

Coordinating Program Consultation Portland, Oregon

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Main Street
NATIONAL TRUST FOR
HISTORIC PRESERVATION

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Recommendations for Portland, Oregon
Based on the September 23rd and 24th, 2008 Site Visit

Opportunities for a Portland Main Street Program

1. **Portland has a broad network of interested parties** – professional and volunteer – who were active in the two meetings in which we participated. Main Street requires a good cross-section of interested parties who will generally represent the district. This includes conscientious business owners, willing volunteers, and smart property owners. On observation, while both large group sessions had questions unique to their circumstances, both the community-based session and the public-sector session were similar in their interest levels and questions.
2. **The public sector has a burgeoning partnership that is good for program leadership.** It appears that the leadership at PDC is interested in the Main Street model and its success in other cities. We commend the staff of the City and the PDC for their leadership in conceiving new ways to address neighborhood commercial development. The public sector's role in Main Street programs is woven throughout the functionality of a good business district – from capital improvements to services and business incentives. Their convening role for city-wide strategy is essential to building the city-wide dimension to a program like this, but it is also essential to have it fit into the broader economic development and quality of life priorities of the city and be supported as such.
3. **The time is right.** With the incoming new mayor, this may be the right time to introduce a new program and the infrastructure to support it. New administrations can often represent new energy within the administration and new attention from community-based constituents. It may be a moment in time to have serious discussions about ways to:
 - Launch the program as a city-wide network
 - Re-craft existing commercial district support programs into this citywide network
 - Align city services in other departments and cabinets in support of this program, such as transportation planning, land-use planning, capital infrastructure, park improvements, etc.
4. **There's broad geographic interest.** The Main Street methodology is very flexible and can be applied in a cross-section of physical locations and levels of need. There seemed to be a wide variety of neighborhood business districts represented in our Portland meetings. Having a diverse representation of neighborhood business districts fosters city-wide buy-in and support.
5. **There appear to be various programs and resources offered to neighborhood business and business district programs.** Boston Main Street's experience made obvious the fact that, while many programs existed for small businesses, they were not being applied in an efficient and strategic manner. We are not in a position to assess how small business services and resources are being used in Portland, but it would be worth

evaluation to determine whether their alignment and placement might help achieve some of the goals district-wide programs.

6. **Portland is a city perfectly suited to grassroots-driven programs at the neighborhood level.** The participation of so many districts and representatives was good testimony to curiosity, if not interest. We also observed many people present with good questions about the kinds of places that would be suitable to a Main Street initiative. With the strong residential character of the districts we drove through, it seems there would be a solid (and to the extent we observed, willing) volunteer base available to support a commercial district program that is poised to improve district conditions and increase available services to the community.
7. **The citywide Alliance of Portland Neighborhood Business Associations (APNBA) is a helpful place to start for advocacy, coordination, and broad policy monitoring.** Having a city-wide partner in the form of a trade group representing neighborhood commerce is an important partner for several reasons: it can provide important feedback on program implementation; it can be an outreach mechanism for building support for Main Street; it can also do things as a private 501©3 or 501©6 that city government or a quasi-public entity might not be able to do as well, such as lobbying and fundraising.
8. **The State Main Street program is very supportive of the City of Portland's interest in Main Street.** The participation of the State Coordinator in all of our meetings, in spite of a busy week of state-wide announcements, was evidence that there is potential for reinforcement and support for Portland in a larger context. We have seen stronger city-wide programs when there is support from the state-wide program in the beginning stages.

Considerations

1. **There isn't a high-level partnership yet.** While the partnership has evident informal support within the departments (and that's no small thing!), There has not been an official commitment yet. While local leaders will need to determine this, high level support can help to mobilize inter-departmental coordination and shake free the resources that can further shape the program's vision and implementation.
2. **Why Main Street?** While there is clear interest and a strong staff partnership examining the Main Street Approach, **there was not a clearly stated reason** why. Is Portland aiming to strengthen neighborhoods? Support more sustainable living and working situations? Solve a jobs crisis with small businesses? Reinforce entrepreneurship? Create more commercial situations? Solve blight? These are the kinds of things that are often articulated as the "need" for a Main Street program. **Portland needs to clearly state "why" in order to mobilize broad support and structure resources in ways that will help to achieve those ends.**
3. **No corporate representation for funding or potential economic development activity.** Most Main Street programs start out with little or no cash resources and proceed to raise the funds. **To launch a program in a city, there is often a need to see success sooner,** and incent the kind of activity that demonstrates the value of having the program to begin with. We didn't meet with representatives of larger business or industry who might see investment like this as a match to their market. In Boston and Baltimore, banks were logical partners since they usually had branches in every neighborhood of the city. With the current economic climate, that may not be the target, but there may be other corporate entities that would value better neighborhoods in the city as a means of retaining good personnel, or for whom a program like this would be good marketing and promotion.
4. **There isn't clarity of coordination with the programs that currently exist in the field.** We heard about the myriad other programs Portland is supporting in the neighborhoods, but **no clear or theoretical plan for introducing Main Street into that sphere.** Are there financial and technical resources currently offered to other commercial district or business programs that might be re-directed to a Main Street program structure? Is there a debate to be had about re-organization? **Could current programs be given a better shot at being designated a Main Street program if they were to re-direct the funds or technical assistance they receive from the City to a Main Street structure?**
5. **Housing isn't necessarily part of this discussion, nor is it really part of the model, but many people mentioned it.** There may be some interesting places to put it in a program like this: housing on Main Street, infill housing, upper story zoning relief, etc. The physical orientation of several of the districts we toured had strong relationships to surrounding residential areas, and, in some cases, had housing interspersed with commercial. While this isn't the primary mission of the Main Street program, it may be that the PDC and the City consider policies and programs that support residential activity

in Main Street districts in ways that assist programs, but **don't distract them from their commercial activities.**

There are currently several Main Street communities that have been successful at doing this.

6. **Not clear yet where the program will be housed or how coordination will be structured.** There is, of course, no need to solidify this until there is a decision to move forward with a program. However, it is important for Portland's interest groups be clear on the following factors early on, and long before launching a program:
 - Where will the program be housed?
 - Who will have authority over the program's policies and programs?
 - What kind of staff will lead this program and how much staff do you need?
 - What will the partnership strategies between PDC and the City be for a program going forward?
 - What will the city-wide program require of neighborhoods participating in the program (not just money, but meeting participation, program offerings, etc)

7. **So far, there is no clarity of where resources will come from.** Most citywide Main Street programs have had to start-up their programs with some financial support, **mostly for technical assistance to programs and for their program manager.** We didn't get a sense that staff had yet identified if there would be some pocket of resources that could be identified for a program like this or funding that could be re-positioned to support this. There was some consideration of Business Improvement Districts as being the potential source of some resources. This should be examined more as it could provide the most sustainable sources of resources going forward. Again, the City and PDC should re-evaluate current support for similar programs to see if there is potential to re-craft current programs in support for a Main Street program with better benefits for the switch.

Recommendations

- 1. Make some early determinations about coordinating staff and what that staff will be accountable for.** Boston launched 10 new programs on the same day its one citywide staff member started her job. That unwieldy start meant that staff was trying to learn the internal ropes while trying to answer questions coming from neighborhoods who expected to hit the ground running. Portland should think about this well in advance of launching a program so as to be clear what the central office's resources will need to be, what the business plan for the overall program will be, and how to communicate that out to designated districts. **Boston did not budget citywide planning resources for this into its contract with the National Main Street Center** (although coordinator expenses and Main Street 101 training was included). **It is recommended that a coordinator be identified, designated, trained and have a plan in place before launching.**
- 2. Where should the program be housed?** Most urban coordinating programs are housed within their city's economic development or community development wing. Choose a place where the program will have its best and most enthusiastic support and leverage as many resources as possible. You will want to choose a place where coordinating staff can foster support from other agencies and external corporations and institutions
- 3. Select competitively.** As Portland determines how many districts it may designate, it should also consider how it selects. Most urban program have found that by having a competitive selection by a panel of outside representatives not only de-politicized the process, it also highlighted many things that a Portland Main Street program will want to know: Is the neighborhood truly unified? Have they organized real financial commitments to support the program? Are all the stakeholder groups represented? Do they understand the Main Street approach and have they presented ways in which they would apply it to their unique circumstances?
- 4. Start the program small, but not too small.** Boston launched its program with 10 programs and an 11th which was the 10-year-old Roslindale Village Main Street program. It was far too much for a brand new program, but it was felt necessary to demonstrate that it was the new policy for neighborhood commercial districts and small business. In retrospect, it would have been better to **launch 5 programs at the kick-off** of the program and be clear what the interval for designation of future districts would be. Five districts allow you to identify this effort as a "program." It also allows Portland to see what a "network" can look like for cross-city communications and sharing of lessons. It also allows you to apportion your resources in a way that matches defined needs by each designated district. Baltimore has followed this concept and has done exceptionally well. They have been able to utilize their resources in a more strategic manner, build an effective Main Street network, and only accept new programs when it is feasible.
- 5. Expand the involvement of departments to include those in charge of public capital improvements, transportation, and tourism.** We witnessed many different types of economic development planners and program officials in our meetings, but Main Street programs in urban communities identify many needs that will require other departments

and professional needs. It would be good to continue planning with representation of public works, transportation, parks, and tourism/marketing at the table. This will articulate what might be done to a) respond to the needs as articulated by districts once designated, and b) plan for ways to marshal resources and projects in support of Main Street programs so that they can help demonstrate success more readily.

6. **Consider a citywide Main Street program an opportunity to create a citywide communication, learning and coordination vehicle.** Boston Main Streets discovered that having a network of nearly 20 districts created as many opportunities as it did coordination challenges. Boston was caught off guard by the communication that would naturally happen informally between managers and had to “catch-up” with their needs for training in bookkeeping, filing for 501©3 status and reporting. Learning from Boston, Baltimore had the opportunity to build city-wide communication by fostering regular communication in the form of bi- monthly meetings with managers, and regular meetings with city departments. Portland should plan out a coordination strategy that not only anticipates the places where shared knowledge could help districts get up and running faster, but can also reinforce the citywide nature of their work. For example, how can you plan annual citywide promotions around the holiday season that elevate neighborhood shopping for everyone? How might a shared marketing strategy around district development sites allow Portland to attract retailers and developers and flow them through to ready Main Street districts?

7. **Money!** The citywide program needs to identify some funding to help launch the district programs, galvanize support and momentum, and help operate the citywide office. It would probably surprise many what an impact a citywide Main Street program can have for very little funding (relative to major public investment programs), so the most important thing to do first is develop a budget.

Sources of funding that we heard about that should be examined are as follows:

- CDBG or other funds currently devoted to similar work with other organizations.
- BID development and resources available by linking the Main Street Approach with a predictable revenue source.
- Corporate (including CRA) or philanthropic funding support meant to stimulate economic development.
- Administrative costs associated with executing capital improvements (usually cities appropriate a certain percentage of project costs for project management).
- Are there local option taxes (food, restaurants, transportation?) that could devote a portion of revenue to a program like this?
- Can Main Street districts in Urban Renewal areas or empowerment zones benefit from financial resources only available to those areas?

All of the above sources will likely require measurable outcomes which should be as close to the objectives of the citywide and district programs as possible. While some of these can be met in the typical Main Street data collection, it is important to be clear on

the impact that funders are seeking in order to be able to communicate that to districts and manage accordingly.

If you decide to do a storefront incentive as part of the program, hold back on the availability of those kinds of funds so as not to detract from the important work of organizational development, program development, etc.

- 8. District Program Managers should be carefully selected and paid realistically.** It needs to be determined where the District Managers will report. In the interest of building a self-help program that reflects neighborhood priorities, it may be that they need to be employees of a separate organization or another non-profit. Boston required a separate non-profit for each district program in order to start a clean, new effort. Baltimore allowed for different but clearly stated alternatives. Regardless of what Portland chooses to do on this matter, clarity of roles and responsibilities is important for the following: reporting requirements, participation in citywide activities and meetings, performance measures, and annual reviews.

Salaries of Program Managers should be realistic and established in accordance with the skills you are looking to solicit from them. Portland should consider setting a minimum scale for districts so as to avoid low-balling that can easily happen when district boards and volunteers are left to the challenges of fundraising. This is important because Main Street managers, particularly in urban communities, are faced with more than just coordination and organizing. They need to bring more substantial understanding of marketing business development, planning and economic development.

- 9. Could Portland develop a “Corporate Buddy” program?** Boston had success in bringing corporate support to district programs by brokering 3-year introductory relationships for each district. These partnerships required that the district program and the buddy define ways that they could work toward mutually beneficial goals in the district, while the buddy provided \$10,000 per year for 3 years. If designed strategically, this could be the core of a funding program for the entire program.

Boston has, in the last 3 years, created the Boston Main Streets Foundation as a means of raising significant sums of money for on-going management of the program citywide. Many of the founding corporate buddies of 12 years ago are involved.

- 10. Be open to any district size so long as the revitalization strategy makes sense.** The linearity of Portland’s streets and neighborhood commercial districts may appear challenging to commercial district revitalization because of their length and the interspersed housing and other uses. This shouldn’t limit the potential for a program like Main Street. One of Boston’s most successful districts (Washington Gateway Main Street) is its longest. Their success was based primarily on their clearly defined strategy at the outset of the program and management of that revitalization plan over time. They focused resources and time on key concentrations of blocks and paid more informal management attention to the balance of the district.

So long as a district's identity is understood traditionally as a "district" or a "neighborhood," length is probably less of a barrier to success than the strategy for address critical physical and economic places within it.

- 11. BIDS as the long term underpinning for sustainability and accountability?** After 13 years, Boston has begun to ask the question of whether Business Improvement Districts have the chance to be the long term funding manager/sustainable feature for the program. This is largely driven by legislative limitations. If Portland has BIDS available to them, is it time to explore a much more formal structure of BIDS in districts that adopt Main Street program methodology? This may also be the way to move current commercial support programs away from subsidy or disparate technical support programs to a much more *strategic* framework with measured progress.

Typical Citywide Main Street Programs

	First year	Year 5
Number of staff	2 FT	8.5 FT
Total Salaries	\$90,000-\$ 120,000	\$350,000-\$400,000
Total Budget	approximately \$500,000	approximately \$2,000,000
Contract with NMSC	\$200,000	\$150,000
Neighborhoods Selected	4-5 per year	total of 20

Services to Neighborhood Program

- design services – 100 hours over 4 years
- a corporate buddy
- technical assistance (through NTMSC and city staff)
- \$52,000 in cash
- \$2000 for promotions
- \$25,000 per year for 4 years for 50/50 façade grants
- \$35,000 for staffing

Group Services

- promotions
- coordination with other city departments (media, public works, etc.)
- visibility (annual reports)

Sources of funding:

- CDBG
- General fund

Department Designation:

Department of Neighborhood Development (Boston)

Department of Planning and Development (Chicago)

Department of Economic Development (San Diego)

Typical Neighborhood (Local) Programs Staffing:

1 full-time executive director the first year

1 part-time administrative assistant after the second year

average salary for executive director: \$45,000

Total Budget:

\$100,000 - \$150,000 per year

Organizational Structure:

- Independent, nonprofit organization
- Governed by a Board of Directors 11-13 stakeholders
- Work implemented by committees of 5-7 people organized around the four points
 - design
 - promotion
 - economic restructuring
 - organization

Sample Activities:

- façade grant programs
- loan pools
- retail promotions
- business promotions
- design guidelines
- street festivals
- one-on-one business development
- market analysis
- one-on-one property owner outreach
- fundraising
- volunteer recruitment
- newsletters
- websites

Sources of funding:

- Citywide Main Street program

- corporate buddy
- membership
- donations
- earned income
- grants