total Effects	3,202	81,056.7	131,746.1
4. Multipliers (3/1)	1.929	2.052	2.416
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages--Net of Taxes			79,600.0
2. Taxes			
a. Local/State			15,412.1
b. Federal			
General			9,027.4
Insurance Trusts			7,052.4
Federal Subtotal			16,079.8
c. Total taxes (2a+2b)			31,491.9
3. Profits, dividends, rents, and other			20,654.2
4. Total Gross State Product (1+2+3)			131,746.1
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			35.9
Income			909,727
Local/State Taxes			172,975
Gross State Product			1,478,631

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

