Main Street as a Downtown Revitalization Strategy in Illinois

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EXECUTIVE SUMMARY

BACKGROUND

The Main Street Four Point Approach® is a program designed to help communities revitalize their traditional downtowns. The program, administered by the National Main Street Center, a non-profit subsidiary of the National Trust for Historic Preservation, is based on state level coordinating offices that work with local non-profit organizations. These organizations implement revitalization efforts in each of four points considered essential to long term success including:

» Promotion
» Organization
» Design
» Economic Restructuring

The State of Illinois has participated in the Main Street program for more than 20 years and currently 41 Illinois communities have local Main Street (MS) organizations. These organizations have succeeded in attracting new businesses, increasing employment and generating reinvestment in their downtowns. In 2012, the average Illinois Main Street downtown created 12 FTE jobs and opened five new businesses while reporting nearly $1 million in private investment.

While successful, funding for the Illinois Main Street program (IMS) declined in recent years, resulting in cuts to services for local organizations. The National Main Street Center placed the state coordinating program on probation in 2010 pending improved service to the local organizations. In 2013 IMS contracted with Northern Illinois University’s Center for Governmental Studies (CGS) to assist in strengthening the program. CGS was asked to:

» Determine the current status of Illinois Main Street local organizations
» Recommend actions to improve local services
» Develop new resources for local organizations including a training program and an online toolbox
» Increase exposure for the Main Street initiatives

The findings and recommendations from these efforts are presented in this report.

LOCAL MAIN STREET ORGANIZATIONS

CGS surveyed the 42 executive directors of the local MS programs in Illinois during the summer and fall of 2013. Thirty responded (71.4%) and reported on the operation of their local organizations, the services provided to downtown businesses, their assessment of services provided by the IMS program, additional training and assistance needs, and the overall status of their downtowns.

Local MS organizations have an executive director who is usually the only paid staff and represents the organization to the community. Executive director positions are often full-time (61.1%) but many organizations have part-time directors. Most executive directors are college educated with promotion, event planning and marketing skills and expertise. While compensation varies by organization, the median salary is $41,000 with over one third (35.5%) in the position fewer than two years.

While budget size varies widely, most local MS programs are financially stable. Financial support comes from special districts, city governments and downtown businesses, among other sources. Nevertheless, limited financial resources are an obstacle to more effective programming at the local level.
Main Street districts are mainly business districts, and as such, are a significant source of employment and revenue for cities. Retail continues to be the most dominant use and businesses, especially small retailers, rely on MS organizations for marketing and technical assistance.

Promotions are the dominant activity for local Main Street organizations but Organization and Design were also a focus in most organizations. This is in keeping with the retail activity in their districts and reflects the skills of the executive directors. Organizations focused less on Economic Restructuring, with slightly more than half of local organizations completing a project in this area (51.9%). Smaller organizations (budgets under $60,000) were less likely than larger organizations to engage in Economic Restructuring projects.

Local organizations differ in the tools available to serve their downtowns. Larger organizations (budgets over $60,000) are likely to utilize a variety of tools including visitor guides, business directories, multiple social media platforms and business start-up guides. Fewer small organizations use these tools. When executive directors were asked about data bases they maintained, there was little difference between large and small organizations indicating that IMS may find some areas where technical assistance needs vary by the size, while in other areas, size is not a factor.

While Main Street districts are dominated by retail activities, residential and industrial uses are components of many downtowns and can provide the customers for the retailers and other businesses. Fewer than half (45.8%) of organizations reported efforts to strengthen non-retail uses. Survey data suggests a potential to strengthen Main Street districts by focusing more efforts on non-retail uses.

RELATIONSHIP WITH IMS

MS executive directors look to IMS for technical assistance that will make their local programs more effective. When asked to prioritize the four points by training needs, executive directors ranked Economic Restructuring first (63.0%). Past training by IMS most often focused on Organization, with lesser emphasis on Economic Restructuring, Promotion and Design. IMS has an opportunity to redirect training to more closely meet the needs of executive directors and has offered several successful programs on these issues.

Executive directors reported that they prefer training to be more accessible by minimizing travel time and offering flexibility to accommodate board members and volunteers. Training could be held regionally, eliminating the need for overnight stays and training events for volunteers and local business owners could be delivered via webinar. Other formats, such as collaboration with other organizations or Main Street programs in neighboring states, and/or combining distance learning with on-site presentations are also possibilities being considered.

Local MS organizations receive technical assistance from sources other than IMS training. Information is disseminated via email, state and national websites, conference calls, and contact with experts and state staff. Technical assistance could be expanded with additional funding and a larger IMS staff.

Many state coordinating programs provide an online toolbox for use by local organizations. IMS could do this as well with Illinois’ toolbox incorporating best practices of other states as well as unique tools that meet Illinois’ needs. Executive directors requested that the toolbox contain contact information for resources located elsewhere as well as downloadable documents ranging from conference materials and templates for directories to marketing materials and volunteer guidebooks. An Illinois toolbox would assist smaller and lower budget organizations by providing resources not otherwise available to them.
Limited financial resources were cited as a significant obstacle to expanding the effectiveness of local MS programs. Other states have examples of grant programs that could be adapted for use in Illinois. Even small grants are of significant help to local organizations and could also increase the perceived value of participating in the MS program. Many states have tiered Main Street programs allowing communities to participate as their resources and abilities permit. A tiered system or exploratory program are ways IMS could offer participation to communities with smaller budgets and staff than are eligible under the current requirements.

OPTIONS FOR THE FUTURE

Based on the survey results, discussions with the executive directors at the 2013 IMS State Conference, research on programs offered in other states, and best practices of IMS local organizations, following are options for future directions of IMS.

1. **Form a Statewide Steering Committee:**
   Executive directors requested more opportunities to participate in planning the activities and services offered by IMS. A steering committee will provide a vehicle for increased participation.

2. **Broaden the Financial Support Base:** Lack of financial resources is an obstacle to increasing the effectiveness of the local organizations. IMS can review experiences in other states for examples of financial support.

3. **Form Alliances with Support Organizations:**
   If IMS is to grow and meet requests by cities for services, it must maximize use of the resources available. Collaboration with other agencies and public or private organizations will enable IMS to offer programs that might not otherwise be possible.

4. **Create an Exploratory Community Program:**
   Many communities are interested in starting Main Street organizations. An exploratory program would allow them to learn more about the Main Street Approach and allow IMS to grow the program in a manageable way.

5. **Establish a Credentialing Program:**
   A credentialing program can increase capacity by providing executive directors with recognition of their expertise and provide a focus for training options.

6. **Share Best Practices in MS Organizations:**
   Executive directors can share best practices through social media, a website, training sessions, community exchanges and other ways. This is a low cost way to bring new information to local organizations.

7. **Deliver Services on the IMS Website:** IMS can deliver more assistance to local organizations by using the internet as effectively as possible. Local organizations can access unique tools that they cannot find elsewhere along with links to resources currently available on other sites.

8. **Develop Training Responsive to Local MS Organization Needs:** Executive directors want to play a greater role in selecting training topics and formats. Interest is greatest in Economic Restructuring as a topic. A format that minimizes travel distance and time away from home would encourage attendance by executive directors as well as volunteers and local business owners.
IMPLEMENTATION PROGRESS

Many of these suggestions are already being considered and implemented. IMS is offering a new series of Economic Restructuring workshops. The workshops are held in multiple locations eliminating the need for overnight stays. The new training program has been enthusiastically received, with combined attendance of nearly 200 people at the first three events and positive feedback on evaluations. In addition to MS executive directors, the locations and topics have attracted MS board members, volunteers, downtown business owners and others interested in downtown revitalization.

The new training program is creating the basis for future collaboration with other organizations. Members of other groups interested in downtown revitalization have been invited to attend the workshops. Representatives from the Wisconsin and Missouri Main Street programs, chambers of commerce, economic development organizations, the American Planning Association, and local and county government officials and staff are bringing their perspectives to IMS events. This not only sets the stage for collaborating on future efforts, it also increases visibility for IMS and fulfills MS executive directors’ desire to participate in the larger economic development discussion.

A new webpage is being developed. This page will provide information requested by executive directors such as a calendar of events, conference materials, marketing materials, guidebooks, templates and contact information. Additional meetings are scheduled to further refine the toolbox.

Downtowns have the ability to unite the historic, social and economic characteristics of a community. The Main Street Four Point Approach has been successfully used to revitalize Illinois downtowns in the past. Illinois Main Street has demonstrated its ability to strengthen its program by improving the training and technical assistance offered, and is considering structural changes, creating new vehicles to work more closely with local executive directors, and collaborating with allied organizations. The past successes of local MS organizations and growing interest in the program provide a basis for expanded support of the Main Street program in Illinois.
INTRODUCTION

As the nation emerges from the prolonged recession, local economic development agencies and cities are positioning themselves to participate effectively in expected economic growth. For many, if not most, communities a vibrant downtown is essential to this prosperity and they are creating an environment attractive to both employers and residents. The downtowns need continued investment and effective management practices to remain a healthy source of tax revenues and employment. The Main Street (MS) program offers many opportunities for local leaders to strengthen their efforts to build viable downtowns in the future.

While attracting and retaining manufacturing and other businesses is often the main focus of local economic development efforts, quality of life and access to services have become increasingly important to prospective residents as they evaluate possible communities in which to live (Blakely & Leigh, 2010). Key, but sometimes overlooked in the literature, is the importance of a vibrant and healthy commercial center in which residents can find shops, restaurants, entertainment, and other amenities. Healthy downtowns are also attractive to potential business owners because these areas offer a strong consumer base and access to other goods and services. The mix of businesses, central location, availability of reasonably priced commercial space and the small size of many spaces make downtowns a welcoming environment for many entrepreneurs starting businesses.

Vibrant downtowns are important for several reasons. First, they are often the location of major employers in small and medium-size communities. They also represent a source of wealth resulting from past investments by residents and signify the economic center of the city with which people identify.

Second, the retail stores in the downtown area typically represent significant sources of sales taxes that finance public services in the community. Even though sales have shifted to regional shopping centers and discount stores in neighboring areas, the sales taxes generated by downtown businesses still remain a major revenue source for many cities.

Finally, the downtown area can be one of the only places where residents congregate regularly for a variety of purposes including governmental functions, community events, entertainment, and retail services. An attractive and vibrant downtown contributes to the overall health and vitality of a city.

Maintaining healthy downtowns has been difficult during recent times as an increasing numbers of residents commute to work in larger centers and as retailers in small to medium size communities compete with national chains and big box stores. Declines in sales have caused losses in employment and discouraged owners from maintaining investment in their commercial properties. Further deterioration will result in a downward spiral as owners discontinue investments over time.

The National Main Street Center (NMSC) was launched by the National Trust for Historical Preservation in 1980 with a NMSC Network to help cities preserve their historical buildings and revitalize the downtowns so that they can continue to be an economic development asset. The program is based on the Four Point Approach ™: Organization, Promotion, Design and Economic Restructuring. The NMSC Network provides educational and technical assistance services to member cities building on these four points. Illinois joined the NMSC Network in 1983 and has worked with member organizations since that time.

This report examines recent experiences with the Illinois Main Street program (IMS) and describes the current activities of the 41 local Main Street (MS) organizations to identify ways to reinvigorate the program and help executive directors revitalize their downtowns. Considerable interest and enthusiasm for
the Main Street program by member organizations was found and numerous examples of excellent programs exist.

The report has four main sections. First, a background and history of the Main Street program in Illinois is briefly described to provide a context for later findings. The financing of the program had major setbacks for various reasons and the current fiscal status of state government makes allocating more funds difficult.

Second, the present status of local Main Street organizations, including funding, executive directors, and services provided are described to determine the current potential for service delivery as well as needed improvements. Programs exist in both small and large communities throughout Illinois causing executive directors to adopt a variety of approaches.

Third, types of training and technical support needed by local directors are identified by size of the organization’s budget to determine how statewide or regional training and technical assistance programs can be most effectively delivered given the diversity of the organizations. Insights gained from experiences in other states are also included.

Fourth, survey results and interactions with Main Street executive directors in Illinois revealed options for revitalizing and expanding the IMS program. These suggested improvements also incorporate successful practices in other states that could work in Illinois. Some proposed changes can be incorporated into current operations fairly quickly but others may require additional financial support.

Next is a brief description of the history of IMS. For more detailed information, see the Illinois Main Street 2012-2022 draft strategic plan (Heritage Consulting, Inc. & Business Districts Incorporated, Inc., 2012) and Illinois Main Street: A Case Study for Restoring State Funding (2002).

**HISTORICAL PERSPECTIVE OF THE MAIN STREET PROGRAM IN ILLINOIS**

The Main Street Approach is a program designed to revitalize traditional downtowns and neighborhood commercial centers. In 1977, in response to the ongoing decline of downtowns across the U.S. and the resulting threat to historic commercial architecture, the National Trust for Historic Preservation began a pilot Main Street program. The program was formally established in 1980. Since then, the Main Street Approach has grown to more than 2,000 communities in 37 states. The program is credited with creating 450,000 jobs and producing $54 billion in investment across the country (National Main Street Center, 2013).

Illinois has a long history with Main Street. In 1977, Galesburg, IL was chosen in a nationwide competition to be one of three pilot Main Street programs. Galesburg successfully implemented the Main Street Approach, generating thirty new businesses and increasing downtown occupancy to 95 percent during the three year trial. Galesburg’s success, along with that of the other two pilot communities, led to the development of a nationwide program.

Illinois’ state coordinating program, Illinois Main Street (IMS), was started in 1993 and was housed in the Lieutenant Governor’s Office. The Illinois Historic Preservation Agency (IHPA) provided design services. The program was relocated to the former Department of Commerce and Community Affairs (DCCA) in 1999. IHPA continued to provide design services to Illinois Main Street communities.

The Illinois Main Street Council was created in 2000. The Lieutenant Governor presided over the council while IHPA continued providing design services. The council’s responsibilities included selecting new Main Street communities and determining winners of the annual Illinois Main Street Awards. IMS became a highly successful state...
Main Street as a Downtown Revitalization Strategy in Illinois

program between 1994 and 2002. Fifty-six local organizations were active in the program (Heritage Consulting, Inc. & Business Districts Incorporated, Inc., 2012). More than $418 million were reinvested by the private sector in participating downtowns, and over $103 million were spent on public improvements. In 2002 IMS received $1.1 million in funding from the Illinois General Assembly, supporting twelve staff within DCCA and four within IHPA. Among other duties, staff conducted thirty-three training sessions and made 200 assistance visits to communities in a typical year (Illinois Main Street: A Case Study for Restoring State Funding, 2002).

The IMS program was removed from both the proposed DCCA and IHPA budgets for Fiscal Year 2003 state budget. Reactions from Main Street communities succeeded in restoring much of the funding temporarily, but as budget debates continued, the program was again eliminated. An effort to restore funds failed during the veto session. (Illinois Main Street: A Case Study for Restoring State Funding, 2002). At that time, the program returned to the Lieutenant Governor’s office.

A period of growth began with the introduction of a tiered approach in 2005. The program continued to add communities and reached a high of ninety-two local organizations in 2008, but the program struggled to maintain services with limited staff and budget.

The NMSC suspended the IMS program in 2009 because of inadequate funding to provide required services. At that time, the program was relocated to the Department of Commerce and Economic Opportunity (DCEO). A list of recommendations for reinstatement was presented in May of 2010. These recommendations included:

1. Increase the size of the staff of the Illinois Main Street program.
2. Evaluate and prioritize training programs.
3. Increase the amount of on-site assistance.
4. Increase communication between the Illinois Main Street program and the local programs.
5. Move the Illinois Main Street program from the Lt. Governor’s office into another state agency.

The suspension was lifted in June of 2011 and IMS was reinstated as the state coordinating program. Public Act (097-05 made Illinois Main Street officially a program within DCEO. It also:

- Recognized the role of the Lt. Governor as the statewide program’s official ambassador;
- Established the Illinois Main Street Fund;
- Noted general requirements for the designation of new Illinois Main Street communities;
- Identified the parameters for an Illinois Main Street Plan to be completed in consultation with the Lt. Governor.

An interagency agreement formalized the partnership between IHPA and IMS in 2011.

IHPA’s role is specified as:

- To coordinate design training to be offered at a minimum of four Illinois Main Street meetings per year;
- To assist, coordinate, and/or provide support through staff and work with DCEO hired contractors to conduct assessments for each of the active Main Street communities;
- To assist, coordinate, review and/or provide facade renderings to each active Main Street community on a schedule of at least once every three (3) years beginning July 2012.

NIU Center for Governmental Studies

Introduction
MS programs have a strong history of developing local economies in the Midwest. A recent study found that in twenty-five years of the Main Street Iowa program, participating districts had business growth rates that exceeded the rate of business growth nationwide (Place Economics, 2013). In 2012 alone, the Indiana Main Street program created more than 770 jobs in downtowns (http://www.in.gov/ocra/mainstreet.htm). Between 2007 and 2011, the Ohio Main Street started more than 500 businesses downtown (http://www.heritageohio.org/programs/ohio-main-street-program).

As part of an initiative to strengthen services to Illinois downtowns, IMS contracted with the Center for Governmental Studies (CGS) at Northern Illinois University (NIU) to survey local organizations and compile information on their status and local staff preferences for training and resources provided by IMS. This project was funded by a USDA Rural Community Development Initiative grant.

This report presents the findings of the survey as well as additional information on practices in other states. The report will assist IMS in designing an expanded training program and other resources for Illinois’ Main Street communities.

**MAIN STREET COORDINATING PROGRAMS IN OTHER STATES**

In November 2013, the Northern Illinois University Center for Governmental Studies (NIU-CGS) surveyed directors of the 36 MS state coordinating programs other than Illinois regarding their budgets, staffing levels, when programs started, and number of participating local organizations in 2013. Of the 36 directors invited to participate, 11 responded (30.5%). Table 1 summarizes the responses.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of designated MS organizations</th>
<th>No. of non-designated, participating orgs.</th>
<th>FY2013 Budget</th>
<th>No. of FTE employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>5</td>
<td>8</td>
<td>250,000</td>
<td>3</td>
</tr>
<tr>
<td>Georgia</td>
<td>52</td>
<td>44</td>
<td>726,700</td>
<td>4</td>
</tr>
<tr>
<td>Kentucky</td>
<td>67</td>
<td>0</td>
<td>55,400</td>
<td>1</td>
</tr>
<tr>
<td>Mississippi</td>
<td>58</td>
<td>21</td>
<td>800,000</td>
<td>5.5</td>
</tr>
<tr>
<td>Missouri</td>
<td>38</td>
<td>0</td>
<td>430,000</td>
<td>4</td>
</tr>
<tr>
<td>Nebraska</td>
<td>10</td>
<td>7</td>
<td>54,000</td>
<td>0.5</td>
</tr>
<tr>
<td>Ohio</td>
<td>24</td>
<td>0</td>
<td>350,000</td>
<td>4</td>
</tr>
<tr>
<td>Tennessee</td>
<td>27</td>
<td>22</td>
<td>350,000</td>
<td>1.5</td>
</tr>
<tr>
<td>Virginia</td>
<td>25</td>
<td>0</td>
<td>645,000</td>
<td>4</td>
</tr>
<tr>
<td>Washington</td>
<td>87</td>
<td>41</td>
<td>110,000</td>
<td>1</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>35</td>
<td>0</td>
<td>450,000</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: Northern Illinois University Center for Governmental Studies: Survey of State Coordinating Programs, November 2013.*
The responses illustrate the flexibility of the Main Street Approach. Some states have tiered systems that allow communities with varying resources and levels of commitment to participate. Budgets vary greatly, as do the number of employees. In determining the best comparables to the Illinois program, single tier systems in the Midwest were selected. Table 2 presents the results.

Table 2. State Main Street Programs Comparable to the IMS Program

<table>
<thead>
<tr>
<th>STATE</th>
<th>NO. OF DESIGNATED MS ORGANIZATIONS</th>
<th>FY2013 BUDGET</th>
<th>NO. OF FTE EMPLOYEES</th>
<th>BUDGET PER DESIGNATED MS ORG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISSOURI</td>
<td>38</td>
<td>430,000</td>
<td>4</td>
<td>$11,315</td>
</tr>
<tr>
<td>OHIO</td>
<td>24</td>
<td>350,000</td>
<td>4</td>
<td>$14,583</td>
</tr>
<tr>
<td>WISCONSIN</td>
<td>35</td>
<td>450,000</td>
<td>3</td>
<td>$12,857</td>
</tr>
</tbody>
</table>

Source: Northern Illinois University Center for Governmental Studies: Survey of State Coordinating Programs, November 2013.

The mean expenditure per designated community for these three states is $12,918. If this mean was applied to the Illinois program at its current level of forty-two communities, the IMS budget would be $542,556 and the program would employ 3-4 full-time staff.

**RECENT IMPACTS**

Main Street programs in Illinois communities have stimulated reinvestment, entrepreneurship, and job creation in Illinois downtowns. In 2012 alone, MS organizations in Illinois reported 455 new full-time equivalent jobs downtown while opening 200 businesses (Table 3). The average MS community in Illinois created 12 FTE jobs and opened 5 businesses while reporting nearly $1 million in private investment (Illinois Main Street Program, 2012 Annual Report).

The programs also facilitated public projects and the average MS program reported more than $700,000 in public sector funding for downtown development.

The average MS community in Illinois created 12 FTE jobs and opened 5 businesses while reporting nearly $1 million in private investment

To build on this success and keep IMS competitive with programs in other states, we have examined potential new opportunities for the Illinois MS program to assist downtowns in attracting reinvestment and promoting job and business growth.
Main Street as a Downtown Revitalization Strategy in Illinois

Table 3. Total Reported Impacts of Illinois Main Street Organizations

<table>
<thead>
<tr>
<th>IMPACT</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>AVERAGE**</td>
</tr>
<tr>
<td>PRIVATE INVESTMENT</td>
<td>$38,433,208</td>
<td>$985,467</td>
</tr>
<tr>
<td>REINVESTMENT</td>
<td>24,865,680</td>
<td>637,582</td>
</tr>
<tr>
<td>NEW CONSTRUCTION</td>
<td>4,515,188</td>
<td>115,774</td>
</tr>
<tr>
<td>BUILDING SALES</td>
<td>9,052,340</td>
<td>232,111</td>
</tr>
<tr>
<td>PUBLIC FUNDING</td>
<td>27,852,184</td>
<td>714,159</td>
</tr>
<tr>
<td>VALUE OF VOLUNTEER HOURS ($)</td>
<td>1,262,374</td>
<td>32,343</td>
</tr>
<tr>
<td>JOBS CREATED (FTEs)</td>
<td>455</td>
<td>12</td>
</tr>
<tr>
<td>BUSINESSES OPENED</td>
<td>200</td>
<td>5</td>
</tr>
<tr>
<td>PROMOTIONS</td>
<td>450</td>
<td>12</td>
</tr>
<tr>
<td>EVENTS</td>
<td>219</td>
<td>6</td>
</tr>
<tr>
<td>NO. OF ORGS. REPORTING</td>
<td>39</td>
<td>28</td>
</tr>
</tbody>
</table>

*2013 data is for January through August.

**The averages are not directly comparable due to differences in number of cities reporting.

In summer 2013, working with the Illinois Main Street Program, NIU-CGS conducted a 2-part electronic survey of executive directors in the Illinois Main Street organizations (Appendix A). Participants were asked about financial and personnel issues as well as their engagement in Organization, Promotion, Design, and Economic Restructuring efforts. In a subsequent survey, participants described economic conditions in their districts and their interest in potential opportunities for training and technical assistance.

Of the 42 Illinois Main Street organizations invited to complete both surveys, 30 respondents (71.4%) answered at least part of the survey (Appendix B). Since the survey includes responses from a majority of Illinois MS organizations, it provides representative data on the conditions and activities in MS communities. Even when limiting the number of respondents to those who answered every question in both surveys, the survey included 21 of 42 (50.0%) Main Street organizations. However, because of the number of responses, any one respondent can affect the results.

According to the 2010 Census, the average city with a MS organization responding to the survey had a population of 28,000. The average population for all Illinois cities and villages with MS organizations, excluding the city of Chicago, is 30,000. Thus, the respondents closely reflect the universe of cities with Main Street programs. The analyses in this report use three statistical tests, t-tests, correlations, and Chi-square tests to examine size differences in comparing the results.1

Because the capacity of the MS organizations varies with available resources, we compared MS districts based on budget size. Responses were subdivided into those with budgets at or below $60,000 and above $60,000 in 2012. No respondents reported budgets between $60,000 and $90,000. Caution must be exercised in data comparisons due to the relatively small number of observations in both size groups--12 respondents reporting budgets below $60,000 and 14 respondents with budgets over $60,000.

Districts were initially compared by number of square blocks and number of businesses, both of which indicate size. However, size of budgets was used as the main differentiation because, in discussions with respondents, it was the measure they could answer most precisely. Some respondents were uncertain about the exact size of the district in blocks, and number of businesses was reported on a 7-point scale (e.g., 20 businesses or less, 176 to 225 businesses, etc.) instead of an exact number. Although most tables include data by budget categories, some respondents did not provide budget information. Thus, the total number of respondents for most questions is larger than the sum of the respondents in each budget category.

The results of the surveys are presented next with key findings on various issues. The discussion begins with findings regarding Main Street personnel, with special attention to characteristics of executive directors.

1 A t-test was used to measure the significance of the difference between the averages of two groups after adjusting for size of groups and natural variance within groups. T-tests were used to identify significant differences between IMS communities with larger or smaller budgets. T-tests are used for data that have a scale with consistent intervals, such as percentages of total space, number of blocks, and fund balance. For data that do not follow a consistent scale (e.g., reporting a vacancy rate between 10 and 20% or a vacancy rate over 50%) Chi-square tests were used to measure significance of differences between groups. Correlations were used to measure the strength of relationships between two variables, such as an executive director’s years of experience and priorities for the Main Street organization.
CHARACTERISTICS OF EXECUTIVE DIRECTORS

Local Main Street organizations are managed by an executive director, often with no other paid staff. Therefore, the executive director’s skills and the characteristics of the position play a significant role in the performance of the organization. Respondents provided information on their background, compensation, and hours worked. This information was used to identify training and resource needs and budgeting practices which enable executive directors and boards to compare their characteristics with organizations of similar size and statewide. Responses show which areas of expertise are strengths and where additional training could be beneficial. Information on executive director compensation, hours worked and position turnover is useful in establishing goals and budgeting for the future.

EXECUTIVE DIRECTOR BACKGROUND

While executive directors vary in backgrounds, many have similar education levels and areas of expertise (Figure 1). They are well-educated, with nearly three-quarters having a bachelor’s degree or more. The percentages of executive directors at the two extremes of educational attainment – those with graduate degrees and those with no college education are equal at 19.4%.

Figure 1. Education Levels of Executive Directors

![Education Levels of Executive Directors](image)

Nearly three-quarters (71.0%) of executive directors reported strengths in areas such as marketing, event management, and public relations, suggesting that expertise is concentrated in promotional activities (Figure 2). More than half of respondents reported expertise in fund-raising and business management. Few reported expertise in finance/accounting, non-profit management, historic preservation, public administration, or urban planning. The distribution of skills or backgrounds may reflect a focus of Main Street boards on the need to continue traditionally strong efforts in promotions and events when they search for qualified executive directors.
This focus on promotion is important because when asked for training preferences, a significant number identified a need to stress economic restructuring which makes sense given their previous experiences. Executive directors reported that substantial proportions of their business tenants (more than 10.0%) attract relatively few customers and expressed interest in training topics related to business development, recruitment and expansion. MS programs are actively involved in developing local economies, and the executive directors expressed definite interest in building on expertise in economic restructuring.

Figure 2. Areas of Expertise for Executive Directors

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Management</td>
<td>71.0%</td>
</tr>
<tr>
<td>Marketing</td>
<td>71.0%</td>
</tr>
<tr>
<td>Public Relations/Communications</td>
<td>67.7%</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>58.1%</td>
</tr>
<tr>
<td>Business Management</td>
<td>54.8%</td>
</tr>
<tr>
<td>Finance/Accounting</td>
<td>38.7%</td>
</tr>
<tr>
<td>Non-profit Management</td>
<td>35.5%</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>22.6%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

**EXECUTIVE DIRECTOR SALARIES**

Executive director compensation varies widely. While nearly all (86.7%) are salaried employees, the range is from $10,000 to $71,500. The mean salary for full-time directors is $43,064 and the median is $41,000. Some executive director salaries are low compared with other professionals having similar education. A report by the National Association of Colleges and Employers (2013) shows average starting salaries for new college graduates at $44,259 for the class of 2012. Half of full-time executive directors are paid less than $41,000. Since many have graduate degrees, and most are not recent college graduates, some executive director salaries are even lower by this comparison.

Regions in the state with cost of living differences affect salary comparisons and information was not provided on length of service which also affects salary level. According to responses, executive directors are paid more in Chicago and the suburbs (Cook, DuPage, Kane, Lake, McHenry, and Will counties), with the mean salary for full-time executive directors at $49,500. Only one executive director receiving a salary of $50,000 is located outside of the Chicago metropolitan area. MS cities in the Chicago area have a mean population of 48,000 compared to a mean population of 26,000 for all Illinois Main Street cities. Other factors may include generally higher wages in the Chicago area and more opportunities to hire staff with more experience or higher qualifications.
On average, executive director salary represents 35.3% of the local program budget statewide. However, several programs employ more than one person and this figure does not reflect total percentage of budget spent on staff salaries in those programs. The median percentage of budget spent on executive director salary alone was higher for cities with a population of less than 25,000 (37.7%) than in larger cities (30.8%).

All cities paying full-time salaries above the median of $41,000 have budgets of $100,000 or more. However, six cities with budgets of over $100,000 have an executive director with a salary below the median. Therefore, it appears that a relatively large budget enables a local program to pay a higher salary but not all programs do so.

**EXECUTIVE DIRECTOR BENEFITS**

Executive director benefits are fairly consistent among local programs (Figure 3). Most provide paid vacation time (86.7%), reimbursement for educational or conference expenses (70.0%), and paid sick leave (56.7%). Only 20.0% (6 programs) offer health insurance and even fewer (10.0%) provide a retirement plan.

All local programs that provide health insurance have budgets of more than $60,000. However, health insurance benefits do not necessarily correlate with higher overall compensation since three of five programs providing insurance have salaries below the mean for full-time executive directors. Several executive directors receive other benefits they consider significant including cell phone reimbursement, compensatory time off and flexible hours.

Most local programs are staffed solely by the executive director, but six reported additional paid staff. Half of these programs are in cities with a population larger than 75,000, and half are in cities of less than 30,000. All have a total program budget of at least $90,000.

Nearly half of local MS programs, in both larger and smaller cities, receive supplemental funding from another organization to pay the executive director’s salary. Chambers of Commerce and local governments are examples of organizations that share the cost of an executive director’s salary. In some cases, the executive director staffs the contributing agency as well as the local Main Street organization. Half of the programs with multiple staff receive funding assistance from another organization.
Figure 3. Benefits Offered to Executive Directors

![Bar chart showing benefits offered to executive directors]

- Paid Vacation: 86.7%
- Reimbursement for education, conferences: 70.0%
- Paid sick leave: 56.7%
- Health insurance: 20.0%
- Retirement plan of any kind: 10.0%
- Life insurance: 6.7%
- Other significant benefits: 35.5%
- None: 16.7%

EXECUTIVE DIRECTOR HOURS

National Main Street Center standards require cities with a population of 5,000 or more to have a full-time director. Survey responses show that 61.1% of Illinois Main Street cities have a full-time director (defined by the Bureau of Labor Statistics as one person working 35-44 hours per week). Half of the programs with a part-time director have a population larger than the 5,000 National Main Street standard. Ninety percent of cities with populations under 10,000 have a part-time director. When the sample includes all responding cities with a population of 20,000 or less, the percentage with a part-time director is 61.1%. Only one city with a population larger than 20,000 has a part-time director.

All part-time directors work for local organizations with budgets of $60,000 or less and only two cities in this budget group have a full-time director. All programs with budgets larger than $60,000 have full-time directors. Therefore, it may be that whether an executive director is part-time or full-time depends more on size of the organization budget than city population.

A review of the percentage of budgets allocated to executive director salaries shows that all responding programs (providing both budget and salary data) with part-time directors exceed the mean of 24.4% of the budget spent on salary. This was true regardless of population size. Thus, organizations with part-time directors may not have funds to increase the number of paid hours even if they desired to do so. Therefore requiring a city with a population of 5,000 or larger to have a full-time director may not be realistic in some cases (Table 4).

Regardless of population or size of the budget, the number of hours per week that the executive director is paid to work affects the activities the organization undertakes. If so, the state coordinating program might want to consider this issue in determining expectations for local programs.
Most executive directors reported working more hours than they are paid. More than a third of directors are paid part-time but only 25.8% reported working fewer than 35 hours per week. Nearly two-thirds of directors (64.5%) work more than 40 hours per week although only 19.3% are paid to do so (Table 5).

### Table 4. Budget Allocated to Salary

<table>
<thead>
<tr>
<th>GROUP</th>
<th>EXECUTIVE DIRECTOR SALARY AS PERCENTAGE OF BUDGET</th>
<th>NO. OF RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILLINOIS</td>
<td>24.4%</td>
<td>24</td>
</tr>
<tr>
<td>PROGRAMS WITH PART-TIME DIRECTORS</td>
<td>40.7%</td>
<td>8</td>
</tr>
<tr>
<td>PROGRAMS WITH FULL-TIME DIRECTORS</td>
<td>22.4%</td>
<td>16</td>
</tr>
</tbody>
</table>

### Table 5. Executive Directors Working More Hours than Paid

<table>
<thead>
<tr>
<th>PAID HOURS*</th>
<th>PERCENTAGE OF EXECUTIVE DIRECTORS WORKING MORE HOURS THAN PAID</th>
<th>NO. OF RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN 25</td>
<td>77.8%</td>
<td>9</td>
</tr>
<tr>
<td>25-34</td>
<td>33.3%</td>
<td>3</td>
</tr>
<tr>
<td>35-40</td>
<td>100.0%</td>
<td>16</td>
</tr>
</tbody>
</table>

* Several respondents reported more than 40 paid hours per week. The survey did not ask respondents to specify how many hours over 40 they worked, so no estimate of the amount worked in excess of pay is available.

### Executive Director Turnover

Executive directors were nearly evenly divided between those who have been in the position for fewer than two years (35.4%), between two and six years (32.3%), and more than six years (32.3%) (Figure 4). No discernible pattern was found regarding communities where executive directors served more than six years and those with more frequent turnover. Organizations with full-time positions are more likely to retain directors (70.0%) than the statewide average (61.1%).

### Figure 4. Years in Current Executive Director Position

- More than 6 years: 32.3%
- Less than 2 years: 35.5%
- 2-6 years: 32.3%
FINANCIAL STATUS OF ILLINOIS MAIN STREET ORGANIZATIONS

Businesses, especially small retailers, rely on Main Street (MS) organizations for assistance in marketing the downtown area to shoppers as well as technical expertise on business growth and management issues. Building owners look to MS organizations for help in recruiting new businesses to fill vacant space and assistance in improving building appearance. Thus, having sufficient resources to provide these services is important to both the viability of downtown businesses and maintaining the value of downtown property. This section examines the revenue sources available to the organizations and then discusses the types of services provided to businesses.

REVENUE SOURCES

Respondents were provided a list of funding sources that have been used in the past and were asked to report the percentage of their total budget obtained from each (Table 6).

Table 6. Percent of FY2013 Total Budget by Funding Source

<table>
<thead>
<tr>
<th>SOURCE OF FUNDING</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPECIAL DISTRICT</td>
<td>19.5%</td>
<td>16.5%</td>
<td>24.4%</td>
</tr>
<tr>
<td>SPECIAL SERVICE AREA</td>
<td>9.2%</td>
<td>4.5%</td>
<td>14.5%</td>
</tr>
<tr>
<td>TAX INCREMENT FINANCING</td>
<td>6.5%</td>
<td>11.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>BUSINESS IMPROVEMENT DISTRICT</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>OTHER TYPE OF DISTRICT</td>
<td>3.8%</td>
<td>0.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>TRANSFER FROM CITY BUDGET</td>
<td>18.1%</td>
<td>15.9%</td>
<td>17.7%</td>
</tr>
<tr>
<td>CONTRIBUTIONS FROM DOWNTOWN BUSINESS</td>
<td>14.1%</td>
<td>19.2%</td>
<td>11.2%</td>
</tr>
<tr>
<td>SPONSORSHIPS FOR EVENTS AND PROJECTS*</td>
<td>12.4%</td>
<td>8.6%</td>
<td>17.5%</td>
</tr>
<tr>
<td>FUNDRAISING EVENTS AND MERCHANDISE SALES</td>
<td>11.5%</td>
<td>11.9%</td>
<td>8.6%</td>
</tr>
<tr>
<td>EVENTS</td>
<td>7.0%</td>
<td>6.2%</td>
<td>8.7%</td>
</tr>
<tr>
<td>CONTRIBUTIONS FROM INDIVIDUALS/FAMILIES</td>
<td>6.7%</td>
<td>9.1%</td>
<td>4.2%</td>
</tr>
<tr>
<td>CONTRIBUTIONS FROM BUSINESSES OUTSIDE OF THE DISTRICT</td>
<td>3.4%</td>
<td>3.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>IN-KIND CONTRIBUTIONS (OFFICE SPACE, UTILITIES, SUPPLIES, ETC.)</td>
<td>3.2%</td>
<td>4.8%</td>
<td>2.2%</td>
</tr>
<tr>
<td>PAYMENT FROM HOTEL/MOTEL TAX</td>
<td>2.3%</td>
<td>1.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>STATE AND FEDERAL GRANTS</td>
<td>1.0%</td>
<td>2.3%</td>
<td>0.2%</td>
</tr>
<tr>
<td>FEES FOR SERVICES PROVIDED BY THE MS ORGANIZATION</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>ALLOCATION FROM CITY SALES TAXES (IF SEPARATE)</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>NO. OF RESPONSES (2 DID NOT REPORT BUDGET)</td>
<td>26</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

*T test (under 60,000 vs. over 60,000) significant at 10% confidence level; correlation significant below 5% confidence level.
Responding MS organizations obtained the largest percentage of their revenues (19.5%) from special districts. This figure represents combined income from several types of special districts, including special service areas, tax increment financing districts, and business improvement districts. The reliance on special districts for a large portion of the organization budget is significant because it is a relatively stable source of revenue and requires comparatively little ongoing collection efforts by the local organization.

Special service areas were especially important in the larger districts and represented 14.5% of the aggregate revenues. In smaller districts, however, this revenue source averaged 4.5%. Somewhat the reverse was found for TIFs which represented 11.9% of the revenues obtained by smaller districts compared with only 2.2% percent in the largest districts. The relative importance of this potential revenue source depends on whether the host city has a TIF program and whether the downtown is located in the TIF district.

The second largest reported percentage of revenues (18.1%) involved transfers from the city budget. Responding agencies displayed less disparity in this source with the smallest agencies reporting 15.9% compared with 17.7% in the largest organizations.

The third largest revenue source (14.1%) came from contributions by downtown businesses, often in the form of cash donations. Business contributions represent a larger share of the budget in smaller organizations (19.2%) than in larger ones (11.2%). Contributions from downtown businesses can be a condition of receiving funding from the city budget. Local councils often request a commitment from those businesses most likely to benefit from the local Main Street program. In addition, since there is usually a clearly demonstrated benefit to downtown businesses, local fund-raising efforts can focus heavily on support from this group.

Attracting tourists and customer traffic to the downtown are major activities for MS organizations since promotion is one of the four principles of the program. Businesses and local organizations often co-sponsor and help finance these events. Respondents reported that sponsorships for events provided 12.4% of their revenues with significant variation by size of organization. Smaller organizations receive 8.4% from sponsorships compared to 17.5% in their larger counterparts. The budget share from sponsorships is strongly and significantly correlated with the size of the budget, meaning that larger organizations receive proportionally more event sponsorship. These differences may partly reflect the capacity of larger organizations to arrange events that attract more visitors and tourists. Likewise, these organizations may include larger businesses with resources to provide higher sponsorship amounts. Sponsorships are an efficient way to bring in substantial revenue from just a few sources rather than canvassing the community.

Somewhat related to these revenues are contributions from individuals and families which represented 6.7% of the 2012 revenues for all MS organizations but 9.1% for smaller districts. These figures demonstrate the important link between the MS organization and local residents. Contributions from individuals and families typically represent small amounts making it labor intensive to generate revenue in this way. The ability of large districts to generate more funds from other sources is clearly an advantage. Combined, contributions from individuals, families, and downtown businesses represented an average of 20.8% of the revenues generated by organizations statewide and 28.3% for the small districts.

MS districts received substantially less (7.0% on average) of their revenues from events, excluding sponsorships, than from the sponsorships themselves. Large organizations received slightly more of their funding from event revenue (8.7%), although for large and small organizations alike, sponsorships for events and projects represent nearly double the funding generated by the actual events. This may occur because MS events are designed mainly to bring traffic to downtown merchants rather than generate funds for the MS organization. Regardless, events
and the sponsorships to support them represent a considerable part of the budget, totaling an average of 19.4% for all respondents.

The MS organizations also hold fundraisers that include merchandise sales and fundraising events. These activities generated 11.5% of the 2012 revenues for MS organizations statewide. In smaller districts, fundraisers tied with Tax Increment Financing (TIF) as the third largest funding source (11.9%). In larger districts, fundraisers were slightly less important (8.9%), but they still represent a larger share of the revenues than most other funding sources in the survey. Examples of successful fundraising activities in Illinois MS organizations are discussed later.

**Budget Changes**

Respondents reported changes in their organization budgets since FY2010 as well as expected changes in FY2014. Illinois MS organizations remained relatively stable during the economic downturn of the past several years (Table 7). More than two-thirds of responding organizations reported budget decreases of less than 5.0% or had budget increases between 2010 and 2013. However, small organizations were slightly more susceptible to large budget decreases than were larger organizations. Of responding organizations with budgets below $60,000, 25.0% had decreases larger than 5.0% compared to 6.7% of organizations with budgets above $60,000 and 18.1% of all respondents. Size could be one explanation for small programs reporting larger budget decreases. For example, failure to obtain a $2,000 sponsorship has a larger percentage effect on an organization with a budget of $40,000 than one with a budget of $80,000.

<table>
<thead>
<tr>
<th>Change in Budget</th>
<th>Illinois</th>
<th>Budget Under $60,000</th>
<th>Budget Over $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased more than 10%</td>
<td>3.6%</td>
<td>8.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Increased 5-10%</td>
<td>42.9</td>
<td>50.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Changed less than 5%</td>
<td>35.7</td>
<td>16.7</td>
<td>53.3</td>
</tr>
<tr>
<td>Decreased 5-10%</td>
<td>7.1</td>
<td>8.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Decreased more than 10%</td>
<td>10.7</td>
<td>16.7</td>
<td>6.7</td>
</tr>
<tr>
<td>No. of responses (one did not report budget)</td>
<td>28</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

A majority of responding MS programs expect stable budgets in 2014 with changes of not more than 5.0% (Table 8). All respondents that did not expect minor changes predicted budget increases of more than 5.0%. No respondents expected substantial budget decreases, suggesting that MS program directors are optimistic about the financial future of their organizations, at least in the short term. Respondents in small programs more frequently reported expectations of larger budget increases, although this may reflect the nature of small budgets being more affected by the same dollar changes.

**A majority of responding MS programs expect stable budgets in 2014 with changes of not more than 5.0%**
Main Street as a Downtown Revitalization Strategy in Illinois

Table 8. Expected Changes in Budget for FY2014

<table>
<thead>
<tr>
<th>EXPECTED CHANGE</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCREASE MORE THAN 10%</td>
<td>16.0%</td>
<td>18.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>INCREASE 5-10%</td>
<td>4.0</td>
<td>9.1</td>
<td>0.0</td>
</tr>
<tr>
<td>CHANGE LESS THAN 5%</td>
<td>80.0</td>
<td>72.7</td>
<td>92.3</td>
</tr>
<tr>
<td>DECREASE 5-10%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>DECREASE MORE THAN 10%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>NO. OF RESPONSES (ONE DID NOT REPORT BUDGET)</td>
<td>25</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

**Organization Reserves**

More than one-third (36.0%) of respondents reported fund balances below $10,000 and the median amount held in reserve is $16,497. Nearly two-thirds (64.0%) of respondents report fund balances less than $20,000. The low level of reserves in many local MS districts indicates the importance of ongoing fundraising activities. This is supported by the fact that nearly all respondents reported engaging in fundraising activities. Furthermore, the low level of reserves places many local organizations in the precarious position of facing significant budget cuts from a potential decline in one revenue source in a given year. Conversely, some organizations have reserves that provide a cushion for a downturn in funding and may free up staff and volunteer time to pursue other activities.

Most respondents reported that funding levels have been fairly consistent with only 14.0% experiencing a change of 10.0% or more in the past three years. Future funding is expected to be fairly stable, with only 13.0% expecting a change of more than 10.0%. Thus reserve levels are likely to also remain similar to their current levels.

The financial condition of the MS organizations determines the range of services they can offer. The scope of services provided including use of district space, services provided to businesses, marketing tools used, and databases maintained will be described next. Current obstacles to economic growth in Illinois MS districts are also examined.

*Businesses, especially small retailers, rely on Main Street organizations for assistance in marketing the downtown area to shoppers as well as technical expertise on business growth and management issues.*
SERVICES PROVIDED BY ILLINOIS MAIN STREET LOCAL ORGANIZATIONS

Characteristics of the Main Street district affect the personnel and resources needed to support local economic development efforts. The following section examines the districts and services provided.

COMPOSITION OF MAIN STREET DISTRICTS

Respondents reported the number of businesses located within their districts using one of seven categories. The median district contains between 76 and 125 businesses with the most common category being 41 to 75 businesses. The median district with a budget larger than $60,000 has between 126 and 175 businesses compared with 41 to 75 businesses in those below $60,000. However, the total budget is not significantly related to the number of businesses in the district.

The largest percentage of space in Illinois’ Main Street districts is used for retail, restaurants, or entertainment (36.0%) (Table 9). However, 20.2% is occupied by offices and 12.2% is residential and the remaining one-third of the space serves a variety of purposes. Vacant lots represent 5.1% of total space with 9.1% used for public buildings. Thus, Illinois Main Street districts are, first and foremost, business districts that provide both employment and sales tax receipts to support public services.

Table 9. Percentage of Total Space by Usage

<table>
<thead>
<tr>
<th>USE OF SPACE</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail/Restaurant/Entertainment</td>
<td>36.0%</td>
<td>42.9%</td>
<td>31.2%</td>
</tr>
<tr>
<td>Office Space</td>
<td>20.2%</td>
<td>18.5%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Residential</td>
<td>12.2%</td>
<td>15.4%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Government/Public Institution*</td>
<td>9.1%</td>
<td>5.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Public Open Space</td>
<td>5.9%</td>
<td>5.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Vacant Lots*</td>
<td>5.1%</td>
<td>2.7%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Private Institution, E.g., Churches, Private Schools</td>
<td>4.5%</td>
<td>3.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Industrial/Warehouse/Rail Yards</td>
<td>3.9%</td>
<td>2.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Other Uses*</td>
<td>1.2%</td>
<td>0.7%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Hospital</td>
<td>1.1%</td>
<td>1.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Lodging*</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.9%</td>
</tr>
<tr>
<td>No. of responses (two did not report budget)</td>
<td>21</td>
<td>10</td>
<td>9</td>
</tr>
</tbody>
</table>

*Significantly correlated with budget size at 5% confidence level.

The small districts have proportionally more retail space than districts with budgets above $60,000. By contrast, larger organizations have a larger share of space used for offices. Although lodging and public buildings represent a small share of space in MS districts, they are significantly correlated with budget size. The relationship between budget and lodging could also reflect the fact that large programs are in bigger cities that attract more tourists and/or business travelers.
When the inquiry was narrowed to only occupied space, respondents also reported that more than 60.0% is used for retail or services to either businesses or consumers. Business and consumer services each represent approximately $1/7$ of the commercial space, with slightly more space used for business services rather than personal services ($17.4\%$ compared to $15.6\%$). With one exception, no significant relationship exists between use of commercial space and budget. In other words, larger districts did not necessarily have a larger portion of their space devoted to commercial activities and both large and small districts typically had a similar mix of business types.

The single exception is that larger organizations had more occupied space in hospitals and non-profit or private institutions such as churches and clubs. Private institutions represented $11.3\%$ of occupied commercial space in districts with budgets over $60,000$ compared with $7.8\%$ in smaller districts. Hospitals used $8.1\%$ of the space in districts with larger budgets compared to $6.4\%$ in their smaller counterparts. Space in both of these categories is significantly correlated with budget size.

Table 10. Percentage of Occupied Commercial Space by Usage

<table>
<thead>
<tr>
<th>USE OF SPACE</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL/FOOD AND BEVERAGE/ENTERTAINMENT</td>
<td>32.7%</td>
<td>39.6%</td>
<td>29.7%</td>
</tr>
<tr>
<td>BUSINESS SERVICES</td>
<td>17.4</td>
<td>16.4</td>
<td>17.0</td>
</tr>
<tr>
<td>PERSONAL SERVICES</td>
<td>15.6</td>
<td>16.4</td>
<td>15.8</td>
</tr>
<tr>
<td>PUBLIC INSTITUTIONS*</td>
<td>9.7</td>
<td>7.8</td>
<td>11.3</td>
</tr>
<tr>
<td>PRIVATE INSTITUTIONS E.G. CHURCHES, PRIVATE SCHOOLS, CLUBS</td>
<td>7.7</td>
<td>6.4</td>
<td>8.1</td>
</tr>
<tr>
<td>BANKS/ SAVINGS AND LOANS/ CREDIT UNIONS</td>
<td>6.5</td>
<td>6.0</td>
<td>7.1</td>
</tr>
<tr>
<td>CORPORATE/ADMINISTRATIVE OFFICE/LARGE MEDICAL FACILITY</td>
<td>4.0</td>
<td>2.6</td>
<td>6.3</td>
</tr>
<tr>
<td>MANUFACTURING OR ASSEMBLY OF PRODUCTS</td>
<td>3.0</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>UNDERUTILIZED (PAYDAY LOANS, CASH FOR GOLD, ETC.)</td>
<td>1.9</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>AUTO SALES, NEW OR USED</td>
<td>1.4</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td>OTHER</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>NO. OF RESPONSES (THREE DID NOT REPORT BUDGET)</td>
<td>23</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

*Significantly correlated with budget size at 5% confidence level.

Main Street organizations across Illinois reported similar retail vacancy rates, regardless of budget size with a median vacancy rate of between $10.0\%$ and $20.0\%$. However, when asked about vacant lots as a percentage of total space in the district, respondents with large budgets reported more space represented by vacant lots, and budget size was significantly and positively correlated with the share of space in these lots. Although programs with larger and smaller budgets have similar vacancies relative to the properties available, these lots in districts with larger budgets are typically larger as a percentage of the total space. When demolished, a larger building naturally leaves a larger vacant lot, which can explain this phenomenon.
Statewide, 54.2% of districts include one or more listed properties on the National Historic Register. MS organizations may be able to use Federal tax benefits and grant opportunities to encourage reinvestment and reuse of listed properties. Respondents were also asked whether a safety assessment of buildings had been performed within the past two years. Of 25 responses, 53.8% were unsure and 34.6% said an inspection had not been performed. Responses did not vary significantly by budget size. This is an important finding given recent downtown fires in two cities with Main Street organizations, Prophetstown and Quincy.

The survey then asked if respondents had recently (within the past 12 months) completed projects in each of the Four Points in the national Main Street program: Organization, Promotion, Design and Economic Restructuring (Table 11). Nearly all respondents (96.6%) had completed projects that promoted downtown businesses. Raising funds (Organization) also was a nearly universal endeavor at 89.7%. Slightly fewer organization completed Design projects, 82.1% and these efforts were especially prevalent in smaller programs, where projects were completed at the same rate (91.7%) as Promotions and Organization. Survey respondents were least likely to complete projects in Economic Restructuring, where 51.9% of respondents completed projects.

Survey respondents were least likely to complete projects in Economic Restructuring, where 51.9% of respondents completed projects.

Economic Restructuring projects were more common in programs with larger budgets, perhaps because these organizations more often have financial resources for restructuring.

Table 11. Percentage of Organizations Completing Projects in Past 12 Months

<table>
<thead>
<tr>
<th>TYPE OF PROJECT</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROMOTION</td>
<td>96.6%</td>
<td>91.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>ORGANIZATION</td>
<td>89.7</td>
<td>91.7</td>
<td>93.3</td>
</tr>
<tr>
<td>DESIGN</td>
<td>82.1</td>
<td>91.7</td>
<td>78.6</td>
</tr>
<tr>
<td>ECONOMIC RESTRUCTURING</td>
<td>51.9</td>
<td>33.3</td>
<td>64.3</td>
</tr>
<tr>
<td>NO. OF RESPONSES (TWO DID NOT REPORT BUDGET)</td>
<td>29</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

SERVICES PROVIDED TO BUSINESSES

Main Street organizations often have opportunities to help business owners with issues that would otherwise be difficult for them to solve. This is especially true for small businesses with relatively few resources and/or personnel. Assistance provided may include applying for grants, locating financing or sharing technical resources to reduce costs.

The types of services provided by MS organizations differ by size of budget (Table 12). Promoting the downtown is one of the main points in the National Main Street Program so one might expect local MS organizations to help with business marketing efforts. Statewide, of the 30 Illinois MS organizations responding, 86.7% reported helping with business marketing efforts and this service existed across all budget size groups. More than 3/4ths of responding programs also feature MS businesses in local media (83.3%) or coordinate joint marketing efforts with businesses (86.7%). A majority of respondents actively promote downtown businesses, working directly with businesses and local news media.
Table 12. Percentage of Organizations Offering Services to Businesses

<table>
<thead>
<tr>
<th>SERVICE PROVIDED</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER 60,000</th>
<th>BUDGET OVER 60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance with business marketing efforts</td>
<td>86.7%</td>
<td>91.7%</td>
<td>86.7%</td>
</tr>
<tr>
<td>Feature MS businesses in local media</td>
<td>83.3%</td>
<td>75.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Coordination of joint marketing efforts by businesses</td>
<td>80.0%</td>
<td>75.0%</td>
<td>86.7%</td>
</tr>
<tr>
<td>Guest speakers on topics of interest to MS businesses</td>
<td>50.0%</td>
<td>50.0%</td>
<td>53.3%</td>
</tr>
<tr>
<td>Subsidized loans or grants for façade improvements</td>
<td>50.0%</td>
<td>58.3%</td>
<td>46.7%</td>
</tr>
<tr>
<td>Training for business personnel (e.g., customer assistance)</td>
<td>36.7%</td>
<td>41.7%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Subsidized loans for business expansion</td>
<td>23.3%</td>
<td>25.0%</td>
<td>26.7%</td>
</tr>
<tr>
<td>Financial incentives to locate in the MS district</td>
<td>20.0%</td>
<td>33.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Financial support for business personnel to attend specialized training</td>
<td>20.0%</td>
<td>16.7%</td>
<td>26.7%</td>
</tr>
<tr>
<td>No. of responses (three did not report budget)</td>
<td>30</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

As part of their promotion activities, 83.3% of respondents reported featuring businesses in the local media as one of the services provided. This service was not reported as often by small districts (75.0%) as by the largest districts (100.0%). One explanation could be that smaller organizations operate in locations with few news media outlets. Nevertheless, featuring businesses in the local media is an important service provided by MS organizations.

Almost equally common are efforts by MS organizations to help coordinate joint marketing efforts of downtown (and other) businesses. These efforts were reported by 80.0% of respondents and were more common in large programs than in those with budgets below $60,000 (86.7% compared to 75.0%). The cost-savings associated with joint marketing efforts may be of special benefit to small businesses with less access to technical expertise. Nevertheless, coordinating local efforts is an important service.

More than one-third (36.7%) of respondents provided training for business personnel on topics such as customer assistance. An additional 20.0% provided financial support for business personnel to attend specialized training events. This is more common (26.7%) in large MS organizations (those with budgets over $60,000). Once again, these types of services offer significant economies of scale by working with multiple businesses.

Respondents provided services to building owners as well as businesses. Half of the responding programs offered subsidized loans or grants for façade improvements. Improving the physical environment is an important role for MS organizations. They can reduce the cost of improvements as well as encourage more businesses/building owners to participate. Another 23.3% of the respondents reported loan subsidies for business expansion activities.
Responses suggested several opportunities for the Illinois Main Street Program office to work with local organizations to design or upgrade marketing materials, especially tools seldom reported by smaller organizations.

MARKETING TOOLS AVAILABLE

Local Main Street organizations market businesses and the district in a variety of ways (Table 13). Most frequently used are websites (66.7%) and Facebook pages (66.7%). A distinct difference by size of responding organization was found, however, with small organizations (58.3%) less likely than large districts (72.7%) to have either a website or a Facebook page. In most instances, respondents reported that their website or Facebook page was current, although this was true for fewer than half (41.7%) of respondents in the small size category.

Table 13. Percentage of Organizations Using Marketing Tools

<table>
<thead>
<tr>
<th>MARKETING TOOLS USED</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AVAILABLE</td>
<td>UP TO DATE</td>
<td>AVAILABLE</td>
</tr>
<tr>
<td>WEBSITE</td>
<td>66.7%</td>
<td>66.7%</td>
<td>58.3%</td>
</tr>
<tr>
<td>FACEBOOK PAGE</td>
<td>66.7%</td>
<td>63.0%</td>
<td>58.3%</td>
</tr>
<tr>
<td>VISITOR GUIDE</td>
<td>65.4%</td>
<td>42.3%</td>
<td>58.3%</td>
</tr>
<tr>
<td>BUSINESS DIRECTORY</td>
<td>65.4%</td>
<td>30.8%</td>
<td>58.3%</td>
</tr>
<tr>
<td>MAIN STREET ANNUAL REPORT</td>
<td>44.4%</td>
<td>48.1%</td>
<td>50.0%</td>
</tr>
<tr>
<td>BUSINESS ASSISTANCE GUIDE</td>
<td>37.0%</td>
<td>22.2%</td>
<td>25.0%</td>
</tr>
<tr>
<td>BUSINESS RECRUITMENT PACKAGE*</td>
<td>33.3%</td>
<td>18.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>BUSINESS START-UP GUIDE*</td>
<td>29.6%</td>
<td>14.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>TWITTER, LINKEDIN, OR OTHER SOCIAL NETWORKING SITE*</td>
<td>25.9%</td>
<td>25.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td>PHONE APPS**</td>
<td>11.1%</td>
<td>11.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td># OF RESPONSES (THREE DID NOT REPORT BUDGET)</td>
<td>26</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

* T-test for budget size significant at 5% confidence level.
** T-test for budgets significant at 10% confidence level.

Two other popular marketing tools included a visitor guide (65.4%) and a business directory (65.4%). Once again, small organizations reported these tools less often than did larger districts. In fact, only 25.0% of small MS districts reported a current visitor guide and 16.7% reported a current business directory. Maintaining these directories takes considerable effort and some publication costs but they also can help guide potential customers to key businesses in the community.
Other tools especially important for business starts such as business assistance guides (37.0%), recruitment packages (33.3%), and start-up guides (29.6%) were reported relatively infrequently especially by smaller districts. The numbers were even lower in terms of respondents stating that the materials are current. Even among large Main Street organizations, the numbers reporting these business assistance tools seem relatively low and they may represent opportunities for assistance and coordination by the Illinois Main Street Program.

Several marketing tools appear to be used almost exclusively by large MS programs. Those with budgets over $60,000 were significantly more likely to use phone apps, business recruitment packages, business startup guides, and social networking sites other than Facebook (e.g., Twitter or LinkedIn). Few of the smaller programs with budgets reported using these tools, possibly due to lack of staff time to maintain them.

Responses suggested several opportunities for the Illinois Main Street Program office to work with local organizations to design or upgrade marketing materials, especially tools seldom reported by smaller organizations. Business assistance guides and recruitment materials are unique to the markets, regulations, and operating practices within communities. Nevertheless, economies of scale can be obtained by sharing information in preparing these materials. Templates or models that allow local organizations to insert local data can make preparing these materials easier. Likewise, this is an opportunity for larger MS organizations to collaborate with smaller agencies on joint marketing projects for the region. Training opportunities to help MS directors learn to use the materials effectively may be useful as well.

**DATABASES CURRENTLY MAINTAINED**

The vast majority of responding organizations maintain databases for ongoing management activities. To better assess the types of supplemental materials needed and could be provided through a cooperative effort with the Illinois Main Street Program, executive directors were asked about databases currently available locally (Table 14). Statewide, 75.0% of respondents reported an inventory of current businesses, a list of volunteers, and an inventory of buildings in the Main Street district available. In general, however, the likelihood of these databases was lower in small districts.

<table>
<thead>
<tr>
<th>DATABASE</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>INVENTORY OF CURRENT BUSINESSES</td>
<td>75.0%</td>
<td>80.0%</td>
<td>90.0%</td>
</tr>
<tr>
<td>LIST OF VOLUNTEERS</td>
<td>75.0</td>
<td>70.0</td>
<td>100.0</td>
</tr>
<tr>
<td>INVENTORY OF BUILDINGS IN THE MAIN STREET DISTRICT</td>
<td>75.0</td>
<td>70.0</td>
<td>80.0</td>
</tr>
<tr>
<td>SPACE CURRENTLY AVAILABLE</td>
<td>70.8</td>
<td>90.0</td>
<td>70.0</td>
</tr>
<tr>
<td>SURVEY OF CUSTOMERS CONDUCTED BY STORES</td>
<td>12.5</td>
<td>20.0</td>
<td>10.0</td>
</tr>
<tr>
<td>SURVEY OF GENERAL PUBLIC ABOUT SHOPPING/ENTERTAINMENT PREFERENCES</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>NO. OF RESPONSES (FOUR DID NOT REPORT BUDGET)</td>
<td>24</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>
Smaller MS districts more often reported available inventories of space (90.0%) than those statewide (70.8%) which may reflect fewer properties to inventory. Equally interesting is that smaller districts are more likely (20.0%) to have customer surveys conducted by stores in their areas than respondents did statewide (12.4%). No respondents reported having surveyed the general public about shopping or entertainment preferences. This may be an opportunity for the Illinois Main Street Program to provide technical assistance and build local capacity.

USE OF RESOURCES

It is important that Main Street directors have access to resources and tools they can use when working with local officials and business leaders to maintain and improve the downtown. Executive directors were provided a list of possible resources and asked to indicate which they would use if readily available on a five point scale (1=not likely to use; 5=very likely). The mean responses are reported in Table 15.

<table>
<thead>
<tr>
<th>Table 15. Likelihood of Using Potential Resources Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVERAGE LIKELIHOOD RATING FOR USING RESOURCES</strong></td>
</tr>
<tr>
<td><strong>(5 IS MOST LIKELY)</strong></td>
</tr>
<tr>
<td><strong>ECONOMIC AND DEMOGRAPHIC DATA FOR LOCAL AREA</strong></td>
</tr>
<tr>
<td>Illinois: 4.5, Under $60,000: 4.3, Over $60,000: 4.6</td>
</tr>
<tr>
<td><strong>BEST PRACTICES FOR ECONOMIC RESTRUCTURING</strong></td>
</tr>
<tr>
<td>Illinois: 4.5, Under $60,000: 4.3, Over $60,000: 4.5</td>
</tr>
<tr>
<td><strong>TEMPLATES FOR BUSINESS RECRUITMENT PACKAGES</strong></td>
</tr>
<tr>
<td>Illinois: 4.4, Under $60,000: 4.3, Over $60,000: 4.5</td>
</tr>
<tr>
<td><strong>ANALYSES OF POTENTIAL MARKETS</strong></td>
</tr>
<tr>
<td>Illinois: 4.4, Under $60,000: 4.3, Over $60,000: 4.4</td>
</tr>
<tr>
<td><strong>EXAMPLES OF INCENTIVES USED SUCCESSFULLY</strong></td>
</tr>
<tr>
<td>Illinois: 4.4, Under $60,000: 4.5, Over $60,000: 4.2</td>
</tr>
<tr>
<td><strong>MARKET STUDY GUIDE</strong></td>
</tr>
<tr>
<td>Illinois: 4.3, Under $60,000: 4.0, Over $60,000: 4.5</td>
</tr>
<tr>
<td><strong>BEST PRACTICES FOR PROMOTIONS</strong></td>
</tr>
<tr>
<td>Illinois: 4.2, Under $60,000: 4.1, Over $60,000: 4.1</td>
</tr>
<tr>
<td><strong>FINANCIAL MANAGEMENT TOOLS</strong></td>
</tr>
<tr>
<td>Illinois: 3.9, Under $60,000: 4.4, Over $60,000: 3.3</td>
</tr>
<tr>
<td><strong>TEMPLATES FOR LOCAL DATA BASES</strong></td>
</tr>
<tr>
<td>Illinois: 3.8, Under $60,000: 3.9, Over $60,000: 3.6</td>
</tr>
<tr>
<td><strong>GUIDELINES FOR BETTER USAGE OF THE INTERNET, SOCIAL MEDIA, AND PHONE APPS</strong></td>
</tr>
<tr>
<td>Illinois: 3.8, Under $60,000: 3.9, Over $60,000: 3.8</td>
</tr>
<tr>
<td><strong>INFORMATION ON COMMON LEGAL/INSURANCE/TAX QUESTIONS</strong></td>
</tr>
<tr>
<td>Illinois: 3.6, Under $60,000: 3.9, Over $60,000: 3.3</td>
</tr>
<tr>
<td><strong>NO. OF RESPONSES (FIVE DID NOT REPORT BUDGET)</strong></td>
</tr>
<tr>
<td>Illinois: 23, Under $60,000: 8, Over $60,000: 10</td>
</tr>
</tbody>
</table>

Several types of resources are especially useful according to responses. No single topic ranked highest in both size groups but, statewide, economic and demographic data for local areas ranked highest (4.5) followed closely by best practices for economic restructuring (4.5). Templates for business recruitment packages ranked third (4.4). These three resources ranked highest for organizations of both sizes as well and represented information and techniques that can be used immediately in trying to increase the number of businesses located in the downtown.

Analyses of potential markets, examples of effective incentives, and market study guides tied with an average rank of 4.4, statewide. Except for examples of incentives used successfully, these resources ranked lower in smaller districts perhaps because of relatively few resources available to conduct the analyses and/or use the results. Nevertheless, they still ranked among the highest.
It is important to note that the resources most likely to be used by respondents pertain mainly to the Economic Restructuring Point of the Main Street Approach. These skills more often are lacking in small organizations. Pursuing this point is likely to take the most expertise and require skills less common in small organizations and there may be opportunities to upgrade the skills through training programs.

Small organizations may be less sophisticated in organizational management practices. This is shown by responses indicating that they would be more likely to use financial management tools (4.4) compared with an average rank of 3.9 statewide for this item.

The remaining resources included information on common legal/insurance/tax questions, templates for local databases, best practices for promotions, and guidelines for better usage of the internet, social media, and phone apps ranked lower than those described above. While these resources still ranked important, more executive directors may be skilled in these areas.

It is important to note that the resources most likely to be used by respondents pertain mainly to the Economic Restructuring Point of the Main Street Approach.

While respondents vary in the priority they give different resources, all of the tools listed were well received. One take away may be that Illinois executive directors are open to a variety of potential tools, including those that they may not yet be familiar with. There appears to be a significant opportunity for IMS to develop a valuable toolbox that could be of service to communities of all sizes.

**IMPACT OF SIDE STREETS AND NON-RETAIL USES**

The survey included several questions about the relationships between downtown retailers, employees and residents. These questions were designed to determine if local MS organizations worked with retailers to maximize the economic potential of all sectors. In general, people who regularly travel downtown due to employment or residence are a relatively untapped source of demand. They represent additional customers for current retailers and/or an opportunity for incoming retailers.

Executive directors were asked if they had undertaken projects to improve non-retail areas of the downtown. While 61.5% said that their work had included side streets in addition to the main retail street, only 45.8% had worked on residential improvements and even fewer, 20.0%, had worked on industrial improvements. These percentages indicate that local organizations primarily, and often exclusively, focus on the downtown main street and its retail activities.

When asked if downtown employees of non-retail businesses were a significant source of demand for retailers, 42.3% responded affirmatively. When asked the same question regarding downtown residents, the same percentage responded that they were a significant source of retail demand. This finding suggests that in well over half of Main Street communities, downtown employees and downtown residents do not generate significant retail demand in the minds of respondents.

Residential areas provide benefits for the Main Street district in addition to customers. Responses indicated that residential areas create positive activity (61.5%) and make the area seem safer (53.8%) (Table16). More than 40.0% reported that residential buildings improve the appearance of downtown. Relatively few respondents cited negative impacts of residential areas. Less than 15.0% felt residential buildings detracted from downtown’s appearance, that residents create negative activity, or make the area seem less safe.
Table 16. Impact of Residential Areas

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents create positive activity in the area</td>
<td>61.5%</td>
</tr>
<tr>
<td>Residents make the area seem safer</td>
<td>53.8</td>
</tr>
<tr>
<td>Residents are a significant source of customers for downtown businesses</td>
<td>42.3</td>
</tr>
<tr>
<td>Residential buildings improve the appearance of the area</td>
<td>38.5</td>
</tr>
<tr>
<td>Residents actively support the MS organization as donors or volunteers</td>
<td>23.1</td>
</tr>
<tr>
<td>Residents create negative activity in the area</td>
<td>15.4</td>
</tr>
<tr>
<td>Residents make the area seem less safe</td>
<td>11.5</td>
</tr>
<tr>
<td>Residential buildings detract from the appearance of the area</td>
<td>7.7</td>
</tr>
<tr>
<td>No major impact</td>
<td>19.2</td>
</tr>
<tr>
<td>No. of responses</td>
<td>26</td>
</tr>
</tbody>
</table>

Some Main Street organizations may not have taken major steps to improve residential areas in the downtown. This is especially likely for organizations with small budgets. Only 20.0% of these organizations reported residential projects. However, regardless of budget size, those organizations with residential projects reported that the projects have succeeded.

Survey data suggest much potential to strengthen the Main Street district by focusing more efforts on downtown’s non-retail uses and on streets adjacent to the major retail street. Given that most executive directors apparently have little experience in working with industrial and residential uses, this is an area where the Illinois Main Street Program could provide new training opportunities and resources.

**Survey data suggest much potential to strengthen the Main Street district by focusing more efforts on downtown’s non-retail uses and on streets adjacent to the major retail street.**

**Economic Conditions**

Survey respondents were asked to describe the status of retail uses in the district using one of the five following statements:

» Less than 10.0% vacant retail spaces in the district and some businesses looking to expand;
» Most retailers doing well but with no immediate growth expected;
» Stable district with 20.0% vacancies or less, but several retailers struggling;

» More than 20.0% vacancies and continuing to increase; and
» Retail activities in the district are nearly gone (using less than 20.0% of space).

For analysis, the above five response options were converted to a scale of 1 to 5 with the “less than 10.0% of vacant retail …” option representing a 5 as the most favorable retail condition. Likewise, the “Retail activities … nearly gone” option represented a 1 as
the least favorable condition. The median response was that most retailers in the districts are doing well but do not expect immediate growth. This finding suggests a generally favorable retail condition in the MS districts. However, some organizations reported more favorable retail situations than others.

The median respondent reported generally favorable retail conditions with most retailers doing well, but without immediate expectations for growth. Programs with smaller budgets had a somewhat lower rating, reporting stable districts but with some struggling retailers. A Chi-square test showed that larger programs were significantly more likely to report favorable retail conditions and smaller programs more often reported stable or neutral conditions. Partially because programs with small budgets did not frequently report negative retail conditions (e.g., more than 20.0% vacancies and increasing), budget size was not strongly correlated with condition ratings. Although larger programs had favorable conditions, smaller programs did not necessarily report unfavorable positions. Related to retail conditions, respondents also reported the percentage of commercial tenants that attract relatively few customers to the district. The average (median) respondent reported between 11.0% and 25.0% of these types of tenants. The most common response was less than 11.0% of the businesses in that category. However, statistically, programs with smaller budgets are significantly more likely to have more than 50.0% of tenants attracting few customers, and programs with larger budgets were more likely to report between 26.0% and 50.0% of tenants attracting few customers. The percentage of commercial tenants perceived as not attracting many customers to the district may be related to the low percentage of MS organizations that have focused on developing a synergy between retail and non-retail uses.

Programs with both large and small budgets reported the same median percentage of struggling tenants as respondents overall. Thus large and small MS programs alike have struggling businesses. When asked about preferred training topics, executive directors expressed strong interest in strategies for promoting entrepreneurship, such as business incubation and financial assistance for starting and expanding businesses. This interest in new or expanding businesses could be based on the need to fill vacant space as well as the goal of building sufficient critical mass of business activity to attract a strong customer base for all downtown businesses.

**OBSTACLES TO ECONOMIC GROWTH**

Respondents also rated the importance of obstacles to economic growth in their districts on a scale of 1 to 5, with 5 as most important. The four obstacles rated most significant were lack of capital, inadequate staff or funds for the organization, insufficient funds for promotion, and business owners uninterested in growing or changing their businesses. No significant differences in obstacles were found for programs with large or small budgets; both groups struggle with funding and working with individual business owners. Even the large MS programs cited lack of capital or funding as their greatest obstacle to growth so underfunding seems to be an important issue to address.

Even the large MS programs cited lack of capital or funding as their greatest obstacle to growth so underfunding seems to be an important issue to address.

Poor physical conditions or unattractive streetscapes were considered less significant obstacles to growth, with an overall average score of 2.6 of 5. However, physical conditions ranked considerably higher as an obstacle for MS programs with small budgets. Programs with budgets over $60,000 gave physical conditions an average rating of 1.6, suggesting
that larger programs may have more funds to invest in streetscapes and/or may be located in larger cities with funds for these types of improvements.

Current business owners in MS districts were considered sources of some obstacles to economic growth, although this problem is somewhat more prevalent in small programs. Although business owners uninterested in expansion were one of the top-rated obstacles when all respondents were considered, this was less so for programs with large budgets. Small programs also were more concerned about business owners lacking entrepreneurial or managerial skills. This finding may suggest opportunities for MS programs to join with Small Business Development Centers (SBDCs) and other groups to provide training and technical assistance to entrepreneurs or prospective business startups. When asked about business owners hesitant to expand and/or lacking entrepreneurial skills, respondents from small programs submitted ratings roughly half a point higher on average than those provided by small programs.

The obstacles to economic growth reported least often were population decline and lack of cooperation from the city government. MS communities are located in counties that on average experienced 13.7% population growth between 2000 and 2010, so the potential market for downtown businesses in these communities is not likely to have shrunk. Competition from other communities was cited more often as an obstacle, perhaps indicating that growth in the area may have strengthened nearby communities creating more competition. It is also possible that population growth in the area attracted larger stores located outside of the downtown, resulting in a shrinking share of the retail market for downtown businesses. Local governments are an important partner in downtown revitalization so it is encouraging that Main Street organizations and local governments generally have good working relationships.

Training is one of several services provided by the Illinois Main Street program to local MS organizations. The next section examines training preferences as well as other resources or services provided by the Illinois Main Street Program.
TRAINING AND TECHNICAL ASSISTANCE

MS executive directors look to the state coordinating program for training and technical assistance and access to these services is one benefit of being a designated Main Street community. IMS provides economic development assistance to Main Street communities by training and providing technical assistance to executive directors. Executive directors have a wide range of experience and expertise on development issues so IMS will be the most effective if the programs are appropriate for different levels of expertise. Likewise, ways must be found to share experiences so that beginning executive directors can learn from their more experienced counterparts.

RESOURCES AVAILABLE ON THE IMS WEBSITE

The IMS website lists many training sessions that can be downloaded. Most of these sessions are either webinars or presentations from IMS state conferences. Assigning each session topic to one of the four points (Organization, Promotion, Design, Economic Restructuring), shows that training has focused more on some points than others. Organization topics account for the largest percentage of sessions, followed by Economic Restructuring, Promotion and Design.

One topic did not fit into any single category.

Survey responses indicate the greatest interest in Economic Restructuring training followed by Organization, Promotion and Design. The table below compares training sessions provided with those desired and suggests that the training offered did not always match the greatest needs (Figure 5).

Figure 5. Most-Needed Training Topics and IMS Training Provided

<table>
<thead>
<tr>
<th>Topic</th>
<th>Respondents ranking as most needed</th>
<th>Training currently provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>25.9%</td>
<td>37.1%</td>
</tr>
<tr>
<td>Economic Restructuring</td>
<td>63.0%</td>
<td>25.7%</td>
</tr>
<tr>
<td>Promotion</td>
<td>14.8%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Design</td>
<td>7.4%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>
DESIR ED TOPICS

Main Street organizations, especially in small communities, play several key roles in maintaining a healthy downtown and climate that encourages investment. The complexity of development issues, regulations, and other matters makes it imperative that directors are up-to-date on the latest tools and techniques. Providing this data and information is an important opportunity for the Illinois Main Street Program to guide and support decisions by local business leaders. This section examines responses by MS directors regarding the program areas on which they need training and the most suitable formats in which to provide this information.

Survey respondents ranked 12 possible training topics from most to least interested. The three top-ranked topics were business incentives, financing options for new and expanding businesses, and public-private partnerships for development. Other highly-ranked subjects included business incubators, technical assistance to existing businesses, and market area analysis. No training topic was ranked significantly more important by programs with large or small budgets, suggesting that training courses offered could be useful to MS organizations regardless of size.

The survey findings suggest that MS program directors have a strong interest in promoting entrepreneurship in their communities and their preferred topics are consistent with the perceived obstacles to economic growth described previously.

Business incubation, incentives, and financial assistance could address program directors’ concerns about business owners hesitant to change or expand, as well as concerns for the entrepreneurial and managerial skills of business owners.

MS directors who ranked competition from nearby communities as a more significant obstacle to economic growth showed stronger interest in training in incubation types of programs that work intensively with start-up businesses in the community. Interest rankings for incubators and significance ratings for competition are strongly and significantly correlated, which suggests that responding directors see business incubators as a way to remain competitive with neighboring communities by promoting entrepreneurship.

The lowest-ranked training topics were real estate basics and working with new population groups such as Latinos or retirees as potential business owners and customers. This finding may suggest that most MS directors already have a working knowledge of real estate. It also may indicate that directors or staff either already work with potential business owners and customers in their communities or they do not consider demographic-targeted programs a priority for developing their districts. The training topics identified as most important can be used for services that benefit businesses in general such as financial assistance and business incubators.
LIKELIHOOD OF ATTENDING TRAINING EVENT

The most preferred format for training was on-site workshops. This approach represents the least cost for participants but may not be practical for certain types of programming. On-site training targeted to business owners or volunteers is best provided locally if there are a sufficient number of participants. Training for MS directors, however, may require at least a regional approach to obtain knowledgeable speakers on specialized topics.

The next most preferred training formats were webinars or travel to a regional site. In each case, the travel costs and time commitments are less than spending several days at a centralized conference or educational activity. Respondents preferred traveling to a regional training event especially if it does not involve an overnight stay. On a separate survey question, respondents reported attending an average of two training programs in the past year that required an overnight stay.

These findings have several implications for designing training programs and IMS can consider various options. The first and most basic option is training for business owners and volunteers delivered by webinar with a small charge to obtain local buy-in for the program. IMS currently produces a series of webinars on specialized topics such as using local program impact data as a marketing tool, recruiting and retaining volunteers, and preparing incentive and service packages for entrepreneurs. This current webinar series could serve as a foundation for additional training programs.

The topics in an expanded set of training webinars could be mainly factual or informational rather than involving discussions and interaction with other directors. The webinars can include best practices in working on specific issues along with references to websites containing additional information. An advantage of webinars is that they can be shared with personnel in multiple states at relatively low cost. In any case, the topics should be selected by MS directors and be offered at convenient times.

Second, it is possible to bring high level expertise into an area and host several half-day events at a location(s) that many MS directors can easily access. For instance a Chicago suburban location, a west-central Illinois site, and/or a central Illinois location would minimize travel times or overnight stays. If a speaker arrived in the morning, conducted the workshop or seminar in the afternoon, and repeated the workshop in another location in the subsequent morning, many MS directors could have access the training at reasonable travel and time costs. Each of these workshop settings should include time for peer review and discussion about the issues to capture promising approaches in participating communities.

In a similar effort, IMS could bring technical assistance to a region and have an expert(s) spend several days working with individual communities from a central location in the region. The cities in the region could collaborate on the types of assistance needed and pool resources with IMS to share the costs of providing the technical assistance and training. This approach would meet the preferences expressed by survey respondents but still provide needed expertise and training in a cost-effective way. Examples of successful MS training programs in other states are described later.

Third, there will be issues or topics of interest to a majority of MS directors and sessions on these topics could be provided at one or two locations in Illinois including the annual Main Street Conference. Hosting a one-day event including interaction sessions with MS directors using distance learning media could provide high level training at relatively low costs plus provide time for participants to interact and share local experiences. A mixed training format including both live presentations and webinar formats can provide interesting venues for participants to learn.
from experts, including the more experienced MS directors in Illinois and neighboring states.

Finally, collaborative arrangements with adjoining states where MS directors participate in regular conference calls or webinars on specific types of issues are a possibility. For instance, the University of Wisconsin Extension currently hosts regularly scheduled conference calls with several cities in Illinois. Perhaps these could be expanded with IMS sharing the costs. Arrangements such as these could be organized with other agencies. These relatively low cost venues can be planned by MS directors interested in specific issues with support and coordination from the IMS.

### ACCESSING INFORMATION AND TECHNICAL ASSISTANCE

Information on some topics can be delivered through a current, and easy to navigate, website and MS directors expressed an interest in being able to access more information using this approach. Some states are ahead of Illinois in the amount of data and information available on their websites, so MS directors in Illinois were asked about their use of information from various websites in Illinois and other states.

Statewide, when asked about the number of times they had accessed the IMS website for information or technical assistance, 40.9% of respondents reported visiting the site 1 to 3 times during the previous two years (Table 17). Respondents reported similar usage of the National Main Street Center website and those of other states. The largest number of respondents reported no usage of university extension websites or those of commercial vendors to obtain technical assistance or data. This could mean that they were unfamiliar with them.

A minority of respondents visited the listed technical assistance resources more than three times in the past 2 years, but the resources most likely to be used at least once were those directly associated with Main Street programs in Illinois and other states. This suggests that executive directors consider MS websites such as the IMS website as potential sources for technical assistance, but they have not been frequently used. Additional resources and services delivered through an online toolbox can make the IMS website a more valued asset for Illinois MS organizations.

### Table 17. Use of Technical Assistance Resources in Past 2 Years (Most Frequent Responses in Bold)

<table>
<thead>
<tr>
<th>NO. OF WEBSITE VISITS</th>
<th>IMS WEBSITE</th>
<th>MAIN STREET WEBSITES IN OTHER STATES</th>
<th>NATIONAL MAIN STREET CENTER WEBSITE</th>
<th>UNIVERSITY/EXTENSION WEBSITES</th>
<th>COMMERCIAL FOR-PROFIT DATA SOURCES (E.G., ESRI)</th>
<th>OTHER GOV. OR ORG. WEBSITES</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>13.6%</td>
<td>38.1%</td>
<td>14.3%</td>
<td>45.5%</td>
<td>68.2%</td>
<td>36.8%</td>
</tr>
<tr>
<td>1 to 3</td>
<td><strong>40.9</strong></td>
<td><strong>42.9</strong></td>
<td><strong>52.4</strong></td>
<td>40.9</td>
<td>22.7</td>
<td>10.5</td>
</tr>
<tr>
<td>4 to 6</td>
<td>13.6%</td>
<td>14.3%</td>
<td>9.5%</td>
<td>4.5</td>
<td>26.3</td>
<td></td>
</tr>
<tr>
<td>7 to 10</td>
<td>9.1%</td>
<td>4.8%</td>
<td>9.5%</td>
<td>4.5</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Over 10</td>
<td>22%</td>
<td>0.0%</td>
<td>9.5%</td>
<td>4.5</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>No. of responses</td>
<td>22.7%</td>
<td>21%</td>
<td>21%</td>
<td>22%</td>
<td>22%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Further discussions with MS directors during the 2013 Illinois Main Street Conference disclosed that when contacting the websites, they were trying to find:

- Information on Meetings;
- Contacts with Consultants;
- New Techniques or Tools; and
- Contacts with Personnel.

These responses offer insights into the types of materials to include on a revised IMS website. Examples of effective websites in other states with materials could be adapted for use in Illinois. Several states and local MS organizations provide detailed information and forms to guide people through the maze of starting a business and/or meeting regulatory requirements for managing a business.

**PREFERRED WAYS TO ACCESS SERVICES**

Main Street directors were asked about their preferred ways to access resources provided by IMS and to rank them on a 1-5 scale where 5 is most preferred (Table 18). Respondents (24) to this question reported the highest preference (4.2) for periodic e-mails to access services. This approach was especially important (4.4) in small organizations but also ranked high in those with budgets larger than $90,000 (4.0).

<table>
<thead>
<tr>
<th>PREFERRED MODE OF ACCESS (5 IS MOST PREFERRED)</th>
<th>ILLINOIS</th>
<th>BUDGET UNDER $60,000</th>
<th>BUDGET OVER $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERIODIC E-MAILS</td>
<td>4.2</td>
<td>4.4</td>
<td>4.0</td>
</tr>
<tr>
<td>IMS WEBSITE</td>
<td>3.8</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>REGIONAL TRAINING/CONFERENCES</td>
<td>3.8</td>
<td>4.1</td>
<td>3.7</td>
</tr>
<tr>
<td>CONTACT IMS OFFICE DIRECTLY</td>
<td>3.3</td>
<td>3.6</td>
<td>3.2</td>
</tr>
<tr>
<td>CONFERENCE CALLS</td>
<td>3.0</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>PHONE APP</td>
<td>2.3</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
<td># RESPONSES (FIVE DID NOT REPORT BUDGET)</td>
<td>24</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

Respondents reported using the IMS website (3.8) and holding regional training conferences (3.8) as the next two highest preferences with relatively few differences by size of reporting organization in the case of using the website. However, smaller organizations reported a decided preference (4.1) for regional training conferences compared with larger organizations (3.7).

Along similar lines, the small districts expressed a stronger preference (3.6) for contacting the IMS office directly compared with a rating of 3.2 by larger MS organizations. Phone applications did not seem to be of much interest to respondents perhaps because they are not readily available or because respondents are not yet familiar with them.

One takeaway from these discussions is that IMS must have the staff capacity to interact and respond to inquiries from member organizations using a variety of media including e-mails, websites, and regional training programs discussed elsewhere in this report. These demands will require additional personnel. Conference calls did not rate high as a preferred way to communicate.
Main Street as a Downtown Revitalization Strategy in Illinois

RESOURCES FOR LOCAL MAIN STREET ORGANIZATIONS

Training and access to technical information are valuable services provided by state coordinating programs. The next section looks at training and other resources being provided by states across the country and how these ideas and the unique needs of Illinois communities to can be used to develop a new training program and toolbox for Illinois local organizations.

TRAINING ORGANIZATIONS, TOPICS, AND FORMAT

Many state coordinating programs have formed a special unit to develop and administer a training program. This approach has the advantages of formalizing the program and providing an identifiable name for marketing the training which is especially helpful if the training is marketed to a broader audience than Main Street communities. Examples include Colorado’s Downtown Institute carried out by Downtown Colorado, Inc., Connecticut’s Downtown Revitalization Institute, Maine’s Downtown Institute and New Jersey’s Downtown Revitalization and Management Institute. Other state coordinating programs carry out their training under their own name, as Illinois presently does.

Some states base training topics on the Four Points while others select topics of current interest. Colorado offers quarterly training with one session per year on each Point and the specific topic within that point varies. Missouri also offers quarterly training with each session focused on a different Point. Connecticut and Ohio are examples of states offering more narrowly focused sessions on a wide range of topics, not organized around specific Points.

Most states hold a statewide annual conference, and many states also offer training on a quarterly basis. The location of the training moves around the state and all executive directors attend together. This training can consist of two parts. The first is a one-day workshop for executive directors. The second day is a session on a topic of broader interest open to Main Street volunteers, board members, local officials and other interested individuals and organizations. Colorado and Missouri use this format. Other states offer quarterly training as a one day event which may be limited to executive directors.

Some states offer less structured training instead of, or in addition to, quarterly training. This training is often open to anyone interested and may be cosponsored by other organizations. Ohio offers a variety of training options. The state coordinating program offers one-day workshops independently. It partners with other organizations to offer multi-day programs to a broader audience. By partnering with other organizations it shares the cost of speakers and venues and attracts more participants.

Regional training is offered by several states including Indiana and Montana. This reduces travel time and cost for attendees, although it requires speakers presenting in multiple locations. Indiana’s community exchanges are an example of regional training. These are sessions designed for a small group of communities with a common interest. Topics and locations vary and participation is not mandatory. Indiana’s community exchanges are held frequently with highly specialized topics. Examples include applying for a specific kind of grant or developing a signature event. The program is less than one day in length, allowing participants to complete training in a day trip and a topic may be repeated in several locations. A speaker is invited but much of the learning comes from discussions with other communities present. Montana offers a series of free regional workshops and webinars. Training may be hosted by Montana Main Street or an affiliated program.

Similar to the webinar series currently offered by IMS, distance training is offered by several states. This low cost option allows for more narrowly focused topics that may appeal to a smaller audience. Ohio offers a monthly webinar. Indiana offers tele-video conferences.
Opinions differ on whether training events should be purely informational or allow time for socializing. Some states market their training as purely informational with no social functions. New Jersey uses this approach. Others build in networking time.

Many states offer on-site training. While expensive and time consuming for the state program, it is preferred by local organizations. This can range from a standard program that is offered in many different communities to unique training designed for one community’s needs. Missouri offers local training programs on a variety of topics and also facilitates different types of planning meetings. South Carolina provides customized workshops. Mississippi also provides on-site training programs.

COSTS TO ATTENDEES & TRAINING REQUIREMENTS

While some states do not charge for training, most charge participants in some way. The most common approach is a fee to attend a specific event. One day sessions are often in the $25-$125 range while multi-day events may cost $100-$300. Several states require local Main Street programs to pay annual dues. A portion of the dues covers the cost of training. Thus, while there is no charge to attendees per se, they have paid in advance. Some states offer a menu of training options, each with a price attached. Local organizations can choose the level of training desired. On-site training is provided by many states. The fees can be quite high, with multi-day visits from a team of consultants costing thousands of dollars. Other states offer customized local training with the cost based on the training requested. Mississippi is one example of a fee for service approach that also allows for customization of assistance provided (Table 19).

Table 19. Menu of Services Provided by Mississippi Main Street

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>MAIN STREET</th>
<th>DOWNTOWN NETWORK</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DAY COMMUNITY ASSESSMENT</td>
<td>$2,500</td>
<td>$3,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>2 DAY COMMUNITY ASSESSMENT</td>
<td>7,500</td>
<td>9,000</td>
<td>12,500</td>
</tr>
<tr>
<td>4 DAY COMMUNITY ASSESSMENT</td>
<td>15,000</td>
<td>17,500</td>
<td>25,000</td>
</tr>
<tr>
<td>BRANDING AND MARKETING CHARRETTE</td>
<td>15,000</td>
<td>17,500</td>
<td>25,000</td>
</tr>
<tr>
<td>ANNUAL PROGRAM ASSESSMENT</td>
<td>N/C</td>
<td>1,500</td>
<td>3,000</td>
</tr>
<tr>
<td>MAIN STREET TRAINING</td>
<td>75</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>STAFF HIRING ASSISTANCE</td>
<td>350</td>
<td>425</td>
<td>525</td>
</tr>
<tr>
<td>INTRO TO MAIN STREET</td>
<td>150</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>BOARD ROLES AND RESPONSIBILITIES</td>
<td>150</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>COMMITTEE ASSISTANCE/TRAINING</td>
<td>250</td>
<td>325</td>
<td>400</td>
</tr>
<tr>
<td>ON SITE STAFF TRAINING</td>
<td>250</td>
<td>325</td>
<td>400</td>
</tr>
</tbody>
</table>

The amount of training in which local organizations are required to participate varies by state. South Carolina requires attendance at basic training and attendance at the National Main Street Conference every other year. Michigan requires attendance at multiple state level training sessions on a yearly basis. Oregon requires attendance at one state level training session per year.

**CONSIDERATIONS IN PLANNING ILLINOIS MAIN STREET TRAINING**

Illinois Main Street might find that creating a new entity to house the training program has advantages. As a new program begins, giving it a formal name and identity could help set the new program apart from the former program. A new identity also could help if it is decided to market the training program to an audience beyond IMS organizations. Finally, a formal name for the program will increase its visibility.

Training topics could be organized around the Four Points or focused on topics of special interest. Organizing around the four points would lessen flexibility to meet survey respondents’ interests in focusing on a variety of economic restructuring topics.

There are many formats to choose from in organizing training and a combination of formats could meet several goals. Full day sessions that include time for a Main Street only meeting as well as programming open to the public would enable executive directors to network and discuss topics unique to their positions. The public portion could generate revenue and attendance to support quality speakers. Colorado’s combined Main Street/public sessions scaled down to one day could be a model. These full day sessions could be supplemented with regional meetings focused on topics of interest. Indiana’s community exchange could be a model.

IMS must establish credibility for a new training program before local organizations will pay significant fees to participate. Therefore, initial offerings could be low cost to participants. To keep costs down, IMS could explore sharing speaker and venue costs by cosponsoring with other organizations.

It is difficult to establish a common organization culture among the local programs if some executive directors do not attend state level training events. In addition, the training sessions are more effective and valuable when attendance is high. Therefore, minimal requirements may be needed with incentives offered to increase interest in participating. When introducing new training to local MS organizations, IMS may consider offering half-day training sessions with monthly follow-up webinars on the same topic.

**DESIGNING A TRAINING PROGRAM IN ILLINOIS**

Survey responses indicated that fewer than half of local programs responding were working on Economic Restructuring (ER) issues. At the same time, approximately three-quarters of survey respondents report retail sectors with little or no immediate prospects for growth. Executive directors surveyed recognize the need to address retail growth and rated training in Economic Restructuring (ER) highest on the list of Four Points.

The potential benefits of downtown residential areas identified in the survey warrant increased focus on residential growth. Main Street communities with strong downtown residential components can be examples of best practices for other communities and shared at training sessions. Given the educational background of most executive directors, training programs can be at a relatively high level. Participants at a Directors’
Round Table at the 2013 Illinois Main Street Conference suggested the following training topics:

- Sales and negotiation techniques for business recruitment
- Using market studies to identify economic development strategies
- Building an ER team and training members
- Collecting, obtaining, and using local data
- Businesses’ site selection criteria
- Introduction to real estate terminology and statistics
- Introduction to business planning
- Business succession planning for merchants nearing retirement
- Marketing assistance for businesses
- Primers on business-related issues

Sentiment was expressed that Main Street directors must become more familiar with economic development issues so that they can better represent downtown interests when working with local public officials and economic development practitioners. It also is important to raise the visibility of Main Street as an economic development organization so the local program is regarded as part of the city’s economic development team.

Participants expressed frustration with lack of time to pursue economic restructuring activities. They feel that their current workload in Organization, Promotion and Design does not allow enough time to add Economic Restructuring projects. This workload issue and need to prioritize the local program’s projects could be addressed in training events.

Further, the most prominent obstacle to growth identified by executive directors in the survey was lack of funding or capital. To the extent that sustainable funding sources can be developed, executive directors can devote more time to the Promotions, Design and Economic Restructuring projects that further the Main Street mission. Special districts are one approach to establish sustainable funding. Training on this topic was ranked high by responding executive directors. Local organizations may benefit from information on desirable reserve levels and guidance on how to achieve them, and examples of best practices in fund raising can generate new ideas for local organizations.

A successful training program includes relevant topics and is delivered in an accessible format. There are well-qualified executive directors who can lead other local programs, especially in the areas of promotions and event management where many directors reported expertise. However, fewer executive directors reported experience in areas related to Economic restructuring, so fairly extensive training will be required if local programs are to succeed in this area. Participants made the following comments regarding how training can be best delivered.

TRAINING DELIVERY FORMATS

Roundtable participants discussed their preferences for the delivery of new training programs. Executive directors said they should be consulted as IMS finalizes training dates and locations. They also said executive director training should start mid-day, allowing participants to reach the location in a morning drive. However, most roundtable participants said that their schedules can accommodate a mixture of overnight training sessions and sessions lasting a day or less. To minimize travel, participants suggested delivering training to regional clusters or small groups of executive directors. Following these suggestions may increase attendance by ensuring that sessions are timed and located conveniently for more executive directors.

Executive directors said that some training events should be designed for volunteers, local officials, and
business owners. They said that volunteers, officials, and business owners are more likely to participate in sessions held regionally and on evenings, with dinner included. However, executive directors recognized that training for volunteers can be difficult to schedule when some have full-time jobs. Distance learning options such as webinars and conference calls were mentioned as other options for training working volunteers.

Several executive directors expressed interest in forming learning communities similar to those in Indiana’s Main Street program. Learning communities would include small groups of executive directors with common interests in specific topics. Roundtable participants also stated that some specific types of technical assistance offered by IMS were especially helpful. For example, site visits by or IHDA staff or outside experts are effective and enhance Main Street credibility with local officials and business owners.

ILLINOIS LOCAL ORGANIZATION BEST PRACTICES

Illinois local organizations shared their most successful projects in each of the four points. These examples show the breadth of work being carried out in Illinois Main Street communities. Case studies of successful projects can be a useful resource for local organizations. A sampling of the projects described in survey responses can be found in the Appendix C.

Having a consultant meet with clusters of directors to discuss specific issues also was considered.

Much of the discussion focused on the issue of involving more working volunteers and local officials in training. There is a need to bring active business people into the Main Street program but those with the most to offer often have the least time available. A strategy for involving working people in all aspects of the Main Street program in a way that works with their schedule should be developed.

Participants expressed concern that some local organizations rarely participate in training or other IMS functions. In the past, attendance was mandatory and all local organizations were represented. The issue about whether attendance should be mandatory or if there are incentives that will increase attendance was not resolved.

Illinois local organizations shared their most successful projects in each of the four points. These examples show the breadth of work being carried out in Illinois Main Street communities. Case studies of successful projects can be a useful resource for local organizations. A sampling of the projects described in survey responses can be found in the Appendix C.
The concept of a toolbox is to have a single place containing a variety of tools and techniques for working with downtown development issues. The tools can be narrowly focused on just a few needs, or a large variety of approaches can be provided. The tools themselves could be interactive, simply providing data or information, or can be links to resources located elsewhere. Regardless of the contents, the toolbox is designed to be an efficient way to deliver technical assistance to local organizations.

Illinois Main Street has an opportunity to develop a unique toolbox for Illinois communities. This study considered two sources in assembling potential tools for the toolbox. The first source was provided by other state coordinating programs. Second, the preferences expressed by Illinois Main Street executive directors were considered. A discussion of the findings from each of these sources follows.

Illinois Main Street has an opportunity to develop a unique toolbox for Illinois communities.

Toolboxes in other states provide several examples for how a toolbox can be cost-effectively added to the IMS website. As demonstrated by the Oklahoma Main Street website, developing content for best practices would be relatively inexpensive if case studies were submitted by local programs. Oklahoma Main Street also makes several of its resources available as Excel spreadsheets, which are relatively inexpensive to develop while providing interactive data for downtown businesses.

Like the toolbox used in Connecticut, a toolbox on the IMS website can provide much of its content as referrals to other organizations. Care must be taken to ensure all links are current and direct MS program staff to the most relevant part of the websites referenced. However, such a toolbox is relatively inexpensive to develop because most content has already been assembled and experienced MS directors can offer suggestions for links to include on the site.
ILLINOIS EXECUTIVE DIRECTOR PREFERENCES

Survey responses revealed that tools such as best practices in economic restructuring, local market data and analyses, and guides for assisting new businesses would be most useful. Much of the roundtable discussion focused on reference tools on the IMS website. While additional tools could be developed or organized by IMS and downloaded to local websites, the following components were suggested by roundtable participants:

» Contact information for all Illinois Main Street communities;
» Contact information for individuals or organizations who can answer frequently asked questions;
» Information on vendors such as consultants and event-related businesses;
» Downloadable educational material intended for the general public on the Main Street program, the importance of downtown and other general interest topics;
» Calendar of events in Illinois and other states;
» Copies of conference and training materials;
» Legislative updates;
» Information on governmental regulations;
» Templates for press releases, marketing material, business directories; and
» Volunteer handbooks.

Survey responses showed relatively infrequent use of websites so discussion at the roundtable focused on what the website should contain and ways to make it more useful in managing Main Street organizations and communicating the value of Main Street in the local economy.

Some participants questioned whether the availability of a market analysis tool meant that they should conduct a market study themselves or if retaining a consultant would still be preferable. Local organizations that have market studies expressed frustration that these studies have not led to action plans. They requested assistance in transitioning from study to implementation.

During roundtable discussions, executive directors expressed a desire to be more active contributing members in the local economic development community but they sometimes lack technical knowledge to engage and participate meaningfully and credibly in these discussions. Strengthening the Main Street program at the state level, communicating the program’s value to local officials and business owners, and better educating the Main Street Economic Restructuring team will help in this regard.

In addition to access to IMS resources, roundtable participants reported great value in the abilities and experience of fellow executive directors. They requested a closed on-line community that shared information among directors and is searchable by topic. Some participants already have tools that they are willing to share, such as business recruiting materials, data tracking methods, and best practices.
FINANCIAL ASSISTANCE TO LOCAL PROGRAMS

Loans and grants offered by state coordinating programs are valuable tools at both the state and local level. At the state level, grants can encourage the types of projects that will further the specific goals of the state, whether it is to promote historic preservation, encourage a specific industry, generate jobs or something else. Grants from the state to local organizations also increase the value of the state coordinating program to local groups. At the local level, a state grant can be the catalyst that allows a project to move forward. Receipt of funds earmarked for Main Street communities increases the value of participating in the program for local governments. Grants that assist local businesses or property owners make it easier for local programs to raise funds from business and property owners.

Grants of any size can be meaningful to local businesses or the local Main Street organization, so a grant program could provide further financial assistance to MS organizations. The state coordinating program can build local support among all communities that might consider applying for the grant. In addition, positive results in grant funded projects provide another way to demonstrate the impact of the state program. Next are several state programs under way in other states that have been especially successful in financially supporting local Main Street organizations.

States offer a variety of types of loans and grants. The most common is for building rehabilitation, such as a matching grant program New York offers to property owners. Virginia offers competitive Financial Feasibility Grants for buildings unusually difficult to bring back into use. Some grants may require a local match, especially in states with tiered Main Street programs. In Montana, matching funds are required for lower-tier member organizations. Other states offer grants for smaller projects, such as Indiana with grants of up to $5,000. Georgia offers a Downtown Development Revolving Loan Fund to its Main Street organizations. More detailed information on loan and grant programs in other states is available in Appendix E.
TIERED MAIN STREET PROGRAMS

Illinois presently has a single category of communities participating in the Main Street program. Some states have a tiered structure for participating communities which allows communities with varying resources and abilities to participate at a level where they can succeed. It also makes entry into the program easier for new communities. The number of communities participating in the Illinois Main Street Program could be increased by adopting a tiered system assuming that funds are available to provide services. The number of tiers varies by state, but all have an entry level tier that requires less commitment from communities. For example, a paid director or independent organization may not be required. If the state has a participation fee for communities, it is often lower for communities at the entry level tier. Communities at the lowest tier have access to training and other resources, sometimes for an additional fee. The services available to the communities increase as they advance to higher tiers but the level of local commitment also increases. Full-time staff, substantial annual fees, more training, and financial resources are examples of requirements. A description of variations on tiered programs is available in Appendix F.

Illinois Main Street should determine if a tiered system is a good fit for Illinois communities. It may allow more communities to participate, and enable expectations and services to be tailored to the resources and abilities of the communities.
The national Main Street program started as a way to preserve and renew buildings in downtowns that had historical value and interest. The Main Street Four Point Approach: Organization, Promotion, Design, and Economic Restructuring has been instrumental in maintaining healthy downtowns in many communities both large and small across the U.S. The Main Street Approach when implemented effectively can guide local development efforts and provide useful techniques and best practices that can be replicated in other cities.

While the Main Street program in Illinois has experienced significant financial setbacks, it continues to be used successfully by many Illinois communities. There is now an opportunity to rebuild and revitalize a program that other states have used to make cities more competitive in attracting local economic development and creating jobs. Many smaller communities have experienced declines in their downtowns as competition from regional centers and discount stores have eroded markets. One direct result has been a loss of sales tax receipts in these communities that increases the burden on property taxes to support public services. Thus, it is especially important during a time of slow economic recovery to step back and assess what assistance local elected officials and community leaders need to rebuild or protect their downtowns and how they can learn from peer communities in Illinois and other states. Downtowns are recognized as an essential part of maintaining a high quality of life. This is especially true for elderly residents who rely on proximity to services and social opportunities. It also is increasingly true for attracting young adults who find the synergy of jobs, entertainment, shopping, culture and recreation appealing.

Statewide, 41 cities currently sponsor Main Street programs, many with strong downtowns. Each has taken a unique approach that builds on local attractions and capacities. Quincy has a strong historical focus and used the Main Street principles in efforts to revitalize and expand its downtown. Pontiac, as another example, has incorporated Route 66 as a theme in local development efforts and has created several local development techniques to make its downtown attractive to tourists.

The Four Points Approach of the Main Street program offers guidance and opportunities for local leaders and elected officials to formulate a strategic plan for downtown development. The flexibility of the Main Street Approach is one of its attractive features. It is not a one size fits all approach; rather it provides a knowledge base and set of tools that can be adapted to local situations. While this flexibility is an asset, it also places considerable responsibility on local leaders to accurately assess local conditions and then find the appropriate techniques that will succeed in their locales. Executive directors participating in surveys and in roundtable discussions provided guidance for designing a toolbox and training programs that can assist them in implementing successful local initiatives.

This project served two purposes. First, it identified important opportunities to revitalize and further advance IMS efforts using resources available from the National Main Street Center and Main Street organizations in neighboring states. Executive directors in Illinois expressed a need for training especially to implement Economic Restructuring practices. They also want to participate more effectively in local organized initiatives designed to attract businesses and create jobs in their communities.

Second, the project compiled a data base on practices, tools, and techniques currently used in local Main Street efforts and provided useful ways in which directors can learn from each other as well as successful practices in other states. Main Street organizations in Illinois can use these materials in designing local activities in their communities. Most important, however, is that they have strong input into shaping both the statewide program and services delivered.
Several possible approaches that could help Main Street and other communities in their downtown revitalization efforts are described next. These efforts incorporate the strategic plan prepared by Heritage Consulting and Business Districts Incorporated (2012).

**FORM A STATEWIDE STEERING COMMITTEE**

One issue raised several times in discussions with Main Street directors is a need for more specific information on successful economic restructuring techniques and practices that worked elsewhere since some executive directors do not have professional economic development backgrounds and expertise. Because downtown development involves a combination of retail, service, and professional activities, directors requested additional training opportunities to upgrade their abilities to represent the downtown area in local economic development discussions and activities.

More basic, however, is that MS directors asked for more opportunities to provide guidance in a revitalization of the statewide program. National Main Street has sufficient flexibility to allow widespread diversity in the ways that states design and implement their programs and this could be an opportunity for Illinois to create a statewide steering committee of directors and local public officials to tailor initiatives to issues and conditions in Illinois cities. The steering committee could be organized by size of city, region in Illinois, length of experience in the program, participation in statewide programs, and other criteria with the specific charge to advise on training initiatives, legislative packages, and other management issues. It also could participate in a process that generates an IMS action plan for the next several years.

**BROADEN FINANCIAL SUPPORT BASE**

Key to success in downtown development is expanding access to both state and local financial resources. Building on successful experiences in other states, the Illinois Main Street program could be financed partly from Community Development Block Grant funds and/or other sources. These funds could represent a leverage of local revenues for special types of projects that enhance downtown development rather than representing only an additional infusion of state resources.

Most executive directors reported relatively low salaries, but the portion of organizations’ budgets allocated to salary is fairly high. Therefore, increasing the size of the organizations’ budgets rather than the portion allocated to salaries may be the most effective way to increase executive director salaries. Increasing the organization’s budget also may enable more organizations to provide benefits for executive directors and change executive director positions from part-time to full-time, allowing them to better commit their time to promoting downtowns.

Building financial support for local MS organizations could also retain talented executive directors through higher compensation. It is worthwhile to examine those organizations that fund their executive director with assistance from other organizations to determine ways these approaches can be used elsewhere. Local programs with inadequate funds to hire a full-time director or increase director compensation might be able to implement this strategy.

Access to a broader base of support would not only allow Main Street in Illinois to expand and upgrade services but it would also encourage cities to adopt basic MS principles such as Organization and Economic Restructuring that may not involve large expenditures. For example, the funds could be used to support business targeting and/or entrepreneurship programs aimed at better using vacant downtown stores and retaining sales taxes in the community.
FORM ALLIANCES WITH SUPPORT ORGANIZATIONS

Illinois Main Street, operating with only State financial support, is limited in the types of programming it can provide and how it interacts with the legislative process. Main Street member communities could gain by having flexibility in accessing private and public support, financially and otherwise, to support their activities. Other states have used these types of organizations effectively to broaden their financial base and create opportunities to work informally with other organizations also interested in supporting downtown and/or retail development in their communities.

The Illinois Main Street Program has been fortunate to receive financial support from USDA-Rural Development during the current transition period but that support has a time limit and it is important to create an ongoing source of funding to supplement support from the State of Illinois. Additional funds could be used to expand program support to local organizations in Illinois which would expand the membership base and participation in development activities. This approach could also allow opportunities for other organizations such as UI-Extension, Illinois State Chamber of Commerce, and institutions of higher education to provide program support in alliance with Main Street organized efforts.

Especially important is to share downtown development issues with agencies that can provide services locally. For instance, SBDCs, often hosted by community colleges, have staff expertise and resources to work with emerging small businesses that could locate in downtown facilities. Thus, they can provide low-cost local training events and technical assistance to business interested in expanding. Collaborative relationships between SBDCs and local Main Street organizations can be promoted and publicized by the Illinois Main Street Program office. A toolbox for Illinois MS organizations can be modeled after the one used by Connecticut Main Street, which refers executive directors to funders and service providers that can help develop their districts. Experienced executive directors in the state can participate in the construction of a toolbox by recommending contacts for inclusion on the website.

Some additional functions could benefit Illinois Main Street and local organizations but IMS, as a state agency, does not have sufficient resources to provide them. Creating an independent non-profit “Friends of Illinois Main Street” could allow expansions in Main Street services and make it easier for local MS organizations to procure them. Several roundtable participants are researching these opportunities.

CREATE AN EXPLORATORY COMMUNITY PROGRAM

Several states currently have multi-tier options that allow cities unable to meet the basic requirements of the national Main Street program to participate in training and receive other management assistance. One direct benefit from such an approach is that it allows a much broader group of cities to share experiences and learn from their peers at relatively low cost. Cities at lower membership levels may pay additional costs to access training and programming, but they can selectively participate in events they can afford and which are of direct and immediate benefit.

Nearly 30 communities have expressed interest in becoming Main Street designated communities. Illinois is not currently considering a multi-tiered program but an exploratory opportunity for communities interested in learning more about the Main Street Approach could benefit both the state and IMS. A new program that provides these communities with information on the Main Street Approach and allowing access to limited training and resources could help them determine whether creating a Main Street organization is a worthwhile goal. This process could narrow the list to those most likely to find
success as a Main Street community. An exploratory program also would allow IMS to add communities in a manageable way. Finally, this approach would enable IMS to use staff and financial resources efficiently by spending a small amount of time with many interested communities and expending more effort on those most suited for Main Street.

**ESTABLISH A CREDENTIALING PROGRAM**

The importance of documenting skills attained and capacities has been recognized in many industries as employers struggle to find qualified employees. Somewhat similar issues apply to managing downtown development activities and it is important to provide incentives for Main Street directors to successfully participate in training events. Currently, there is no avenue for executive directors to earn recognition for their participation in national programs and those provided in Illinois. Given the relatively low cost access to webinars and other distance learning events, it makes sense for the Illinois Main Street Program to explore creating a documentation process whereby downtown managers can participate in these events and have their participation recognized according to established standards. This approach also promotes continuing education so that participants have an incentive to remain current on various techniques and topics.

A related advantage of an established recognition process is that it incentivizes IMS to regularly arrange or offer training opportunities that meet development needs of local directors. Identifying topics and arranging the training events could be coordinated with the steering committee noted earlier. It is entirely possible, and even desirable, that the training activities are conducted sometimes in collaboration with Main Street programs in other states, especially when provided through distance learning media. This also may be an opportunity for community colleges to sponsor training events or provide technical assistance for downtown development efforts especially in small and medium-size communities. The main advantage of such an effort will be to bring more up-to-date information and management practices to local downtown managers.

**SHARE BEST PRACTICES IN MS ORGANIZATIONS**

Executive directors shared examples of recent successful projects in each of the Four Points which can be adopted in other MS organizations. Additionally, they expressed strong interest in having access to case studies and contact information for other MS organizations with successful projects especially on Economic Restructuring.

Another option for sharing best practices is to host community exchanges or learning groups regarding topics such as Economic Restructuring. In roundtable discussions, executive directors expressed interest in training opportunities similar to the exchange program in Indiana. Directors can meet in groups to discuss successful projects around a topic such as assisting expanding businesses. These group sessions can be inexpensive to facilitate if experienced executive directors volunteer to lead discussions on their areas of expertise. Groups can be arranged by subject matter or regionally with interested executive directors consulted in preparing training schedules.
Main Street directors expressed strong interest in having access to economic and demographic information for their market areas and using the information to recruit businesses and other economic restructuring activities. While socioeconomic information can be obtained from public sources such as the Census Bureau, many data delivery systems are not easy to use by laypersons especially regarding market opportunities extending beyond the legal limits of a city. An alternative may be to obtain data from a consultant sometimes at a price beyond the resources of small communities. A toolbox for Illinois MS communities can direct executive directors to useful data sources and training sessions that guide executive directors in designing viable development strategies.

Thus, while the Illinois Main Street Program currently has a website, it could be upgraded in several ways that would quickly assist Main Street organizations and other community-based organizations interested in improving their downtowns. Many examples of successful website enhancements exist and they often include toolboxes for downtown development. The toolboxes also provide guidance to new and expanding businesses. The information can include step-by-step guidance in negotiating local zoning and planning issues or can provide a list of contacts and resources within the community that are available to local entrepreneurs.

Main Street directors expressed special interest in having access to a list of resources within Illinois that have been especially useful in addressing local issues regarding downtown development. This list could include information and contacts in state agencies as well as private consultants. It can also include a discussion group format in which participating directors can share experiences, solutions to local problems, and interact on other relevant topics. Responses to the Main Street survey can guide upgrades to the current Main Street website.

Main Street directors participating in the survey also reported strong interest in having access to promising practices in Illinois and other states. Thus, a revised website should provide links to successful programs with contact information enabling Illinois users to replicate the programs. Equally important is to highlight successes in Illinois so that prospective businesses have access to another attraction when considering Illinois as a location. Compiling this information is a logical responsibility of the Illinois Main Street Office but it could be subcontracted as needed.

Especially important is that the Illinois Main Street Program has adequate staff and funds to keep the website current and of high quality. A set of metrics regarding website usage can guide further development and the types of program materials to include in the future. It is important to keep in mind, however, that many website materials will benefit all downtown managers and chambers of commerce, not only members of the Main Street program. Thus, the website is an investment in downtown revitalization across Illinois rather than for a limited number of cities. Therefore, it is an important local development asset in Illinois. In this vein the Main Street website should be linked to economic development agencies such as DCEO, the Illinois State Chamber of Commerce, Illinois Historic Preservation, and others. Materials used in upgrading the website can be obtained from best practices in other states, the national Main Street Center, and other sources meaning a high quality and useful website in Illinois is not necessarily cost-prohibitive.

Illinois can move in a variety of directions in the development of a web-based toolbox. One option is a comprehensive toolbox that addresses needs as varied as architectural design elements to start-up costs for a variety of business types. This breadth of resources can be provided by incorporating material provided by other organizations and businesses. Connecticut has taken this approach. The Connecticut Main Street
site lists resources on more than 20 topics and many narrower topics available within each. Most of the assistance is in the form of links to other websites, with only a small amount of material actually developed by the state Main Street organization. If a toolbox for Illinois is meant to facilitate knowledge exchange between executive directors, the website should provide forms encouraging user-submitted content. However, care must be taken to launch such a toolbox with sufficient content for executive directors to consider the website worth revisiting.

Illinois could take another direction by providing in-depth assistance in a narrower arena as has been done by Wisconsin and Oklahoma. Wisconsin provides detailed assistance for market analyses, consisting largely of material developed specifically for that website. Oklahoma offers a specific tool, a site and building locator, unique to that state. Some combination of maximizing the resources available by linking to other organizations and developing a few tools specific to the needs of Illinois communities is a distinct possibility.

Options for the Future

» Form a Statewide Steering Committee
» Broaden Financial Support Base
» Form Alliances with Support Organizations
» Create an Exploratory Community Program
» Establish a Credentialing Program
» Share Best Practices in MS Organizations
» Deliver Services using Website
CONCLUSIONS

Downtown development and preservation are important beyond the sales tax revenues and employment generated. The downtown is the center of the community and holds special importance in attracting and retaining residents who are key to local development. In this sense, the Main Street program has proven to be and continues as a valuable economic asset in many states. The versatility of the program makes it especially relevant given the varied conditions and interests among cities, but it can succeed only if managed successfully at the state and local levels to help revitalize local economies.

The program in Illinois has existed for more than 20 years but in recent years has not had adequate funding to realize its potential. In spite of a lack of funds, 41 Illinois communities are using the Main Street Approach to successfully revitalize their downtowns. There is now an opportunity to re-examine the program’s capabilities and work with interested cities to reshape it into an even more important local economic development tool. Information technology and other factors allow people greater freedom regarding where they live while remaining gainfully employed in their professions. A high quality and vibrant downtown, although with some different functions than in the past, remains a major advantage in attracting and retaining residents.

Training downtown managers, providing them with successful examples in peer communities, and equipping them with the tools needed to stabilize and/or upgrade the business potential will create jobs, retain sales taxes, and attract residents. Participating in the Main Street program will not guarantee these results but can give local leaders a distinct advantage in improving the overall quality of life and competing for business attraction and expansion. Expanding Main Street services to new communities, nevertheless, will take additional investment in the state program.
REFERENCES


PHOTO CREDITS

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APPENDIX A. 2013 ILLINOIS MAIN STREET EXECUTIVE DIRECTOR SURVEY QUESTIONNAIRE

ILLINOIS MAIN STREET LOCAL PROGRAM SURVEY- PART 1

The Main Street Organization
The following questions will enable you to see how your organization compares to other Main Street organizations and create a picture of the status of Main Street organizations in Illinois.

2. What is the structure of the Main Street organization?
   - 501c3
   - 501c6
   - Unit in city department
   - Other (please describe):

3. On a weekly basis, is the executive director paid to work?
   - Less than 25 hours
   - 25-34 hours
   - 35-40 hours
   - More than 40 hours
   - Volunteer position and is not paid
   - Volunteer position reimbursed for expenses

4. On average, how many total hours per week does the executive director work, regardless of pay?
   - 20-25
   - 26-30
   - 31-35
   - 36-40
   - 41-45
   - 46-50
   - Over 50

5. Which of the following benefits are available to executive director? (check all that apply)
   - Health insurance
   - Paid vacation
   - Paid sick leave
   - Retirement plan of any kind
   - Life insurance
   - Reimbursement for education or conference expenses
   - None
   - Other significant benefit(s), please specify:

6. What is the maximum limit the executive director can receive for reimbursement of educational conference expenses?

7. What is the annual salary or hourly rate for the executive director for 2013?
   - Annual salary (if paid salary)
   - Per hour (if paid by the hour)

8. What is the highest educational level of the executive director?
   - High School graduate/GED
   - Associate’s Degree
   - Bachelor’s Degree
   - Graduate or Professional Degree
   - Certificate, please specify:

9. How many years has the current executive director held this position?
10. Does the executive director have educational preparation or job-related experience in any of the following areas? (check all that apply)

- Marketing
- Public Administration
- Business Management
- Urban Planning
- Finance/Accounting
- Event Management
- Fund-raising
- Non-profit Management
- Public Relations/Communications
- Don’t know
- Historic Preservation
- Other (please specify)

11. Does the Main Street organization have additional paid staff?

- Yes
- No

12. If the Main Street organization has additional paid staff, how many?

- Number of full-time
- Number of part-time

13. Does any other organization pay all or part of Main Street employee’s compensation for doing Main Street work?

- Yes
- No

14. Which of the following services does Main Street provide to businesses? (check all that apply)

- Financial incentives to locate in the MS District
- Assistance with business marketing efforts
- Training for business personnel (e.g., customer service)
- Coordination of joint marketing efforts by business
- Feature MS business in local media
- Guest speakers on topics of interest to MS businesses
- Financial support for business personnel to attend specialized training
- Subsidized loans for business expansion
- Subsidized loans or grants for façade improvements
- Other (please specify)

15. What is the total Main Street budget for FY2013?

16. How is the Main Street organization financed? Please select appropriate percentage for each category. (total 100%)

- Transfer from city budget
- Allocation from city sales taxes (if separate)
- Contributions from downtown business
- Contributions from individuals/families
- Contributions from businesses outside of the district
- State and/or Federal grants
- Fundraising events and merchandise sales
- Event and project sponsorships
- Events (excluding sponsorships)
- Payment from hotel/motel tax
Main Street as a Downtown Revitalization Strategy in Illinois

- Fees for services provided by the MS organization
- In-Kind contributions (office space, utilities, supplies, etc.)
- Special district
- Tax increment Financing
- Special Service Area
- Business Improvement District
- Other type of district
  If you entered a percentage for “other type of district”, please specify type of district below:

17. Does the total equal 100% in Question No. 16?
   - Yes
   - No
   - If no, why?

18. Since FY2010, has the FY2013 Main Street budget changed?
   - Increased more than 10%
   - Decrease between 5% and 10%
   - Increased between 5% and 10%
   - Decrease more than 10%
   - Changed less than 5% up or down

19. What was the organization’s fund balance as of the year-end 2012?

20. In FY 2014, do you expect the Main Street budget to?
    - Remain within 5% of its current funding level
    - Decrease 5-10%
    - Increase 5-10%
    - Decrease more than 10%
    - Increase more than 10%
    - Don’t know

**Local Program Accomplishments**

These questions show the accomplishments of your organization. They also will provide information for a data base of effective projects that Illinois Main Street organizations can access.

21. Did you conduct a fundraiser in the past 12 months?
    - Yes
    - No

22. Briefly describe your most successful fundraiser completed during the past 12 months, what did you do?

23. What did this fundraiser cost?

24. How much was raised?

25. What was the primary source of the money raised?
    - Area residents
    - Downtown businesses other (please specify):
    - Large corporations

26. How many years have you done this fundraiser?

27. What did the funds raised enable you to do?

28. How would you rate the success of this project?
    - Outstanding
    - Fair
    - Good
    - Poor
29. Did you undertake a design project intended to improve buildings, streetscape or other physical improvements in the past 3 years?
   Yes
   No

30. Briefly describe your most successful design project completed during the past 3 years. What did you do?

31. Please quantify the outcome, if possible.
   Number of facades improved
   Number of building renovated
   Number of blocks with streetscape installations, etc..
   Other

32. What did this project cost in cash?

33. Were there any significant in-kind donations?
   Yes
   No
   If so and the information is available, what was the value?

34. What was the source of funds for this project?

35. How would you rate the success of this project?
   Outstanding  Fair
   Good  Poor

36. Did you conduct a promotion in the past 12 months?
   Yes
   No

37. Briefly describe what you consider your most successful promotion held during the past 12 months.

38. What did the above promotion cost?

39. What was the source of funding for this promotion?

40. Was this the first time this promotion was held?
   Yes
   No

41. How did this promotion affect downtown sales?

42. Do you approximately how many people participated?
   Yes
   No
   If yes, how many?

43. How would you rate the success of this project?
   Outstanding  Fair
   Good  Poor
44. Did you have an economic restructuring project in the past 2 years?
   Yes
   No

45. Briefly describe your most successful economic restructuring project during the past 2 years?

46. How much did this project cost?

47. What was/were the source(s) of funding for this project?

48. What was the main goal of the project?
   Business retention  Job creation
   Existing business growth  Attract new business

49. What were the results from your Main Project Goal above? (complete all that apply)
   Number of businesses retained
   Number of businesses with higher sales
   Number of businesses occupying more space
   Number of jobs created
   Number of new downtown businesses

50. How would you rate the success of this project?
   Outstanding  Fair
   Good  Poor

51. If you want to make changes to any of the following sections, select the section(s) and you will be redirected to your selection(s).
   Fundraiser
   Design project
   Promotion
   Economic restructuring
   None

I LLINOIS MAIN STREET LOCAL PROGRAM SURVEY- PART 2

2. How large is the Main Street district?
   Square blocks

3. How much of the Main Street district is considered a National Register Historic District?
   All
   Partial
   None

4. Are any individual building on the National Register?
   Yes
   No
   If yes, if the number is known, please specify.
5. How many businesses currently operate in the Main Street district?

<table>
<thead>
<tr>
<th>Range</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20</td>
<td></td>
</tr>
<tr>
<td>21-40</td>
<td></td>
</tr>
<tr>
<td>41-75</td>
<td></td>
</tr>
<tr>
<td>76-125</td>
<td></td>
</tr>
<tr>
<td>126-175</td>
<td></td>
</tr>
<tr>
<td>176-225</td>
<td></td>
</tr>
<tr>
<td>more than 225</td>
<td></td>
</tr>
</tbody>
</table>

6. Approximately what percentage of the total space (occupied and vacant) in your Main Street district is in each category below? (must total 100%)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Retail/restaurant/entertainment</td>
<td></td>
</tr>
<tr>
<td>% Office space</td>
<td></td>
</tr>
<tr>
<td>% Industrial/warehouse/ rail yards</td>
<td></td>
</tr>
<tr>
<td>% Government/ public institution</td>
<td></td>
</tr>
<tr>
<td>% Private institution, e.g., churches, private schools, clubs</td>
<td></td>
</tr>
<tr>
<td>% Hospital</td>
<td></td>
</tr>
<tr>
<td>% Lodging</td>
<td></td>
</tr>
<tr>
<td>% Residential</td>
<td></td>
</tr>
<tr>
<td>% Public Open Space</td>
<td></td>
</tr>
<tr>
<td>% Vacant lots</td>
<td></td>
</tr>
<tr>
<td>% Other</td>
<td></td>
</tr>
</tbody>
</table>

If a percentage was selected for “other”, please specify:

7. Approximately what percentage of the occupied commercial (non-residential) space in your Main Street district is in each category below? (must total 100%)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Retail/food and beverage/entertainment</td>
<td></td>
</tr>
<tr>
<td>% Personal service (personal and professional services provided directly to the public such as hair care, exercise, small medical/dental offices)</td>
<td></td>
</tr>
<tr>
<td>% Business services (accounting, engineering, legal, etc.)</td>
<td></td>
</tr>
<tr>
<td>% Underutilized (payday loans, cash for gold, etc.)</td>
<td></td>
</tr>
<tr>
<td>% Public institutions (libraries, museums, government offices, public schools, community colleges, etc.)</td>
<td></td>
</tr>
<tr>
<td>% Private institutions (churches, private schools, organizational offices, private shelters, etc.)</td>
<td></td>
</tr>
<tr>
<td>% Manufacturing and/or assembly of products</td>
<td></td>
</tr>
<tr>
<td>% Auto sales, new or used</td>
<td></td>
</tr>
<tr>
<td>% Corporate/administrative office/large medical facility</td>
<td></td>
</tr>
<tr>
<td>% Banks/savings and loans/Credit Unions</td>
<td></td>
</tr>
<tr>
<td>% Other</td>
<td></td>
</tr>
</tbody>
</table>

If a percentage was selected for “other”, please specify:

8. Of the total above occupied space, what percentage of tenants do not attract many customers to the district?

<table>
<thead>
<tr>
<th>Percentage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10%</td>
<td></td>
</tr>
<tr>
<td>11-25%</td>
<td>Over 50%</td>
</tr>
</tbody>
</table>
9. What percentage of the first floor commercial (all non-residential) space in your Main Street district is currently vacant? (check one)
   - Less than 10%  
   - 10-20%  
   - 21-30%  
   - 31-40%  
   - 41-50%  
   - Over 50%

10. What percentage of the space on your primary retail street(s) is vacant?
   - Less than 10%  
   - 10-20%  
   - 21-30%  
   - 31-40%  
   - 41-50%  
   - Over 50%

11. What percentage of the space on side streets and industrial areas is vacant?
   - Less than 10%  
   - 10-20%  
   - 21-30%  
   - 31-40%  
   - 41-50%  
   - Over 50%

12. Which of the following are major impacts of the side streets and industrial areas in your district (choose all that apply)
   - Non-retail employees are a significant source of customers for shops/restaurants/entertainment
   - Non-retail businesses attract traffic that is a significant source of customers for shops/restaurants/entertainment
   - Businesses in these areas are financial supporters of the Main Street organization
   - Businesses in these areas a significant source of tax revenue that supports the Main Street district
   - Side streets and industrial areas make downtown feel less safe
   - No major impact
   - Other impacts, please describe:

13a. Has your organization or community made a significant effort to improve the following?
   - Side streets Yes or No
   - Industrial Areas Yes or No

13b. How successful was this effort?
   - Side streets: very successful, moderately successful, no significant improvement, too soon to say, N/A
   - Industrial areas: very successful, moderately successful, no significant improvement, too soon to say, N/A

   Comments:

14. Which of the following are major impacts of the residential buildings in your district? (choose all that apply)
   - Residents are a significant source of customers for downtown businesses
   - Residents create positive activity in the area
   - Residents make the area seem safer
   - Residents are active supports of the Main Street organization as either volunteers or donors
   - Residential buildings improve the appearance of the area
   - Residents make the area seem less safe
   - Residents create negative activity in the area
   - Residential buildings detract from the appearance of the area
   - No major impact
15a. Has your organization or community made a significant effort to improve the residential component of the Main Street district?

Yes
No

15b. How successful was this effort?

- Very successful
- Too soon to say
- Moderately successful
- No significant improvement
- N/A

Comments:

16. Describe the current retail situation in the Main Street district. Retail is defined as shops, restaurants, bars, and entertainment venues. (check only one)

- Less than 10 percent of vacant spaces in the district and some businesses looking to expand
- Most retailers doing well but with no immediate growth expected
- Stable district with 20 percent vacancies or less, but several retailers struggling
- More than 20 percent vacancies and continuing to increase
- Retail activities in the district are nearly gone (less than 20% of space)

17. If known, how significant are the following barriers to economic growth in the Main Street district? Using a scale of (1)= Not significant to (5)= Very significant, check the appropriate column for each barrier listed.

- Lack of capital/funding
- Lack of available buildings
- Owners unwilling to sell/lease at competitive price
- Potential investors not interested in building or businesses
- Current business owners not interested in growth or change in their business
- Current business owners lack entrepreneurial/managerial skills
- High vehicle traffic passing through downtown
- Insufficient convenient parking
- Shrinking market due to population decline
- Inadequate staff or funds for Main Street Program
- Lack of cooperation from city government
- Inadequate funds to promote downtown activities
- Poor condition of building stock
- Poor condition or unattractive streetscape
- Competition from nearby communities
- Other

Other, please describe:

18. Has an assessment of building safety, firewall, etc., been conducted in the past 2 years?

Yes
No
Don’t know
19. During the past year, approximately what percentage of your organization’s time focused on each of the four points? (must total 100%)

<table>
<thead>
<tr>
<th>% Organization</th>
<th>% Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Design</td>
<td>% Economic restructuring</td>
</tr>
</tbody>
</table>

20. What are your organization’s priorities for training in the next 12 months? Using a scale of (1)= Lowest Priority to (5)= Highest Priority, check the appropriate column for each point listed.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Design</th>
<th>Promotion</th>
<th>Economic restructuring</th>
</tr>
</thead>
</table>

21. Which of the following topics should be included in economic restructuring training efforts? (rank from 1-12 where 1 is most important)

- Special districts such as TIF, SSA, BID
- Downtown business incubators
- Business incentives
- Technical assistance to existing businesses
- Financial options for new and expanding businesses
- Public/private partnerships for development
- Real estate basics
- Market area analysis
- Business succession planning
- Helping businesses grow through better use of the internet
- Working with new groups as business owners or customers (Latinos, retirees)
- Other, if other topics, please list and rank:

22. How likely is your organization to participate in the following training options if offered by Illinois Main Street in the next 12 months? Using a scale of (1)= Not likely to (5)= Very likely, check the appropriate column for each training option listed.

- Webinars
- On-site training in your community
- Travel to regional training session without an overnight stay
- Travel to a training session requiring an overnight stay
- Other
- If other, please specify:

23. In the past year, how often did you travel to training or conferences requiring an overnight stay?

<table>
<thead>
<tr>
<th>Once</th>
<th>Three times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twice</td>
<td>Four times or more</td>
</tr>
</tbody>
</table>

24. What is your organization’s budget for training/conferences and related travel in 2013?

25. How likely is your organization to use the following resources if readily available? Using a scale of (1)= Not likely to use to (5)= Very likely to use, check the appropriate column for each resource listed.

- Economic and demographic data for local area
- Analyses of potential markets
- Market study guide
Appendix A

Templates for business recruitment packages
Information on common legal/insurance/tax questions
Financial management tools
Examples of incentives used successfully
Templates for local data bases
Best practices for promotions
Best practices for economic restructuring
Guidelines for better usage of the internet, social media, and phone apps
Other
If other resources, please specify:

26. What is your preferred way to access resources provided by Illinois Main Street (IMS)? Using a scale of (1) = Least Preferred to (5) = Most preferred, check the appropriate column for each method listed.

<table>
<thead>
<tr>
<th>Method</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMS website</td>
<td></td>
</tr>
<tr>
<td>Phone app</td>
<td></td>
</tr>
<tr>
<td>Periodic e-mails</td>
<td></td>
</tr>
<tr>
<td>IMS website</td>
<td></td>
</tr>
<tr>
<td>Phone app</td>
<td></td>
</tr>
<tr>
<td>Periodic e-mails</td>
<td></td>
</tr>
</tbody>
</table>

27. Which of the following data bases does your organization currently maintain?

<table>
<thead>
<tr>
<th>Data Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory of building in the Main Street District</td>
</tr>
<tr>
<td>Space currently available</td>
</tr>
<tr>
<td>Inventory of current businesses</td>
</tr>
<tr>
<td>List of volunteers</td>
</tr>
<tr>
<td>Survey of customers conducted by stores</td>
</tr>
<tr>
<td>Survey of general public about shopping/entertainment preferences</td>
</tr>
<tr>
<td>Other (please specify)</td>
</tr>
</tbody>
</table>

28. Which of the following marketing tools does your community have? (check all that apply)

<table>
<thead>
<tr>
<th>Marketing Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor guide</td>
</tr>
<tr>
<td>Business directory</td>
</tr>
<tr>
<td>Website</td>
</tr>
<tr>
<td>Facebook page</td>
</tr>
<tr>
<td>Twitter, Linkedin, or other</td>
</tr>
<tr>
<td>Phone apps</td>
</tr>
<tr>
<td>Business start-up guide</td>
</tr>
<tr>
<td>Business assistance guide</td>
</tr>
<tr>
<td>Business recruitment package</td>
</tr>
<tr>
<td>Main Street annual report</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>If any marketing tool(s), please specify:</td>
</tr>
</tbody>
</table>

29. How often did you use each of the following technical assistance resources in the past 2 years? (Do not count filing monthly reports or registering for conferences or training.) Check the appropriate column for number of times used.

<table>
<thead>
<tr>
<th>Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois Main Street Program website</td>
</tr>
<tr>
<td>Main Street websites in other states</td>
</tr>
<tr>
<td>National Main Street Center website</td>
</tr>
<tr>
<td>University/extension websites</td>
</tr>
<tr>
<td>Commercial for-profit data sources (such as ESRI)</td>
</tr>
<tr>
<td>Other governmental/organizational websites</td>
</tr>
<tr>
<td>If other government/organization websites have been used, please specify:</td>
</tr>
</tbody>
</table>

30. What services could Illinois Main Street Provide that would most help your local Main Street program?
A total of 34 local Main Street organizations participated in the survey. All organizations completing any portion of the survey are listed below.

<table>
<thead>
<tr>
<th>Aledo</th>
<th>Genoa</th>
<th>Pekin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alton</td>
<td>Jacksonville</td>
<td>Pittsfield</td>
</tr>
<tr>
<td>Batavia</td>
<td>Libertyville</td>
<td>Pontiac</td>
</tr>
<tr>
<td>Beardstown</td>
<td>Lincoln</td>
<td>Prophetstown</td>
</tr>
<tr>
<td>Bloomington</td>
<td>Lombard</td>
<td>Quincy</td>
</tr>
<tr>
<td>Canton</td>
<td>Macomb</td>
<td>Rock Island</td>
</tr>
<tr>
<td>Carbondale</td>
<td>Marengo</td>
<td>Springfield</td>
</tr>
<tr>
<td>Crystal Lake</td>
<td>Marshall</td>
<td>Sterling</td>
</tr>
<tr>
<td>Danville</td>
<td>Moline</td>
<td>Silvis</td>
</tr>
<tr>
<td>Dixon</td>
<td>Momence</td>
<td>Waukegan</td>
</tr>
<tr>
<td>Dwight</td>
<td>Mount Vernon</td>
<td></td>
</tr>
<tr>
<td>Elgin</td>
<td>Orion</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX C. ILLINOIS LOCAL ORGANIZATIONS BEST PRACTICES

ORGANIZATION

One of the most common obstacles for surveyed MS organizations of all sizes was lack of capital. Several examples of innovative or successful fund raising practices in Illinois MS communities are presented below. These fundraising projects were selected because they are accessible to any local program, represent a variety of fundraising approaches, and were considered successful by the program undertaking the project.

Christmas Wreath Auction in Beardstown. Beardstown Main Street conducts an annual Celebrity Wreath Auction where the organization purchases wreaths and sells them to local businesses. Businesses decorate the wreaths which are then auctioned off by a celebrity auctioneer. This fundraiser is relatively low cost at $650 and generates nearly six times that amount at $3600. Residents enjoy attending the event and bidding during the auction. Funds are used for the organization’s operating expenses.

5K Race in Libertyville. Libertyville Main Street has conducted its Twilight Shuffle 5K race for 5 years and the course winds through downtown. While the cost of holding the race is high at $20,000, it is also one of Libertyville Main Street's most profitable events with profits over $20,000. Revenue comes from the fees paid by the 1,000 participants as well as event sponsors. The funds are used for operating expenses.

Banner Sale in Dixon. Dixon Main Street used the purchase of new streetlight banners as a fundraiser. The organization purchased 40 banners at $100 each. They then sold banner sponsorships to businesses for $400 per banner. The profit of $300 per banner generated $12,000 for the organization. Another benefit of this fundraiser is the addition of new banners to the downtown streetscape. The funds were used to fund operations. The banners hang for one year so the organization can repeat this fundraiser annually.

Concerts in Alton. Alton Main Street has an annual concert that showcases local music groups. The event costs $11,700, but generates $20,600. This event has been held for five years. The funds are used to promote and improve downtown. This activity has the added benefits of providing the community with a popular event and bringing potential customers into downtown while raising funds.

DESIGN

Physical conditions or unattractive streetscapes are considered a significant obstacle to growth especially in MS organizations with small budgets, but streetscape design efforts may address this issue. Several outstanding design projects completed by local programs in Illinois were selected to show a cross section of streetscape elements. Taken together, these projects provide examples of how Main Street communities have addressed the challenges facing a typical downtown.

Curb Appeal Program in Carbondale. Carbondale has an ongoing building renovation program that helps property owners improve their properties with pro-bono design and architecture services, donated and discounted materials, expert guidance in construction and some free labor. To date, four buildings have been renovated at a cost of $100,000 in cash and $120,000 in in-kind donations.

Mural by Local Artists in Bloomington. Bloomington organized a collaborative mural using the talents of 41 local artists. The project cost $4,000 in cash, which was raised by selling Christmas greens, and it covered the cost of preparing the wall for the art. The artists donated their time and talent. This is an example of a project that is a catalyst for additional downtown improvement. As a result of the mural, the city has initiated a public art program and additional downtown art is planned.
Main Street as a Downtown Revitalization Strategy in Illinois

Street Trees in Jacksonville. Jacksonville Main Street anticipated the loss of street trees to disease and began a tree planting program along streets leading into downtown. The organization raised funds to plant 30 trees at a cost of $4,000. In-kind donations of planting services valued at $1,000 helped with installation and the local organization arranged with the city government to water the trees. An additional 15-20 trees are planned for a future project.

PROMOTIONS

Most MS programs in the current survey have at least 10% of commercial tenants struggling to attract customers, so promoting existing downtown businesses are always concerns for MS organizations. Survey respondents shared some of their best practices in promotion which are highlighted below.

Low Cost, Quality Entertainment in Lombard. Lombard Main Street provided outstanding entertainment at a minimal cost with an outdoor viewing of a Blackhawks game. The $700 cash outlay was covered by hotel/motel tax funds. Approximately 700 people attended the event which generated business for downtown eating and drinking establishments.

Unique Addition to Traditional Event in Dixon. Dixon Main Street added the Great Snowball Drop to its traditional Christmas Walk. Thousands of snowballs or ping pong balls were dropped on the crowd. Each ball contained a prize, such as a coupon or gift certificate to a downtown business. The $1,000 cost of this promotion was covered by sponsorships. The Great Snowball Drop helped increase attendance at the Christmas Walk to over 5,000 people, generating exposure and sales for downtown businesses.

Flash Market Promotes Shopping in Batavia. Each month the Artisan Collective pops up at a different downtown location. The event showcases artists and crafters from the surrounding area. By varying the location, a different downtown business or available space is showcased each month. The event has been a successful generator of visitors to nearby shops and restaurants. Costs are minimal and attendance has been over 1,000 people.

ECONOMIC RESTRUCTURING

Economic Restructuring is of great interest to local Main Street organizations. The first two workshops of the new training program have discussed this topic and attendance has been high.

Downtown Survey in Carbondale. Carbondale Main Street conducted a survey for downtown businesses to examine trends in sales, clientele and opinions about downtown. The survey will be repeated in future years to monitor growth and trends. The cost of the survey was primarily MS staff time and was covered by the organization. This is an excellent example of a low cost project that provides assistance to many businesses in the downtown.

New Business Assistance Program in Aledo. Aledo Main Street developed its New Business Springboard to combat high vacancy rates. The organization partnered with the City and Chamber to conduct workshops on writing business plans and then hosted a business proposal competition. Two businesses were selected to receive support as they begin operation in downtown Aledo. The competition will be repeated in future years to continue to generate new businesses for downtown.

On-Line Shopping in Quincy. Historic Quincy Business District launched ShopDowntownQuincy.com, an e-commerce site designed to give businesses an online shopping portal. The project’s goal is to strengthen existing downtown businesses. Six businesses are using the site and additional businesses are expected to join them. All participating businesses have seen an increase in sales. The project had an initial cost of $5,000 but is a long term investment in the future of downtown.
APPENDIX D. ON-LINE TOOLEXES FOR MAIN STREET ORGANIZATIONS

MS coordinating programs in other states have online toolboxes that provide a variety of resources for local organization staff and business owners. Several different approaches are described below.

**Wisconsin.** The University of Wisconsin (UW) Extension offers materials for market analyses of downtowns. Extension staff collaborates with local MS organizations and economic development corporations to conduct these market studies. The website also provides economic and demographic data, and assists local staff in identifying a trade area from which downtowns draw their customer base. Templates for consumer and business surveys are provided and local staff administers surveys to identify potential business opportunities in their downtowns. By following the toolbox guidelines, a community can generate a report describing the downtown's retail competitiveness compared to nearby communities and recommending potential businesses to target for downtown development. The toolbox is described on Extension's website but is accessed through contact with Extension staff. Such a toolbox could be relatively inexpensive to maintain since much of the content (e.g. the data bases) is listed as referrals to service providers.

https://fyi.uwex.edu/downtown-market-analysis/

**Minnesota.** In a similar way, the University of Minnesota Extension offers data for downtowns. Rather than focusing on downtowns per se, Minnesota's toolbox focuses municipalities and counties with populations larger than 5,000. In addition to the standard selection of demographic and economic data, the toolbox includes data from 1990 to present on sales tax revenues, by business type. Communities may access data within political boundaries such as a city or county for $750 or a custom region such as a trade area for $1,500. Extension also provides maps showing which Minnesota counties attract retail sales from other counties and which counties have residents purchasing most of the items outside the county. Like the Wisconsin toolbox, most of the content for Minnesota's toolbox is not directly accessed online but the website directs communities to service providers.

http://www1.extension.umn.edu/community/retail/market-area-profiles/

**New Mexico.** New Mexico Main Street’s toolbox provides guides and referrals rather than market data. The site has links to the U.S. Census Bureau and the New Mexico Rural Response Council for demographic and economic statistics for communities, although the scope of data is more limited than in other toolboxes such as in Minnesota and Wisconsin. The toolbox includes PDF guides for implementing various financial incentives for new and expanding businesses such as loan guarantees and rent supplements. Also included are several PDFs of market studies in local MS programs, conducted by the University of New Mexico's Bureau of Business and Economic Research. The toolbox also includes contact information for state and federal agencies serving rural downtowns such as the USDA.


**Oklahoma.** Oklahoma Main Street offers a toolbox especially useful for local MS organizations and business owners including case studies of award winning projects by local organizations available online. The descriptions provide specific, recent examples of successful projects that other local organizations can implement.

Business owners can find several useful tools on the website as well such as events and training opportunities offered by the Oklahoma Department of Commerce. Interactive Excel spreadsheets are available to assist entrepreneurs and there is a spreadsheet for downtown business owners to create a pro forma or conduct a break-even sales analysis. Business owners enter their information on estimated operating costs including
taxes, as well as their expected sales, and the spreadsheets automatically calculate the changes in pricing or sales necessary to reach a desired level of profit. Business owners also can access an Excel spreadsheet for weekly cash-basis accounting, comparing actual versus expected cash flows by source such as payroll expenses or sales revenue.

Finally, Oklahoma Main Street’s website includes a database of available buildings or sites in MS districts. Potential developers are able to browse certified sites and obtain comprehensive data on the property’s size, sale price, utilities coverage, and incentives offered. Each property listing also includes area economic and demographic data, including consumer spending patterns, workforce characteristics, and a count of nearby businesses by industry.

http://okcommerce.gov/main-street/

Connecticut. The Connecticut Main Street Center’s website is a resource hub for 23 topic areas including data and statistics, funding and philanthropy, small business development, urban design and place making, and promotions and sponsorship. Each topic has links to other websites relevant to local MS programs. For instance, the data and statistics section includes links to public and private data sources such as the Census or the Brandow Company’s BizStats database on company finances and profitability by industry. The funding section includes links to corporate and community foundations offering grants and loans to Connecticut downtowns. The small business development section includes links to Connecticut’s SBDC program, the federal Small Business Administration, and several private websites with guides to developing business plans.

http://ctmainstreet.org/resource-materials/

Iowa. Main Street Iowa offers a Downtown Lending Library for local member organizations. Executive directors can apply online to borrow hundreds of books and videos on topics related to improving downtowns. The library includes resources on highly specialized topics such as training tour guides and resolving common obstacles to growth found in municipal zoning codes, and designing and implementing sign ordinances for downtown businesses. The library also includes more general resources such as success stories in local MS organizations nationwide and books on nonprofit management. The online component of a lending library is inexpensive to develop since it involves simply listing and describing the materials available then providing an application form.


Ohio. Ohio Main Street offers a mix of resources similar to those in Iowa and Connecticut. The program’s website offers referrals to grant opportunities from state foundations, state agencies, and federal agencies. The program also has under-construction Knowledge Bases for Main Streets and historic preservation. The Knowledge Bases will include links to documents, case studies and service providers organized around subject areas such as business development, marketing, historic commercial buildings, and preservation techniques. Some executive directors share sample documents with other local organizations, including template visitor surveys and local organizations also post requests for proposals for current redevelopment projects. Ohio Main Street’s toolbox is still being populated and each section of the website includes forms for executive directors to suggest additional content.

www.heritageohio.org/resources/
APPENDIX E. LOANS AND GRANTS OFFERED BY STATE COORDINATING PROGRAMS

States offer a variety of types of grants. The most common is for building rehabilitation. New York offers up to $50,000 in a matching grant to property owners. The funds can be used for interior or exterior building rehabilitation. In addition, the local Main Street program is eligible for up to $15,000 in streetscape funds if used in conjunction with a building rehabilitation grant. New York also offers grants for planning and the development of design guidelines (http://www.nyshcr.org/AboutUs/Offices/CommunityRenewal/NYMS-Resource-Guide.pdf).

Virginia offers Financial Feasibility Grants, locally referred to as “White Elephant” grants (http://dhcdvms.wordpress.com/2013/09/03/vms-now-accepting-applications-for-financial-feasibility-grants/). These grants can be used for those buildings that are unusually difficult to bring back into use. Unlike building rehabilitation grants, this grant is for financial feasibility analyses of building reuse. The goal of the grant program is to identify the highest and best use of the property and provide the property owner and the Main Street organization with the information needed to attract developers and investors. The competitive grants are for up to $25,000. They must directly benefit a Main Street community, can only be awarded to the local Main Street organization and must be administered by that organization.

Some grants require a local match. In Montana’s tiered Main Street program, only cities in the lowest tier of the program have local matching requirements. Grants are awarded on a competitive basis and may be used for long range planning and revitalization needs or more specific projects. Matching funds are required at a ratio of $1 for every $5 requested for Affiliate Communities. Certified and Designated Communities are not required to provide matching funds (http://mtmainstreet.mt.gov/services.mcpx).

Other state grant programs make smaller awards. Indiana offers grants of up to $5,000 (http://www.in.gov/ocr/2362.htm). The grants are for permanent improvements to the Main Street district, including façade improvements, streetscapes, murals and signage. A dollar for dollar match is required. Communities must have been active in the Main Street program for at least one year. Collaboration is encouraged, but the Main Street organization must take the lead.

Georgia offers a Downtown Development Revolving Loan Fund (DDRLF) to its Main Street organizations. The fund provides 10-year loans of up to $250,000 or 40% of project costs at a 2% interest rate. Eligible uses of DDRLF loans include land acquisition, renovation, construction, public or private infrastructure improvements, and equipment purchases. Since 1999, the DDRLF has awarded 121 loans to Georgia Main Street organizations, leading to a total of 1,322 retained or created jobs and more than 121 business starts. A recent example of such a project is in Milledgeville, Georgia, (pop. 19,000) where a mixed-use retail and apartment building was renovated with a mix of bank financing, Community Development Block Grant funding, state and federal tax incentives, and a DDRLF loan. The project created 8 jobs, assisted 2 businesses, and improved facilities for 15 housing units. In another recent project, DDRLF funds partially supported the reconstruction of a pizza restaurant in Fairburn (pop. 14,000) that was damaged in a 2010 fire. The project was funded by DDRLF, bank financing, and owner equity with 24 jobs created and the project restored operations of one of the downtown’s anchor businesses.

http://www.dca.state.ga.us/economic/financing/programs/ddrlf.asp
APPENDIX F. TIERED MAIN STREET PROGRAMS

Several states encourage broader participation in their Main Street programs by offering tiered membership. Tiers can vary by local organizations’ level of experience, training requirements, or financial capacity. Several examples of tiered Main Street programs are described below.

**Minnesota** has a two-tiered system consisting of an entry level Associate Member and the traditional Main Street organization at the Designated Community level. Associate members receive discounts on training, pay a lower annual membership fee ($200), and have access to Minnesota Main Street newsletters, List Serve and consultations from staff. In contrast, Designated Communities pay an annual fee of $2,000 for which they receive free training at the state level and in the local community, on-site technical assistance, meeting facilitation, design services, and organization management assistance.

**New Jersey** has a three-tiered system. At the lowest level, Associate Programs must commit to the Main Street Approach and file annual reports. They receive assistance in hiring an executive director and limited free attendance at state and national conferences. Partner Programs must attend state and national conferences and training, have paid staff at least part-time, develop an annual plan, and report on their progress quarterly. They receive training on many topics and are eligible for grants. At the Traditional Program level, the organization must have paid full-time staff, attend additional training and report monthly. They receive more assistance in Design and Economic Restructuring than lower levels.

**Michigan** also has a three-tier system. Local organizations progress through the levels based on the number of years they have been in the program. Associate level communities are in their first year of operation. They receive training in the Four Points, an on-site visit and access to the List Serve. Organizations that have been in operation for 1-5 years are at the Select level. They receive specialized training in their communities. They must have paid staff, an active board, and functioning committees in each Point. Select level organizations must also demonstrate their financial sustainability. An organization may advance to the Master level after completing five years of operation at the Select level. At this level, they may take part in all training, receive on-site training and assistance, sit on the Michigan Main Street Advisory Committee and mentor other programs.

**Missouri** has a four-tier system. Below the top level, Missouri Main Street staff evaluates each community annually and assigns it to a level based on its achievements in downtown revitalization. The requirements increase as a community moves through the levels, with paid staff, additional training and diversified funding required at the third level. Services generally increase with each level. An exception is certain start-up oriented services that are available at lower levels.