WORKS IN PROGRESS
NATIONAL MAIN STREETS CONFERENCE
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It Takes More Than Stores:
Keeping your downtown alive in the future

Presented by*

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*The authors thank Andy Blanke, CGS, for assistance in data analysis.
Once There Was A Beautiful Downtown
It Had New Businesses
And Great Events
Why Were The Businesses Struggling?
Presentation Overview

- Where Are The Customers And What Do They Want?
- Who Will Be The New Storekeepers?
- How Can You Create A Thriving Business Community?
Where Are The Customers And What Do They Want?
The Disappearing Customer
So Who Will Be Shopping in Your City?
Projected National Population By Age, 2012-2025

Population Changes

• Large growth in older adults (65-84)
• Adults 25-35 also will be significant
• Immigrants are an important economic driver
• Types of goods and services demanded will change
## Average Consumer Spending by Age and Purpose, Midwest, 2011-2012


<table>
<thead>
<tr>
<th>Source of Sales</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65 &amp; Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelter (e.g. mortgages, rent, property tax, repairs)</td>
<td>8,694</td>
<td>10,495</td>
<td>10,147</td>
<td>8,616</td>
<td>6,452</td>
</tr>
<tr>
<td>Food at home</td>
<td>3,718</td>
<td>4,706</td>
<td>4,593</td>
<td>3,924</td>
<td>3,120</td>
</tr>
<tr>
<td>Vehicle purchases (net outlay)</td>
<td>3,510</td>
<td>3,779</td>
<td>3,231</td>
<td>3,316</td>
<td>2,017</td>
</tr>
<tr>
<td>Entertainment (events, hobbies, audio &amp; visual)</td>
<td>2,461</td>
<td>3,364</td>
<td>3,045</td>
<td>2,713</td>
<td>1,809</td>
</tr>
<tr>
<td>Health care (insurance, services, medication, supplies)</td>
<td>2,176</td>
<td>3,320</td>
<td>3,986</td>
<td>4,513</td>
<td>5,530</td>
</tr>
<tr>
<td>Food away from home</td>
<td>2,564</td>
<td>3,111</td>
<td>3,052</td>
<td>2,432</td>
<td>1,585</td>
</tr>
<tr>
<td>Apparel and services</td>
<td>1,775</td>
<td>2,364</td>
<td>1,892</td>
<td>1,382</td>
<td>923</td>
</tr>
<tr>
<td>Household operations (e.g. personal services)</td>
<td>1,612</td>
<td>2,099</td>
<td>1,607</td>
<td>1,594</td>
<td>1,453</td>
</tr>
<tr>
<td>Personal care products and services</td>
<td>513</td>
<td>672</td>
<td>679</td>
<td>605</td>
<td>536</td>
</tr>
</tbody>
</table>
The Importance Of Immigrants
Who Will Be The New Storekeepers?

[Images of people standing in a convenience store and sitting at a desk]

[Northern Illinois University Center for Governmental Studies]
Who are the entrepreneurs?

- Early retirees
- Women age 25-34
- Immigrants
- Unemployed
- Farmers with Small Acreages
- Males in Late 40s
Age of U.S. Business Owners, 2007-2012

Store owner profiles by age and ethnic group

- Older existing owners-retire
- New retiree owners-part time
- Mom owners- This group may work from home
- Immigrants
Immigrants as Business Owners

- Immigrant share of business owners (18%) is higher than immigrant share of the population (13%) and of the labor force (16%)
- Less educated
- In the US 10+ years
- Higher percentage of women owners than among US born women
- Earn less than US born owners
- Equally Latino, Asian, White Immigrants

Source: FPI analysis of 2010 ACS 5-year estimate
Possible Future

• Customers age 25-35 who spend more
• Older customers spend less on and on less things
• Fewer business owners operating from storefronts
• Part-time owners
• Immigrants growing in importance as older traditional store owners age out and retire
How Can You Create A Thriving Business Community?
You Will Need More Than A Pretty Main Street
Keys To Success

1. Recognize New Customer Base
2. Create A Balance of Uses
3. Encourage Supportive Public Policies
4. Develop Capable Business Owners
1. Recognize New Customer Base

- Retirement ready communities
- Appeal to young adults
- Immigrants as business owners and customers
Retirement Ready Communities

• Offer a variety of accessible, affordable housing options
• Promote access to the community, including:
  – Safe and walkable neighborhoods
  – Transportation options
  – Safe driving conditions
  – Emergency preparedness
• Provide a wide range of supports and services, and opportunities to participate in community life:
  – Health care
  – Supportive services
  – General retail and services
  – Healthy food
  – Social integration

Source: Metlife Mature Communities Institute
Greenville, SC

Attracting Young Adults

- Cost of Living
- Job Opportunities
- Metro Features
- Health and Nature
- Diversity

Vikki’s Story-Part 1

Source: American Planning Association
Can Small Cities Attract The New Customers?

- Small city can provide entertainment, housing, shopping, proximity to public transit at lower cost.
- Small cities may have higher quality schools, lower taxes, open space, sense of community.
- Big city has more employment so small cities within an easy commute have an advantage.

Vikki’s Story-Part 2
Cost of Living is Key to Young and Old

Approximately 80 percent of respondents cite living expenses as important in choosing where to live and 65% list affordable housing as a priority.

Cost of Living in Smaller Illinois Cities Compared to Chicago

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Carbondale, IL</th>
<th>Galesburg, IL</th>
<th>Springfield, IL</th>
<th>Quincy, IL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>10% less</td>
<td>13% less</td>
<td>11% less</td>
<td>14% less</td>
</tr>
<tr>
<td>Housing</td>
<td>39% less</td>
<td>46% less</td>
<td>35% less</td>
<td>31% less</td>
</tr>
<tr>
<td>Utilities</td>
<td>6% less</td>
<td>No difference</td>
<td>21% less</td>
<td>12% less</td>
</tr>
<tr>
<td>Transportation</td>
<td>18% less</td>
<td>20% less</td>
<td>18% less</td>
<td>23% less</td>
</tr>
</tbody>
</table>

Source: CNN.Money Cost of Living Calculator
Micro-Urbanism-Geneva, IL
Immigrant Impact - Schenectady, NY
2. Create A Balance Of Uses

“You can't rely on bringing people downtown, you have to put them there.”

— Jane Jacobs, *The Death and Life of Great American Cities*
Non-Retail Businesses: Untapped Potential

- Over 3/4 of Local MS organizations have not worked on Industrial areas.
- Over 1/3 have not worked on areas beyond the main retail street.
Employee Spending

- Average Weekly Spending Near The Office is $102
- Eating Establishment Account for 14%
- Grocery Stores Capture 19%
- Discount Stores Account for 10%
- The more ample the retail, restaurant and services offerings in the vicinity of the office building, the higher the spending by office workers.

Source: International Council of Shopping Centers
Residents: Untapped Potential

• Over 1/2 of local MS organizations have not worked on residential growth.
• Spending
• Safety
• Life
• Volunteers!
Libertyville, IL
3. Encourage Supportive Public Policies

- Public Facilities
- Form Based Codes
- Simplified Procedures
Public Facilities

• Draw People
• Employees
• Institutional Leadership
Form Based codes
## Form Based v Traditional Zoning

<table>
<thead>
<tr>
<th>Traditional Zoning</th>
<th>Form Based Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Focus on Use</td>
<td>1. Focus on Neighborhood Activity</td>
</tr>
<tr>
<td>2. Create Uniformity</td>
<td>2. Encourage Diversity</td>
</tr>
<tr>
<td>3. Dimension based “set backs”</td>
<td>3. Relationship based “build to”</td>
</tr>
<tr>
<td>4. Limit Change</td>
<td>4. Allow Flexibility</td>
</tr>
</tbody>
</table>

Source: Michigan Association of Planning
http://opticosdesign.com/quick-high-quality-mesas-downtown-form-based-
Nashville, TN
4. Develop Capable Business Owners
Keys to Stronger Retailers

• Multichannel retailing
• Technical expertise
• Restructuring for Future Owners
• Succession planning
Multichannel Retailing—Untapped Potential

- Multichannel retailing is reaching customers through a variety of platforms and distribution points
- Just over ½ of small businesses have a website
- Only 30% of those with a website use it for online sales
Flexibility
Distribution Network

- **Sycamore Hy-Vee**
  2700 DeKalb Avenue
  Sycamore, IL 60178
  815-756-6174

- **Lundeen's Discount Liquors**
  1760 DeKalb Avenue
  Sycamore, IL 60178
  815-899-1231

- **Liquor N Wine**
  540 E. Main St.
  Genoa, IL 60135
  815-784-9780

- **Woodman's**
  3155 McFarland Road
  Rockford, IL 61114
  815-986-0220

- **Burlington Oasis**
  125 W. Plank Road
  Burlington, IL 60109
  847-683-0920

- **The Shrimp Barn**
  125 E. Mondamin St.
  Minooka, IL 60447
  815-828-5526

- **Inside Out**
  226 N. Central
  Gilman, IL 60938
  815-265-9905
Multiple Locations
Bring People In
New Products
Marketing

- "Vino Betweeno" is here!!! All Wine Club members can stop in this Friday, Saturday, or Sunday and purchase any three bottles of wine and receive 20% off. A great chance to stock up for cooking out, picnics, or upcoming holidays.
Cost Control
Assistance To Businesses
# Main Street v. Non-Main Street Communities In Downstate Illinois

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Group Average</th>
<th>Non Main-Street Communities</th>
<th>Main Street Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Sales Per Capita*</td>
<td></td>
<td>14,976</td>
<td>19,791</td>
</tr>
<tr>
<td>2010 % of Population Over Age 64</td>
<td></td>
<td>14.2%</td>
<td>16.2%</td>
</tr>
<tr>
<td>City Sales as % of Sales Within 25-Minute Drive From City Center**</td>
<td></td>
<td>19.1%</td>
<td>33.0%</td>
</tr>
<tr>
<td>2010 Employment to Population Ratio</td>
<td></td>
<td>57.9%</td>
<td>57.2%</td>
</tr>
<tr>
<td>Median Household Income Within 25-Minute Drive From City Center</td>
<td></td>
<td>43,617</td>
<td>44,926</td>
</tr>
<tr>
<td># of Observations</td>
<td></td>
<td>26</td>
<td>21</td>
</tr>
</tbody>
</table>

*Difference is significant at a less than 1% confidence level.

Source: Center for Governmental Studies, Northern Illinois University
Some Ideas

- Tools - Use Your Website
- Market Data - Surveys and Studies
- Collaboration - Ads, Buying, Buy Local, Expertise
RESOURCES FOR ILLINOIS MAIN STREET COMMUNITIES

Illinois Main Street is a downtown revitalization program based on the National Main Street Four Point Approach. Illinois has participated in the Main Street program since 1993. There currently are 41 Main Street communities in Illinois. The program is administered by the Department of Commerce and Economic Opportunity. Please visit the Illinois Main Street Website for more information.

Illinois Main Street provides local Main Street organizations with technical support including training, conferences, site visits and on-line resources. IMS has contracted with the Center for Governmental Studies at Northern Illinois University to assist in providing support to local programs. A variety of resources can be found on this page, including upcoming events, material from past workshops, examples of best practices, models and templates for local projects, and sources for data and information.

MAIN STREET AS A DOWNTOWN REVITALIZATION STRATEGY IN ILLINOIS

Illinois Main Street contracted with the Center for Governmental Studies to prepare a report on the status of the Main Street program at the state and local level. All Illinois local Main Street organizations were surveyed to obtain information on their organizations, performance, needs and districts. This information was combined with group discussions and research on best practices in other states to arrive at options for the future of Main Street in Illinois. An executive summary and the full report are available below.

Executive Summary | Full Report

TRAINING AND EVENTS

Illinois Main Street is hosting a new series of workshops for local Main Street staff and volunteers, city staff and officials, economic development professionals, chambers of commerce and others interested in downtown revitalization. The workshops are held around the state throughout the year. Click on the upcoming events below for information on topics, dates, and locations. For information on past workshops, click on the past events below to read about the workshop and download material from the workshop. Workshops often sell out so advance registration is encouraged.

MAIN STREET TOOLBOX

Local Main Street organizations carry out a wide range of programs and projects requiring specialized knowledge and resources. This toolbox contains tools that Main Street executive directors and volunteers can use to assist downtown businesses, carry out downtown improvement projects, provide information for residents and visitors and run their own organizations effectively. Some of the tools can be downloaded and posted on local websites. Others can be linked to local websites. New tools will be added over time. Visit the Main Street Toolbox.
Services For Businesses

SERVICES FOR BUSINESSES

Local Main Street organizations provide assistance to existing downtown businesses, businesses thinking of opening a downtown location and entrepreneurs considering starting a new business. Here you will find tools useful to businesses in all stages of operation.

What to Consider Before Starting a Business
Business Plan Template
Monthly Cash Flow Estimator
Self Employment Payroll Tax Estimator (2013)
Payroll Tax Estimator

ORGANIZATION MANAGEMENT

Managing a local Main Street organization requires skills in many areas including fund raising, budgeting, staffing and volunteers, communications and more. This section of the toolbox includes resources useful in the day to day management of the organization and in planning for the future.

501c3 v 501c6

VENDORS

While most towns have many of the types of vendors used by Main Street organizations, there are some vendors who provide a specialized service or product that is not always available locally. The following list of specialized vendors has been provided by local Main Street organizations. Additional vendors can be submitted at any time.
Download the vendor list here

MARKET STUDY GUIDE

A market study provides valuable information on downtown's potential and guidance in developing a plan for downtown growth. The following websites provide guides to understanding the market study process and help in preparing your own market study.

Downtown and Business District Market Analysis provided by University of Wisconsin Extension
Market Analysis for Main Street Provided by Ulster County, New York Planning Department
Genoa, IL: Non-Retail Businesses
Morrison, IL
(Pop. 4,141)

- University-Community Project (USDA-RD)
- Created 23 Business Web Sites
- Hosted 10 Workshops -> 160 Participants
- Facilitated Business Roundtable-17 Businesses
- Survey of Farmer’s Market Attendees—21 Vendors
- Provided Technical Assistance on Business Issues
- Stimulated Interest in Local Downtown Investment
- Documented Increased Traffic and Sales
Morrison, IL
Restructuring for Future Owners

• Characteristics of owners
• How to deal with part-time businesses, lack of expertise, commitment
Hardwick, VT  
(pop. 3,010)

• High Unemployment and Eroding Downtown  
• Focused Efforts on Local Food Identity  
• Rehabilitated Vacant 3-Story Building  
  – Lower Floor Processing Apples into Cider  
  – Ground Level: Retail for Cider/Mead, Cheese, Meat, Bakery  
  – Top Floor: Office Space  
• LLC Bought Restaurant Building  
  – Hired a Management Company (LLC) to Operate  
  – Community Support Financing-Paying For Meals in Advance  
  – Became Social Center for Downtown  
• Became a Tourist Attraction
Hardwick, VT
Succession Planning

• Internships and education programs
• Financing strategies for new owners
• Auctions and contests
The New Agenda Is More Than Stores

• Meet the needs of the new customers
• Recruit And Assist New Storekeepers
• Educate Public Agencies On Downtown Friendly Policies
• Focus Your Efforts Beyond Retail
For More Information

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