

# Getting Results: The Economic Impact of Main Street Iowa 1986-2012



# The Report

## **Getting Results**

**The Economic Impact of  
Main Street Iowa, 1986-2012**

**Prepared for Main Street Iowa and  
Iowa Economic Development Authority by  
PlaceEconomics  
Washington, D.C.**

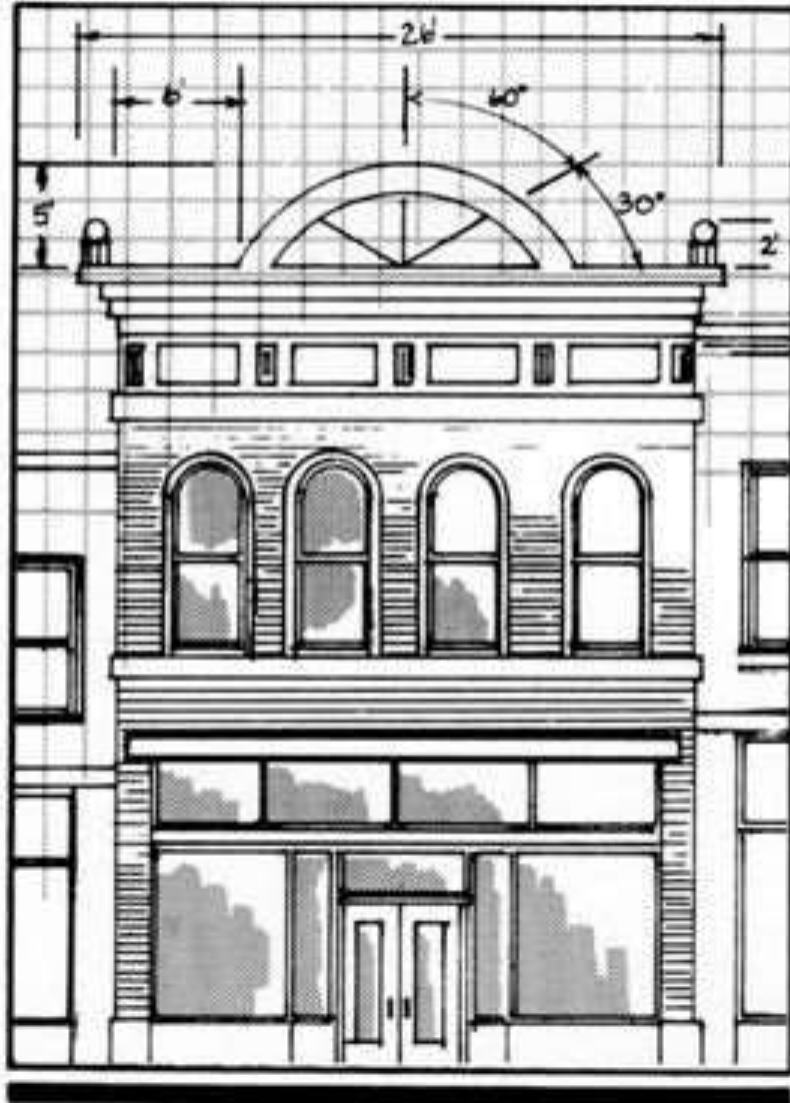
*May 2013*

**IOWA**  
economic development



[www.iowaeconomicdevelopment.com/userdocs/documents/ieda/MainStreetReportMay2013.pdf](http://www.iowaeconomicdevelopment.com/userdocs/documents/ieda/MainStreetReportMay2013.pdf)

# MAIN STREET I O W A



The Program

Main Street Iowa Communities			
Rural	Main Street	Urban	Neighborhood
Bedford	Burlington	Ames	Cedar Rapids (Czech Village/New Bohemia)
Belle Plaine	Cedar Falls	Dubuque	Davenport (Hilltop Campus Village)
Bloomfield	Charles City	Waterloo	Des Moines (Sixth Avenue Corridor)
Bonaparte	Fort Madison	West Des Moines (Valley Junction)	
Central City	Iowa Falls		
Colfax	Keokuk		
Conrad	Le Mars		
Corning	Marshalltown		
Dunlap	Mason City		
Elkader	Mount Pleasant		
Greenfield	Oskaloosa		
Hamilton County	Ottumwa		
Hampton	Spencer		
Manning	Washington		
Mount Vernon	Waverly		
New Hampton			
Osceola			
Sac City			
State Center			
Story City			
West Branch			
West Union			
Woodbine			



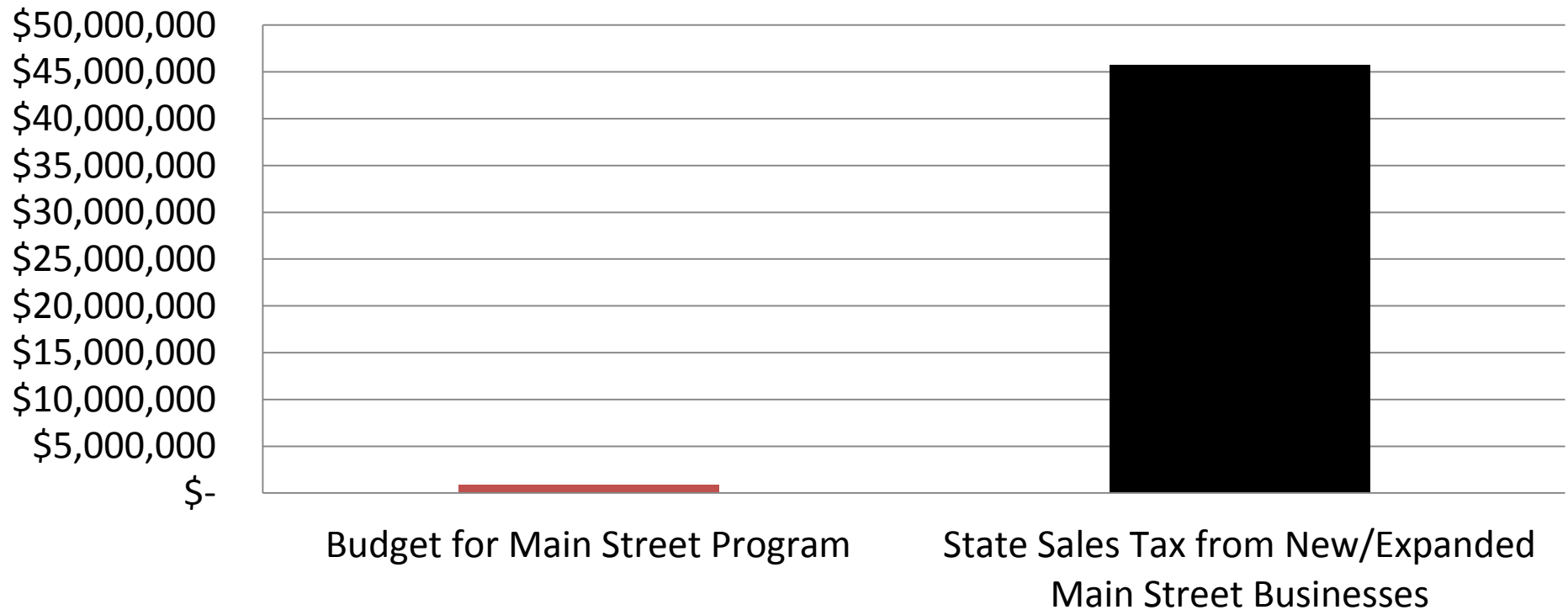


Fiscal Year	State Main Street Budget	Investment in Main Street Buildings
1987	\$1.00	\$19.83
1988	\$1.00	\$17.33
1989	\$1.00	\$13.25
1990	\$1.00	\$26.93
1991	\$1.00	\$19.63
1992	\$1.00	\$17.89
1993	\$1.00	\$20.21
1994	\$1.00	\$35.32
1995	\$1.00	\$39.73
1996	\$1.00	\$124.56
1997	\$1.00	\$71.58
1998	\$1.00	\$60.87
1999	\$1.00	\$84.85
2000	\$1.00	\$102.02
2001	\$1.00	\$54.01
2002	\$1.00	\$130.53
2003	\$1.00	\$184.16
2004	\$1.00	\$62.32
2005	\$1.00	\$105.00
2006	\$1.00	\$48.83
2007	\$1.00	\$83.13
2008	\$1.00	\$98.85
2009	\$1.00	\$122.44
2010	\$1.00	\$134.48
2011	\$1.00	\$83.03
2012	\$1.00	\$109.41

26 Years of Main Street Iowa  
 Composite Leverage of State Program to Local Building Investment  
 \$71.93 to \$1.00

# Taxpayers Getting Their Money's Worth

## Return on Investment Main Street Iowa



In 2012 Estimated Sale Tax Receipts from Net New Businesses in Main Street Communities was approximately 48 times the budget of the State Main Street Program

# The Big Numbers

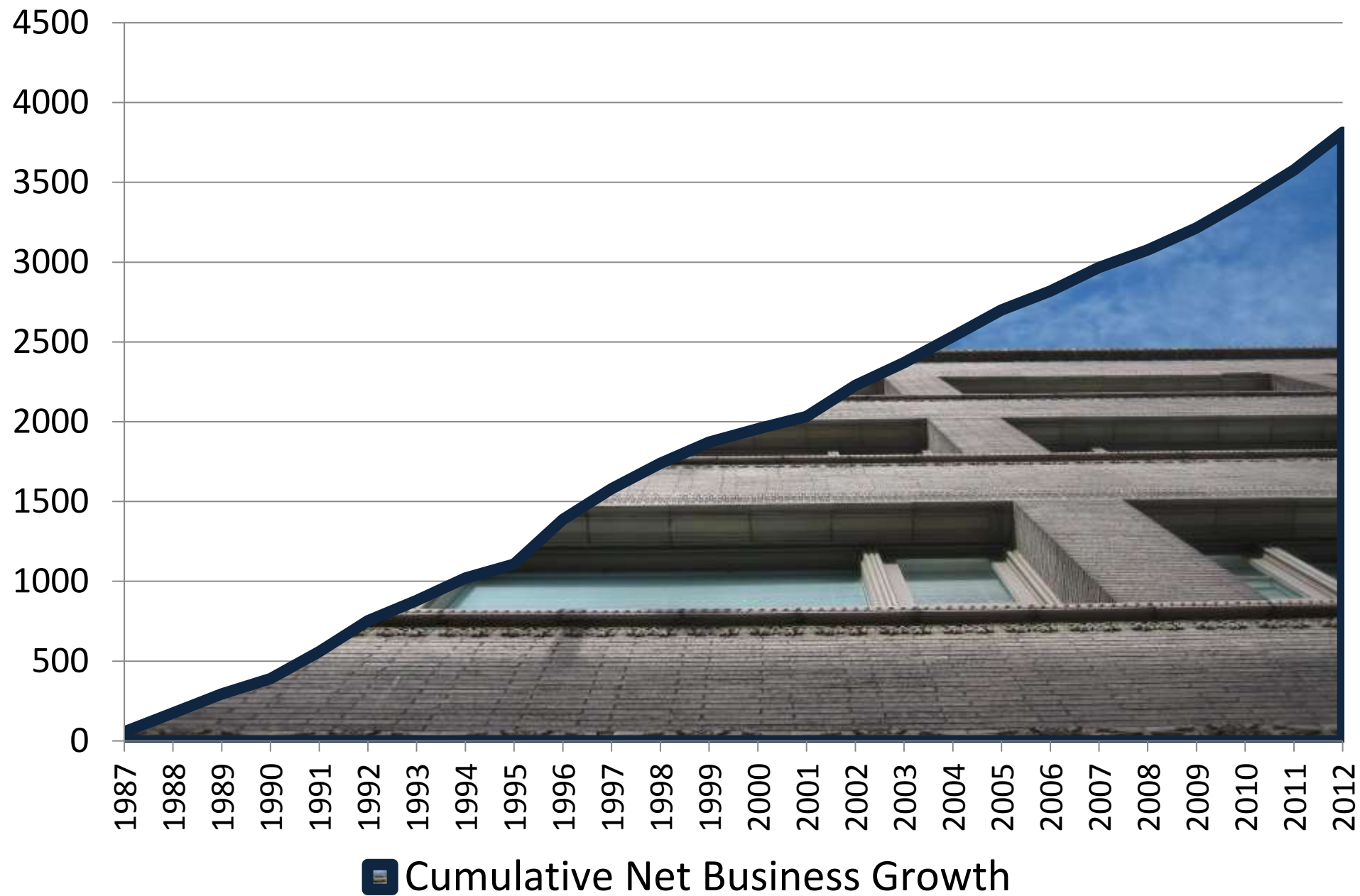
A photograph of a large-scale construction project, likely a bridge or a large industrial building. The scene is filled with a complex network of dark wooden beams and supports. In the foreground, several long, straight wooden planks are laid out on the ground. Two workers are visible: one in the center-left, bent over and working on the ground, and another further back on the right, partially obscured by a structure. The background shows more of the construction framework and some windows of an existing building. The overall atmosphere is one of active construction and structural development.



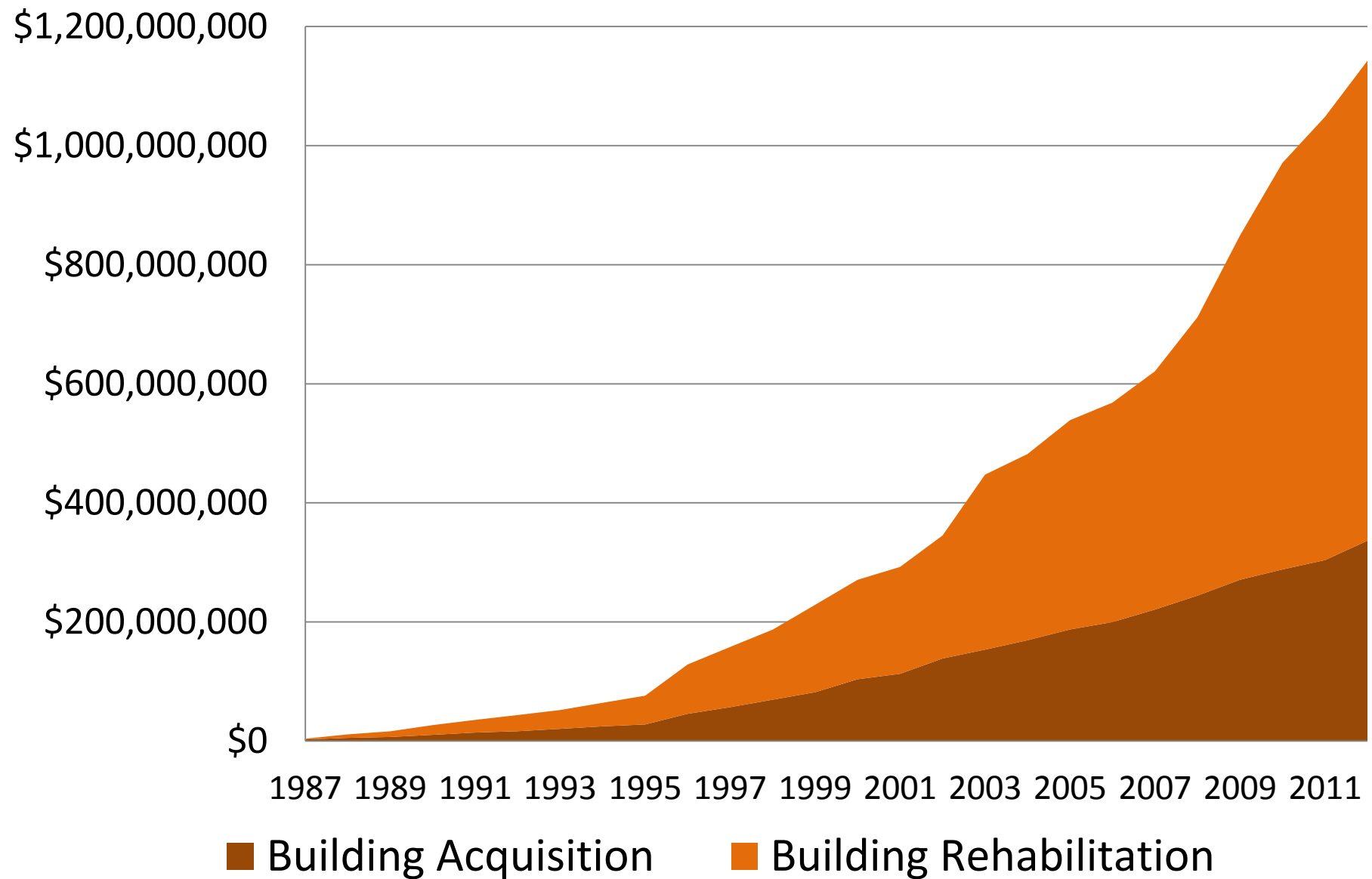
# Cumulative Net Job Growth



# Cumulative Net Business Growth



# Cumulative Investment in Buildings on Main Street



Where did this investment come from?			
	Acquisition	Rehabilitation	Total
Rural Main Street Programs	\$40,552,757	\$85,163,715	\$125,716,472
Main Street Communities	\$124,054,128	\$254,157,215	\$378,211,343
Urban Main Street Programs	\$160,910,467	\$454,714,239	\$615,624,706
Neighborhood Main Street Programs	\$10,983,848	\$12,163,900	\$23,147,748
Total	\$336,501,200	\$806,199,069	\$1,142,700,269



# The Case Studies





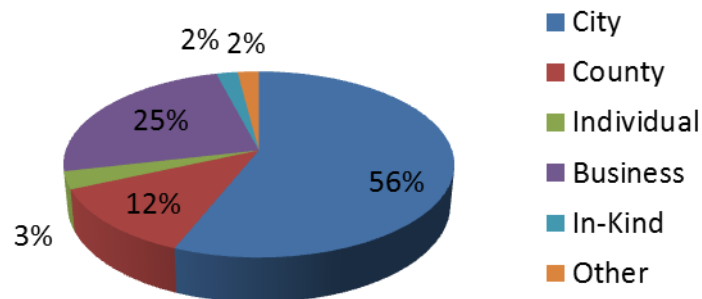
# Bloomfield

## *Global Commerce from Small Town Iowa*



<b>Population</b>	<b>2,640</b>
<b>Entered Main Street Program</b>	<b>1995</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	6
Average Net Gain in Businesses per Year	5
Average Building Rehabilitations per Year	15
Average Rehabilitation Investment per Building	\$20,052
Average Building Rehabilitation Investment per Year	\$300,775
Average Number of Buildings Sold per Year	4
Average Building Acquisition Investment per Year	\$142,172
Average Acquisition Investment per Building	\$36,620
<b>Budget 2012</b>	<b>\$49,000</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$22,800</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>46.%</b>

**Funding for Main Street Program  
Bloomfield**

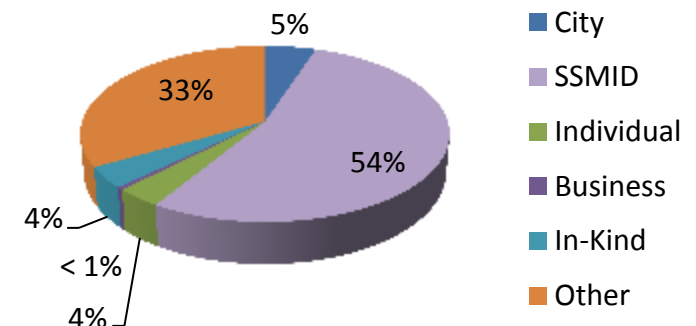


# Cedar Falls

## *The Rewards of Perseverance*

<b>Population</b>	<b>39,260</b>
<b>Entered Main Street Program</b>	<b>1987</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	21
Average Net Gain in Businesses per Year	6
Average Building Rehabilitations per Year	27
Average Building Rehabilitation Investment per Year	\$842,291
Average Rehabilitation Investment per Building	\$51,523
Average Number of Buildings Sold per Year	4
Average Building Acquisition Investment per Year	\$963,705
Average Acquisition Investment per Building	\$238,541
<b>Budget 2012</b>	<b>\$195,550</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$63,570</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>32.5%</b>

**Funding for Main Street Program  
Cedar Falls**

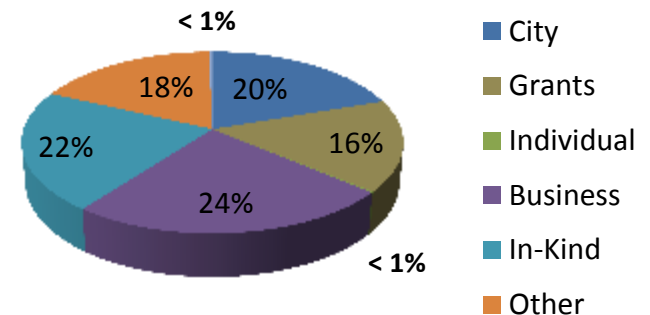


# Dubuque

## *International Model of Sustainable Development*

<b>Population</b>	<b>57,637</b>
<b>Entered Main Street Program</b>	<b>1985</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	124
Average Net Gain in Businesses per Year	14
Average Building Rehabilitations per Year	40
Average Building Rehabilitation Investment per Year	\$14,708,385
Average Rehabilitation Investment per Building	\$364,002
Average Number of Buildings Sold per Year	21
Average Building Acquisition Investment per Year	\$4,345,041
Average Acquisition Investment per Building	\$207,272
<b>Budget 2012</b>	<b>\$398,263</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$91,420</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>23.0%</b>

**Funding for Main Street Program  
Dubuque**



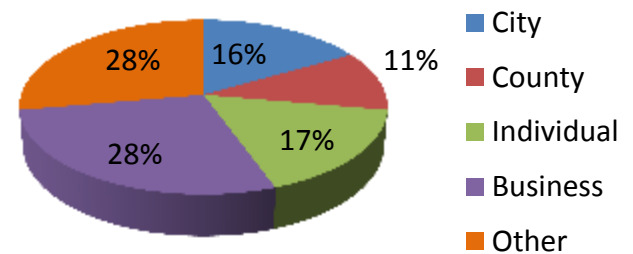


# Oskaloosa

## *Commitment to Main Street beyond Downtown*

<b>Population</b>	<b>11,463</b>
<b>Entered Main Street Program</b>	<b>1997</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	25
Average Net Gain in Businesses per Year	11
Average Building Rehabilitations per Year	17
Average Building Rehabilitation Investment per Year	\$1,091,328
Average Rehabilitation Investment per Building	\$64,196
Average Number of Buildings Sold per Year	7
Average Building Acquisition Investment per Year	\$531,357
Average Acquisition Investment per Building	\$78,914
<b>Budget 2012</b>	<b>\$90,000</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$21,030</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>23.4%</b>

**Funding for Main Street Program  
Oskaloosa**

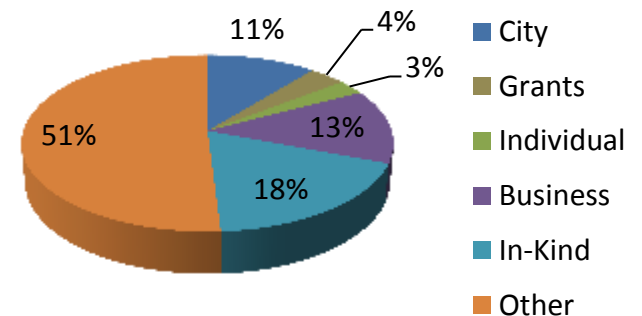


# Valley Junction

## *The Distinctive Center*

<b>Population</b>	<b>56,609</b>
<b>Entered Main Street Program</b>	<b>1987</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	18
Average Net Gain in Businesses per Year	8
Average Building Rehabilitations per Year	10
Average Building Rehabilitation Investment per Year	\$166,077
Average Rehabilitation Investment per Building	\$16,155
Average Number of Buildings Sold per Year	2
Average Building Acquisition Investment per Year	\$444,820
Average Acquisition Investment per Building	\$205,935
<b>Budget 2012</b>	<b>\$551,000</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$122,100</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>22.2%</b>

**Funding for Main Street Program  
Valley Junction**



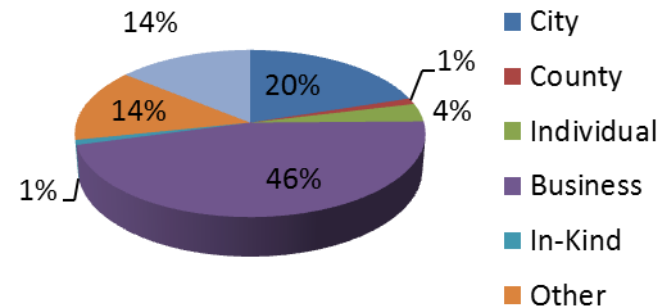


# Woodbine

## *Big City Expertise/Small Town Commitment*

<b>Population</b>	<b>1,459</b>
<b>Entered Main Street Program</b>	<b>2008</b>
<b>Since Joining Main Street</b>	
Average Net Gain in Jobs per Year	9
Average Net Gain in Businesses per Year	5
Average Building Rehabilitations per Year	9
Average Building Rehabilitation Investment per Year	\$1,640,661
Average Rehabilitation Investment per Building	\$187,504
Average Number of Buildings Sold per Year	2
Average Building Acquisition Investment per Year	\$66,875
Average Acquisition Investment per Building	\$38,214
<b>Budget 2012</b>	<b>\$42,400</b>
<b>Value of Volunteer Hours 2012</b>	<b>\$40,500</b>
<b>Volunteer Hours as Percent of Budget</b>	<b>46.7%</b>

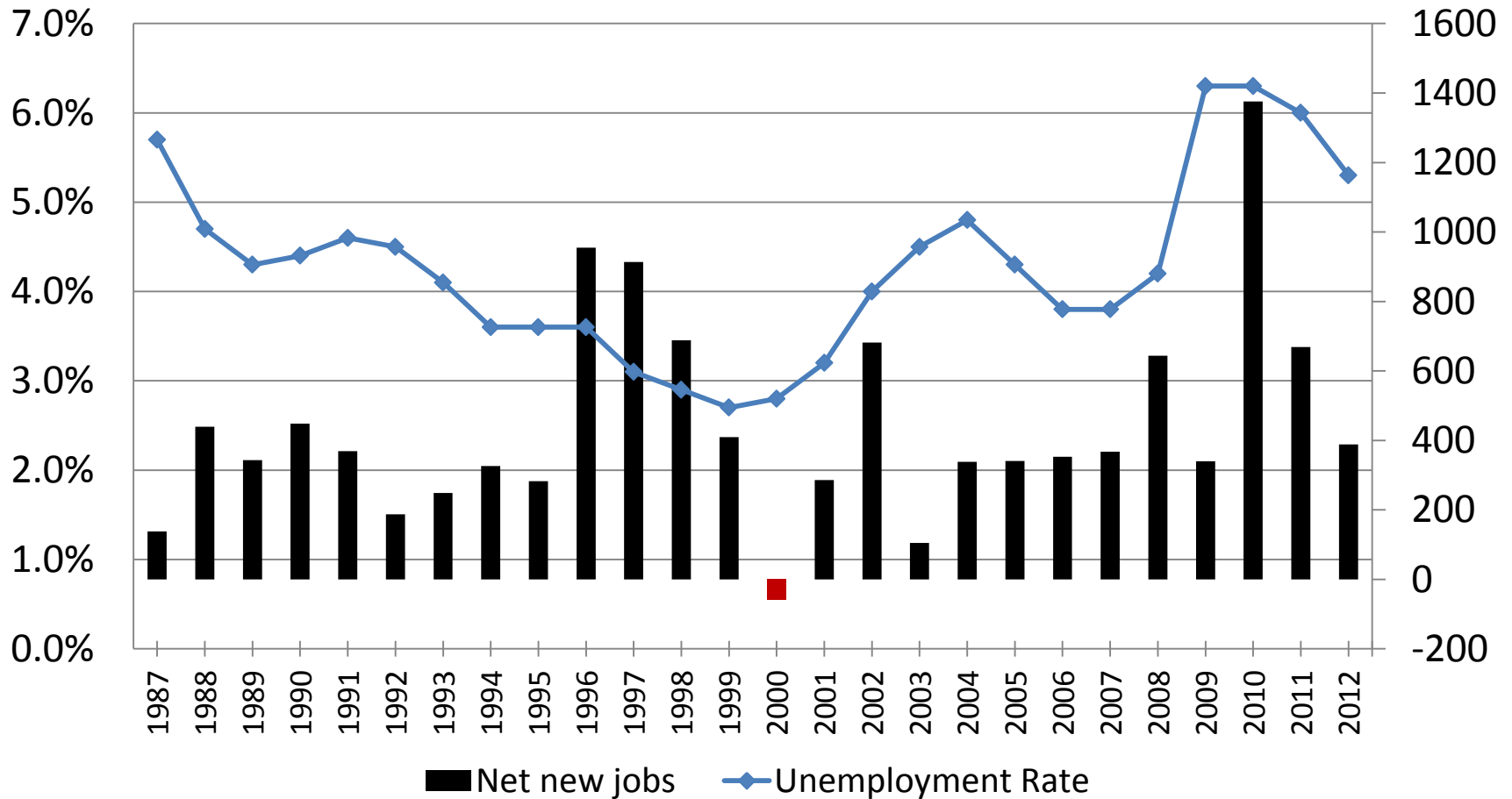
**Funding for Main Street Program Woodbine**





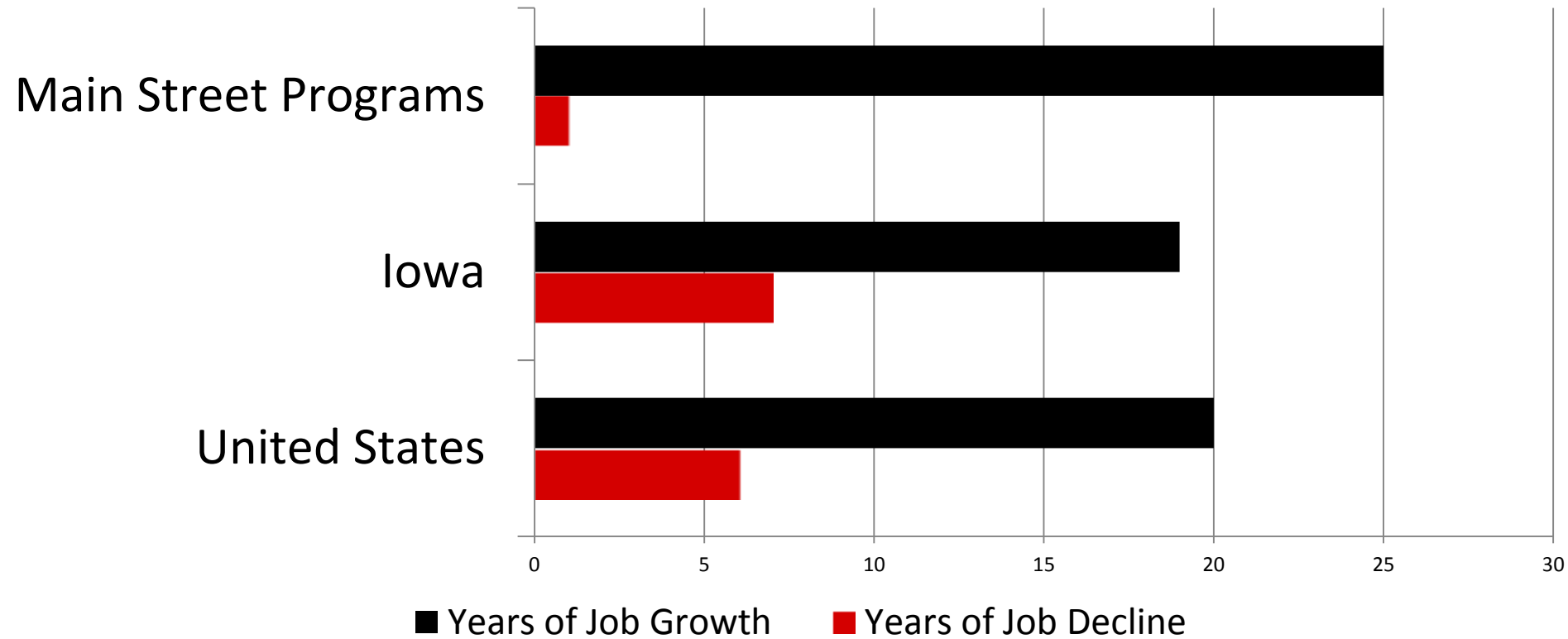
# Behind the Numbers

## Net New Jobs in Main Street and the Iowa Unemployment Rate



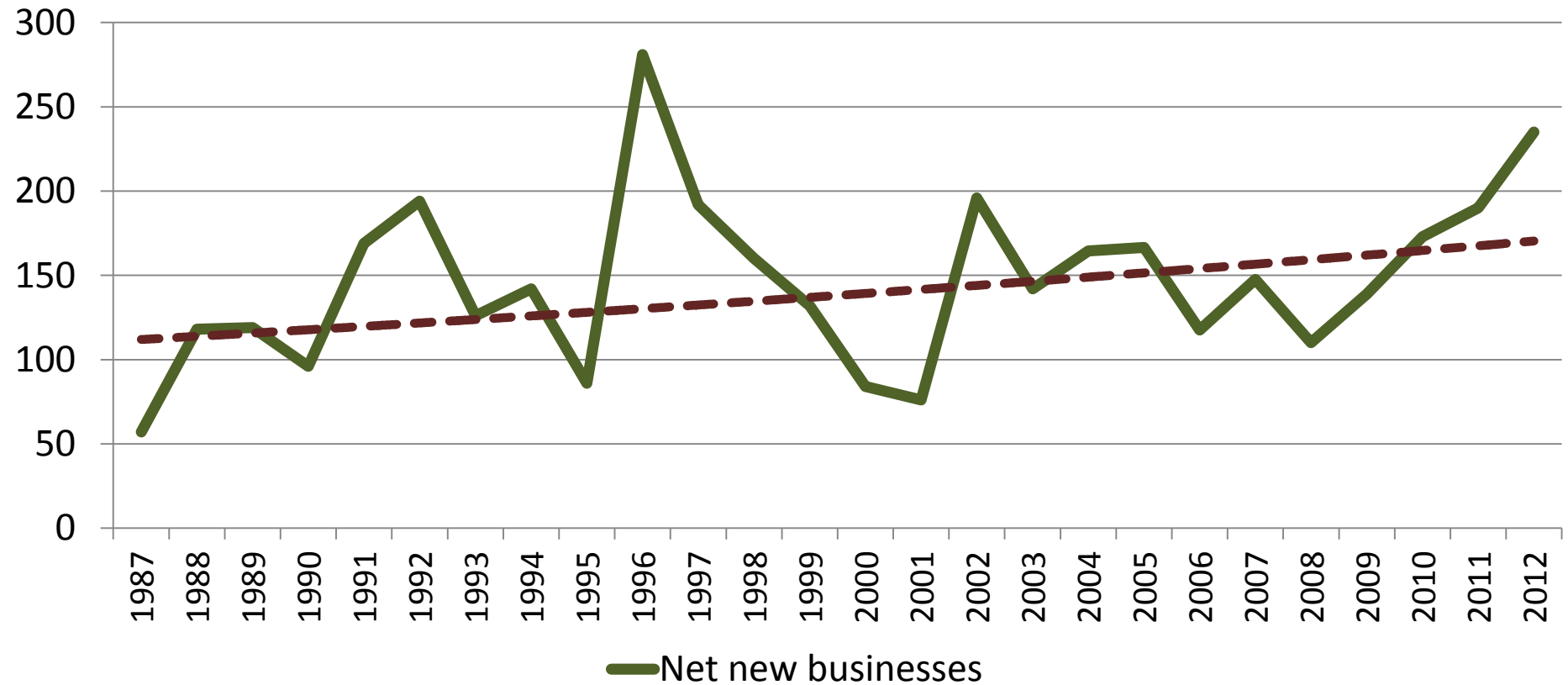
Main Street Creates Jobs Against the Trend

## Years of Net Job Growth and Decline 1987-2012



Iowa Main Streets added net jobs in 25  
out of 26 years

# Net New Businesses Main Street Iowa Communities

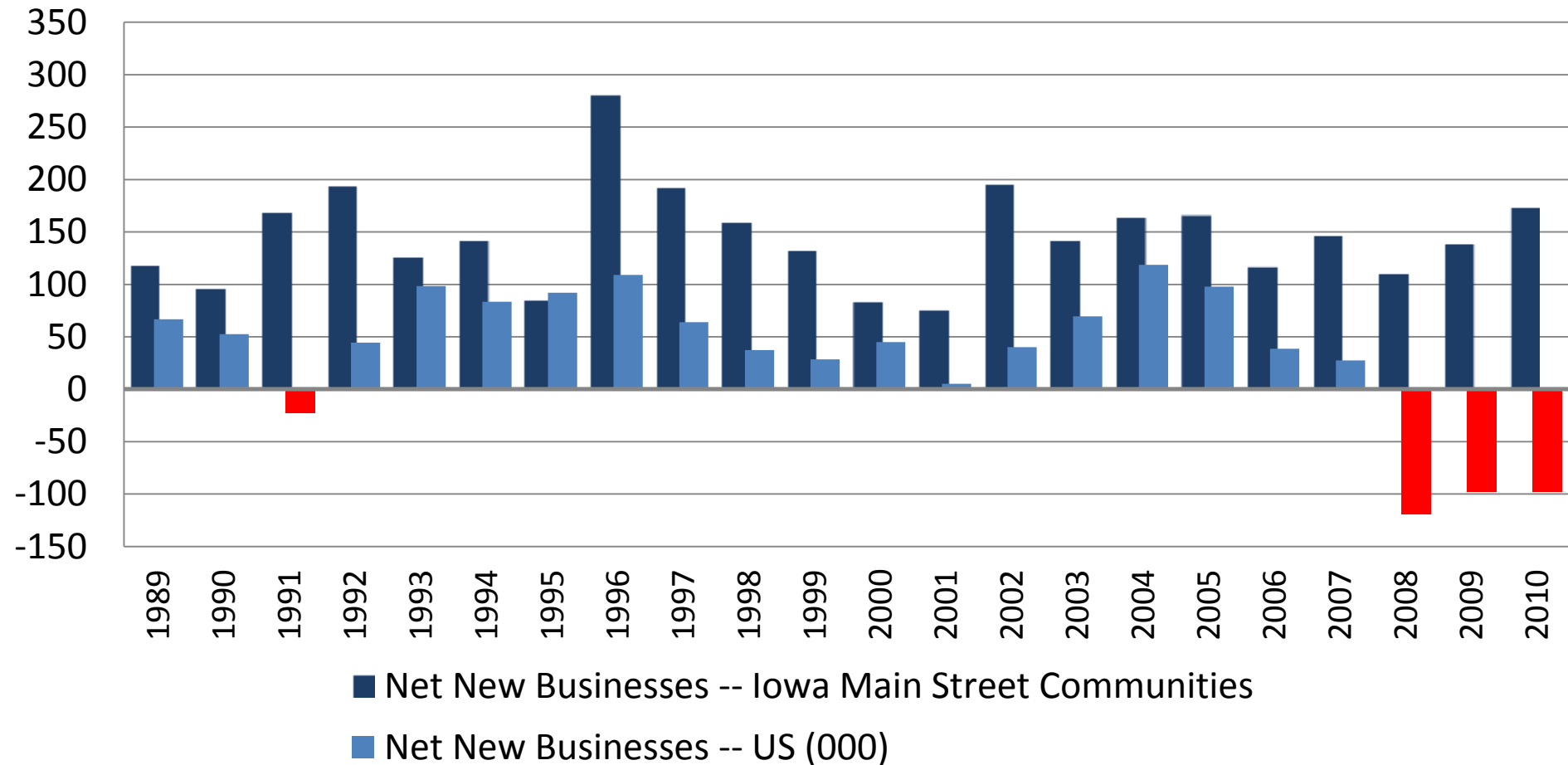


Iowa Main Streets added net new  
businesses every year



# Growth in New Businesses

## US and Main Street Iowa - 1989 - 2010



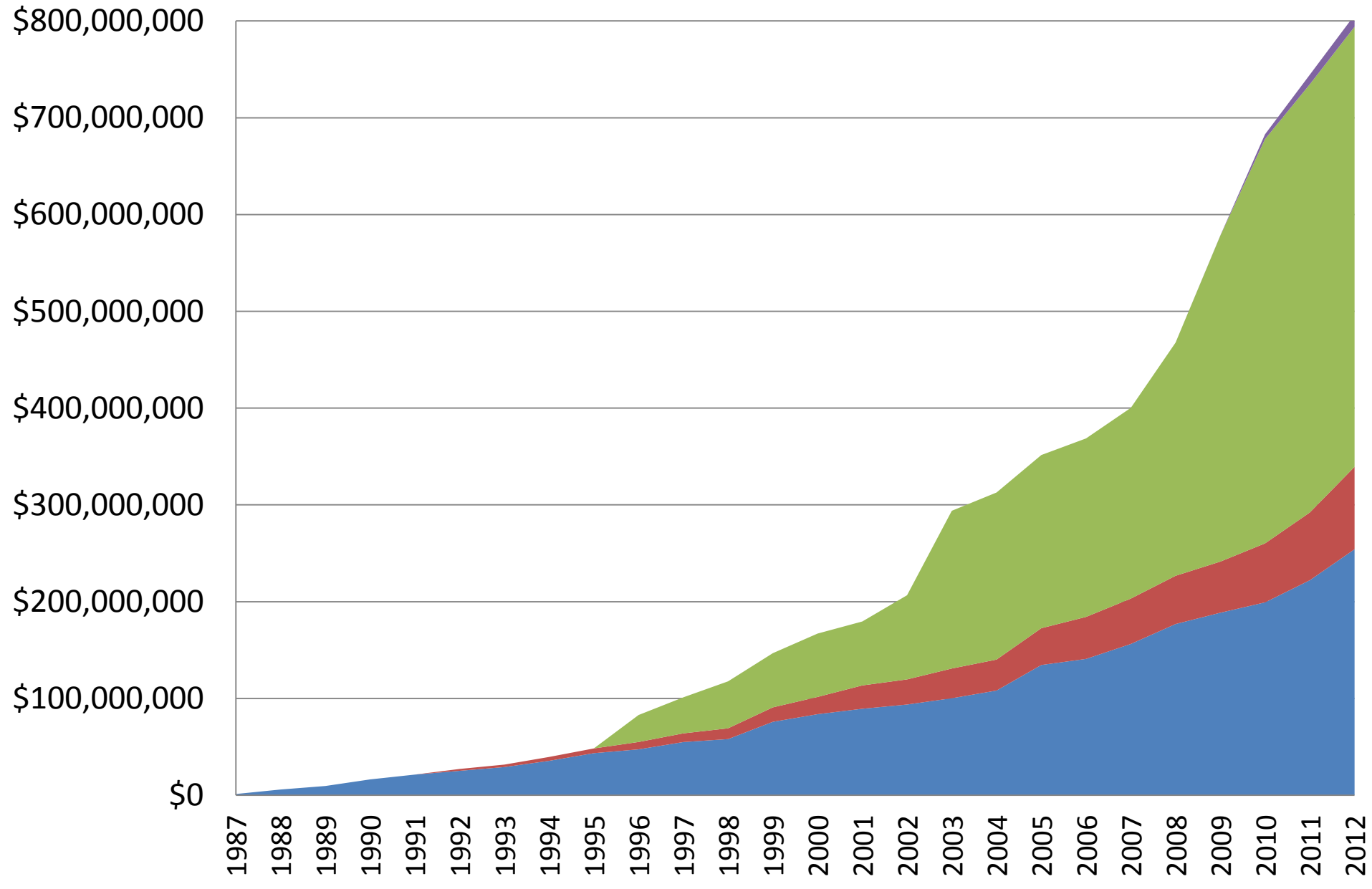
Iowa Main Streets outperformed the US rate of Net New Businesses in 25 of 26 years

# Real Estate Investment



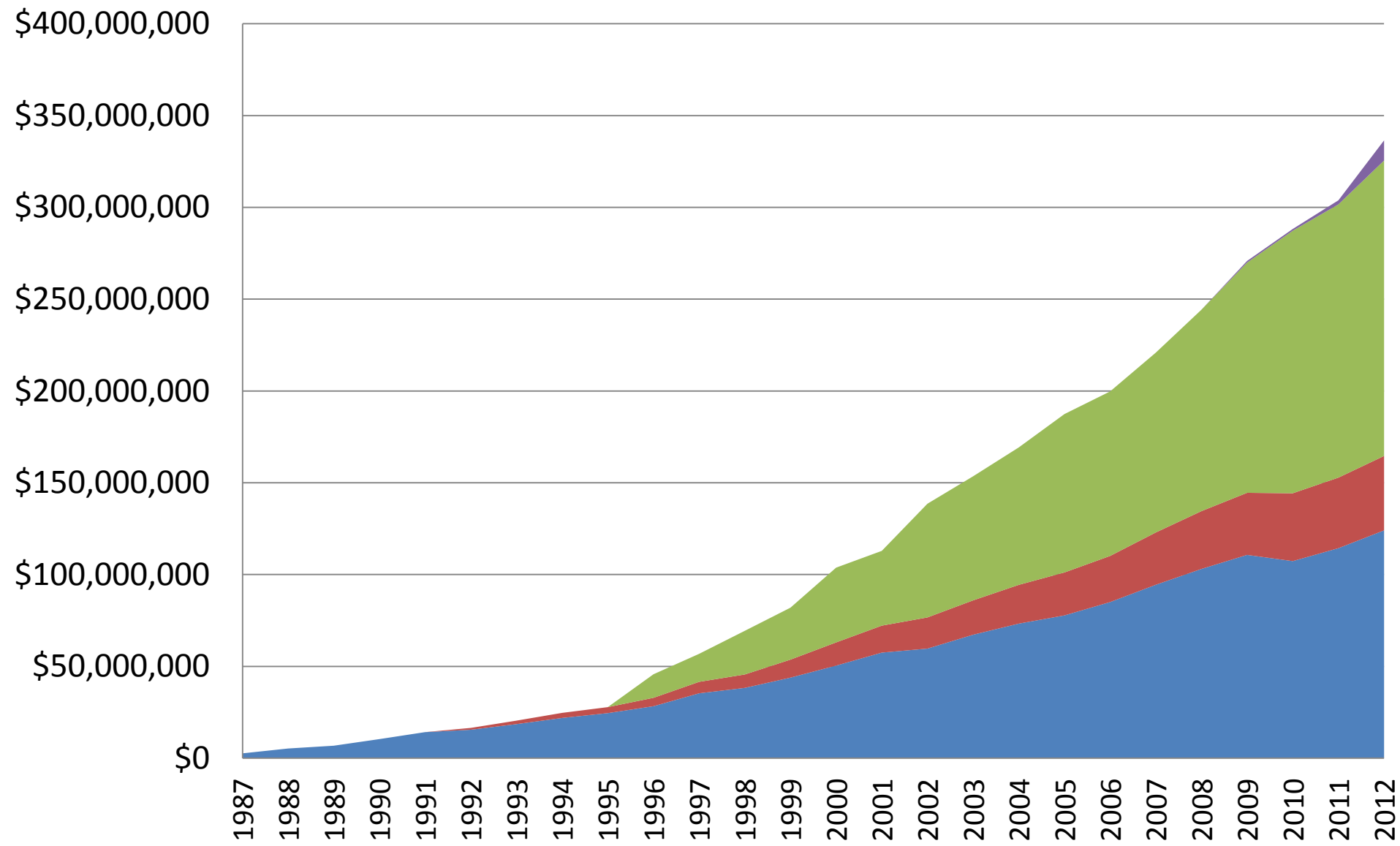
# Cumulative Investment in Building Rehabilitation

■ Main Street Communities ■ Rural Communities ■ Urban Communities ■ Neighborhoods

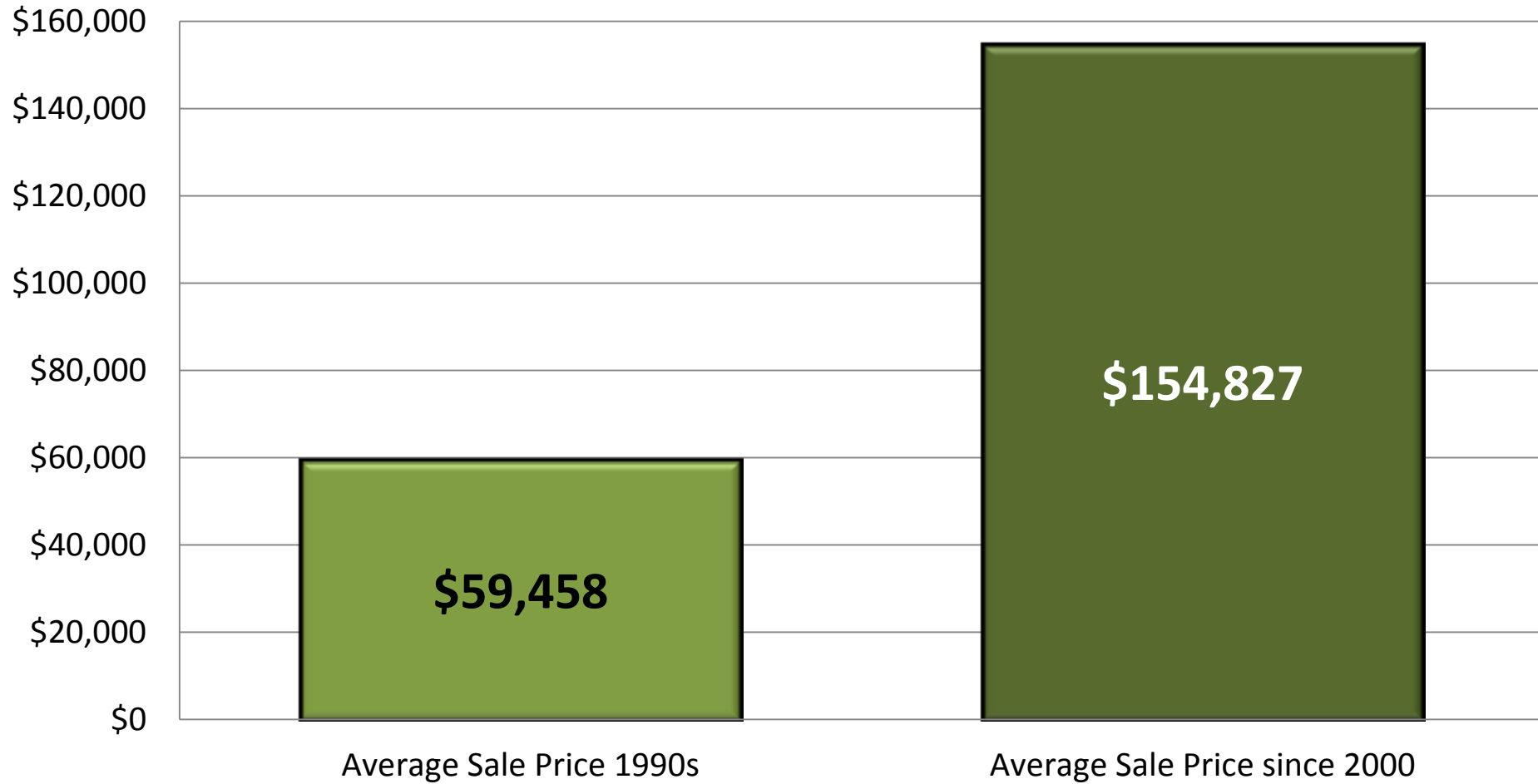


# Cumulative Investment in Acquisition

■ Main Street Communities ■ Rural Communities  
■ Urban Communities ■ Neighborhoods



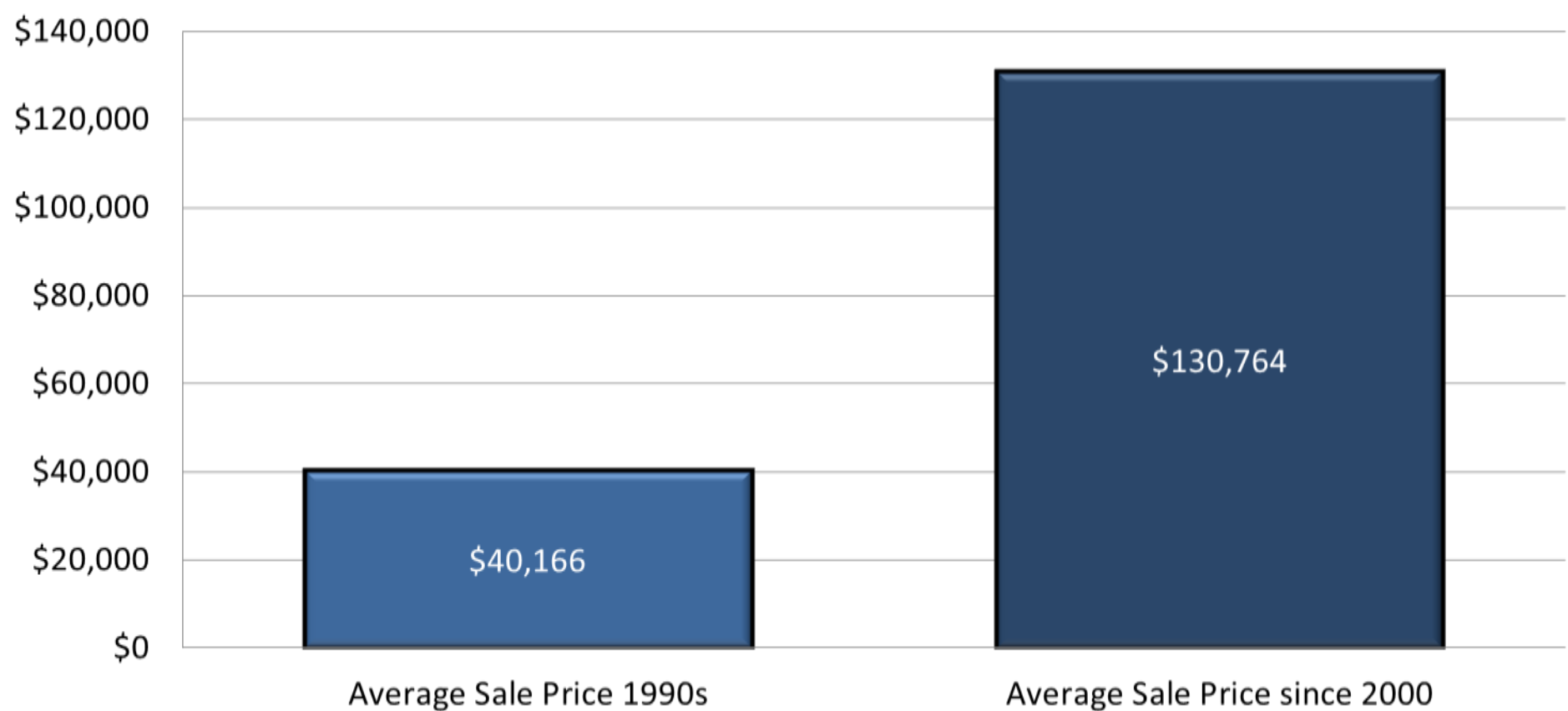
# Real Estate Value Change



Market for Buildings Strongly Improved

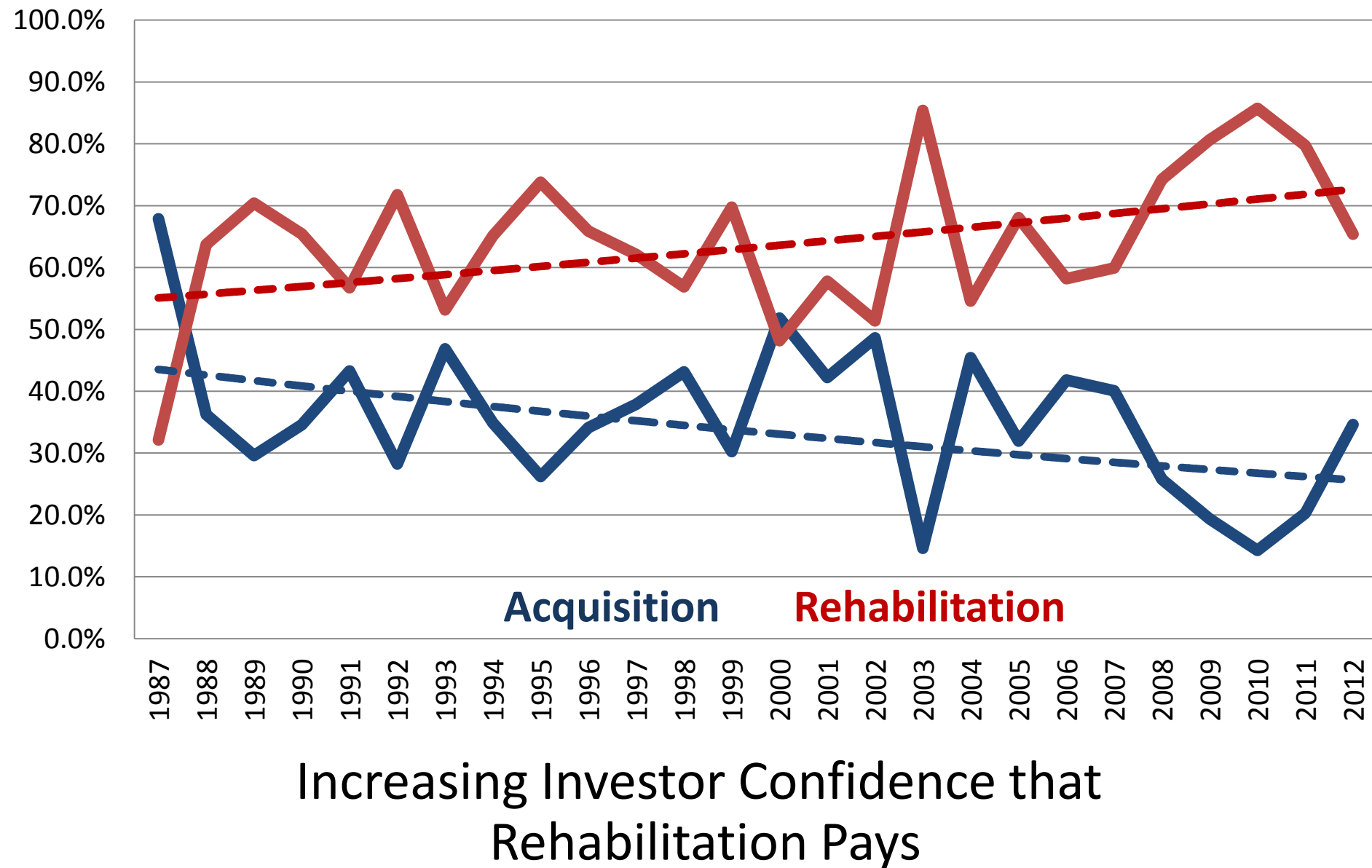


# Real Estate Value Change Rural Main Streets

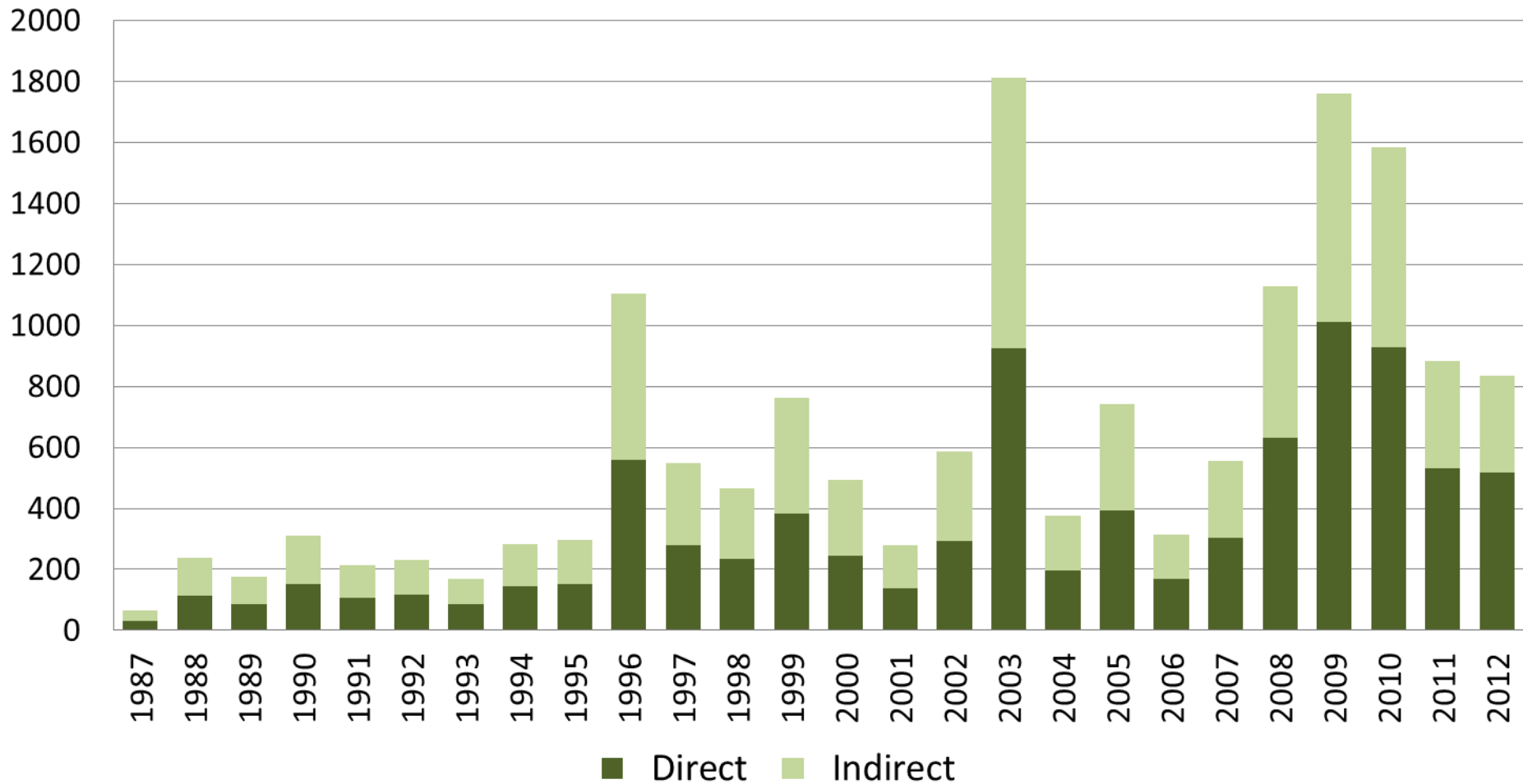


And it's not just in Dubuque

# Ratio between Acquisition and Rehabilitation Expenditures

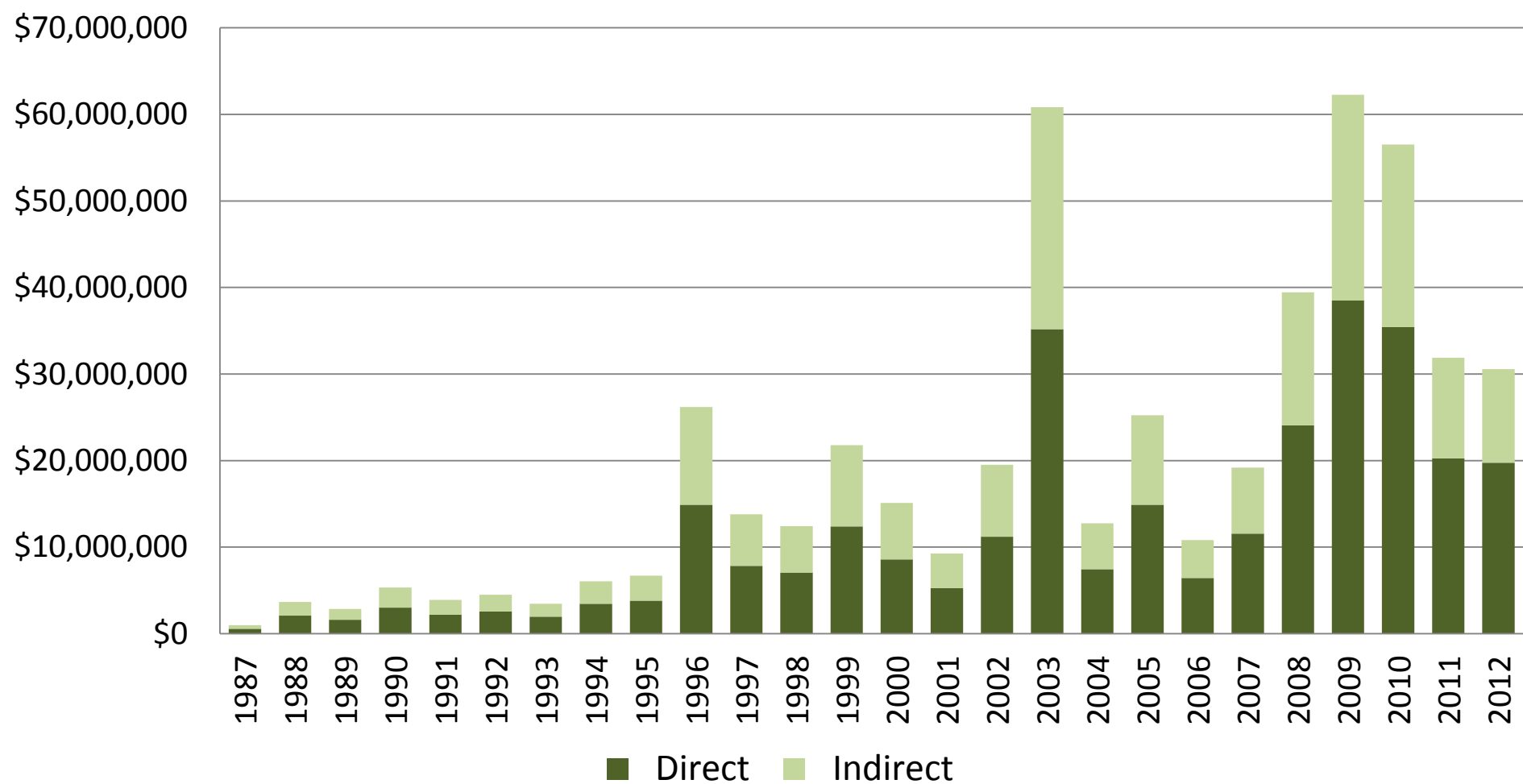


# Iowa Jobs from Main Street Rehabilitation Projects



Over the life of Main Street Iowa, an average of 623 jobs per year through Building Rehabilitation; 1000 per year over the last decade

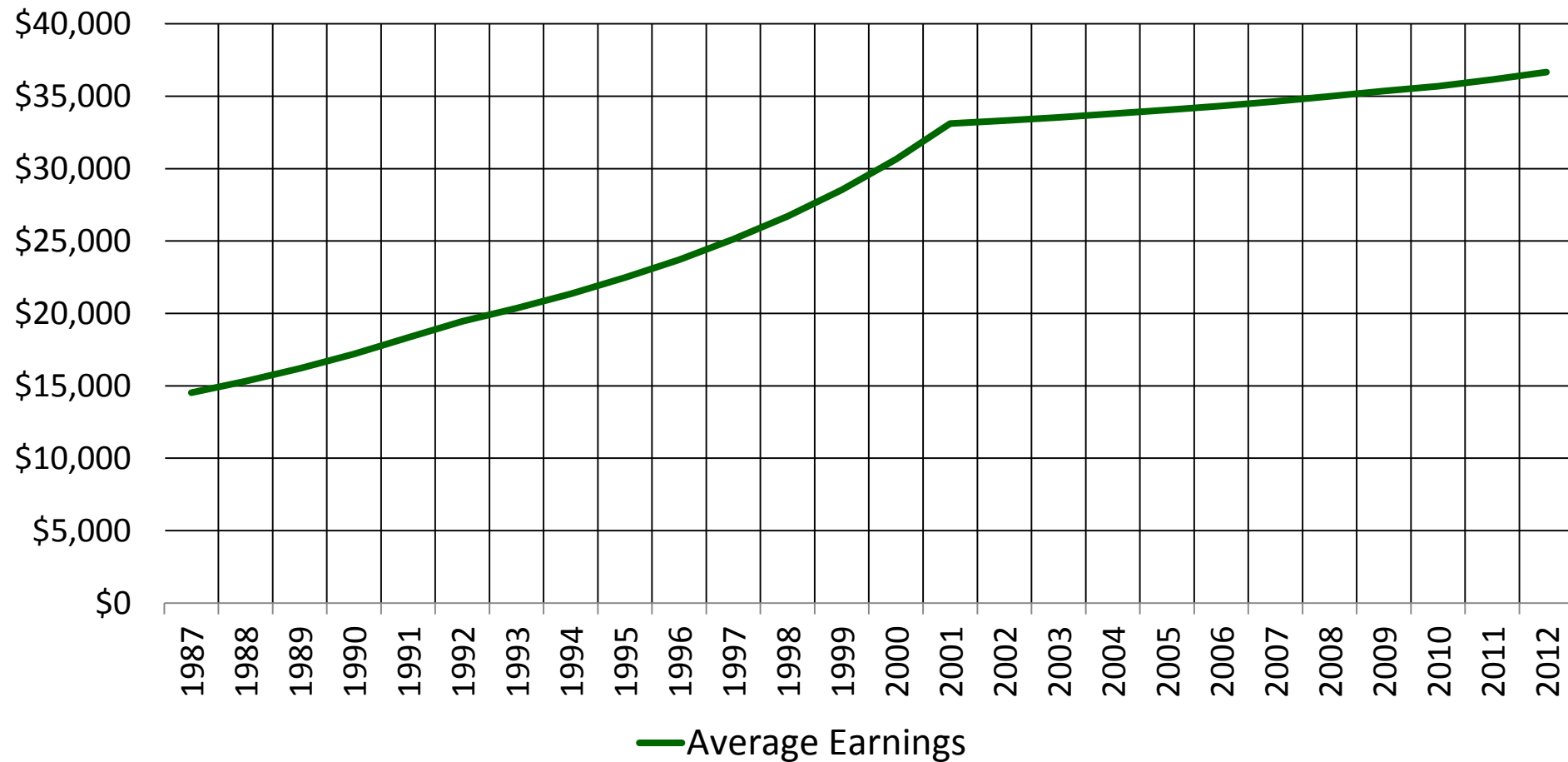
# Income in Iowa from Main Street Rehabilitation Projects



Over the life of Main Street Iowa, an average of \$23 Million in income each year through Building Rehabilitation; \$35 Million per year over the last decade

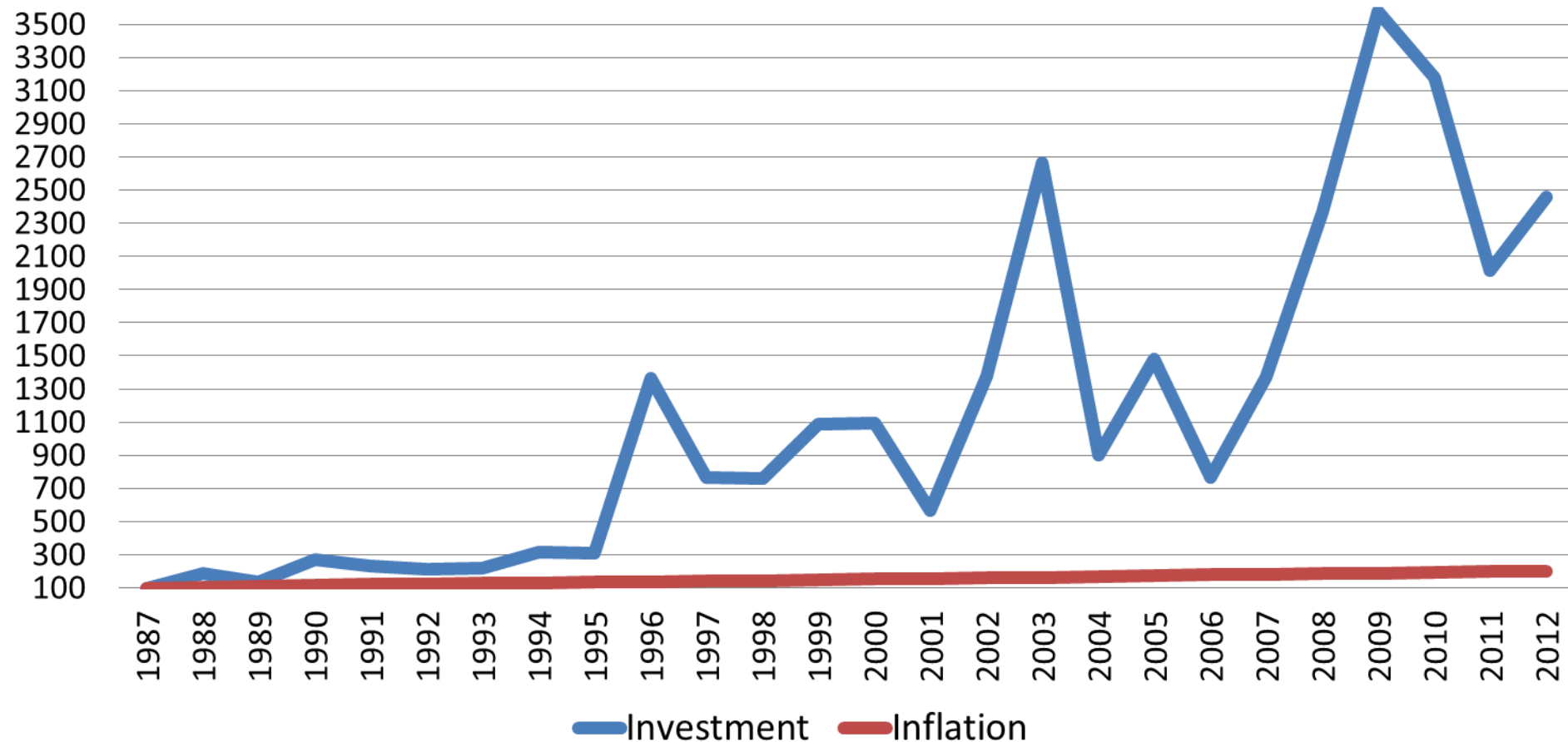


## Average Earnings Main Street Rehabilitation Projects

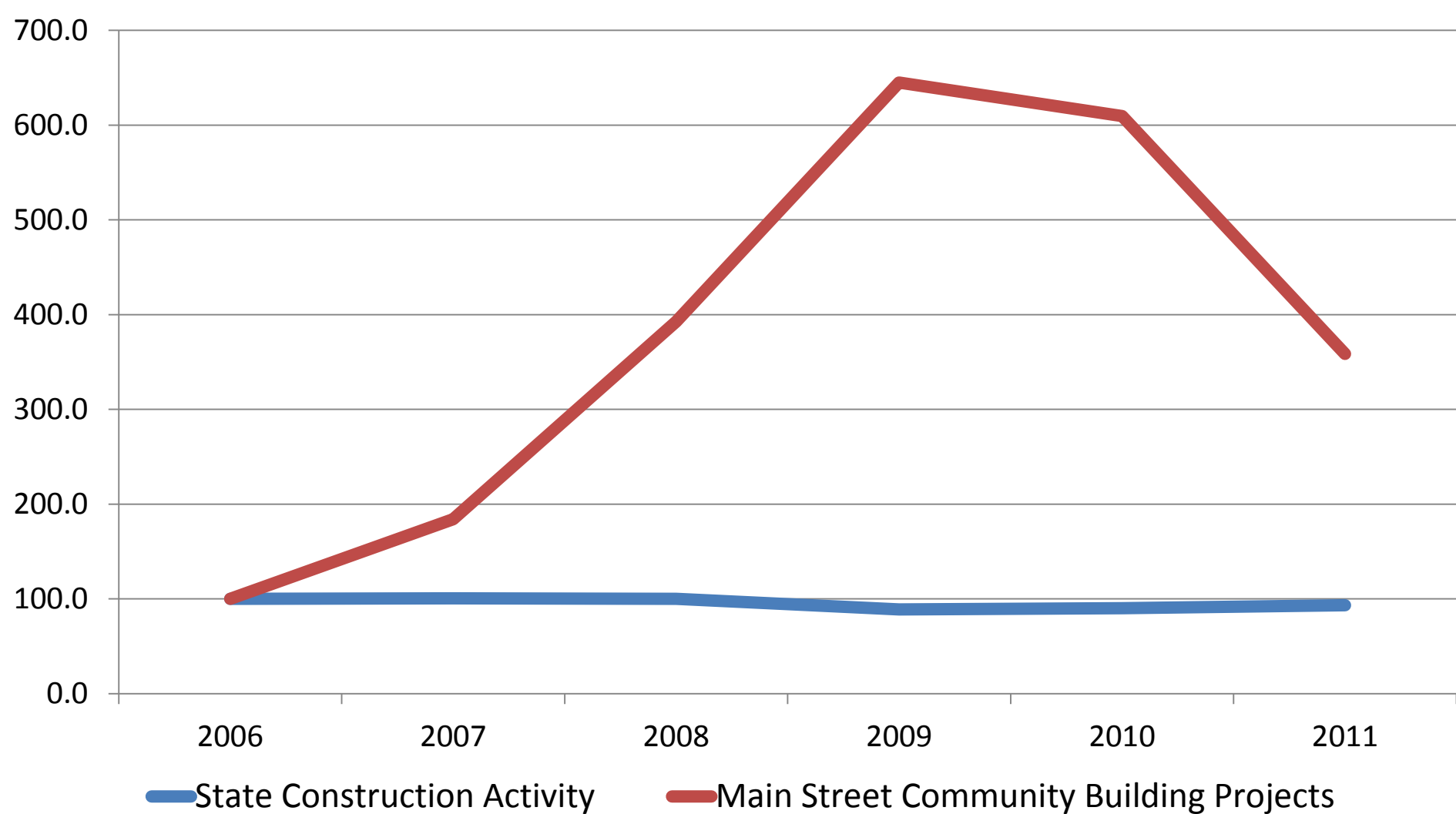


When Main Street began in Iowa the income per job from Building Rehabilitation was just less than \$15,000.  
Today it is \$36,000

## Investment in Main Steet Communities and Inflation (1987 = 100)

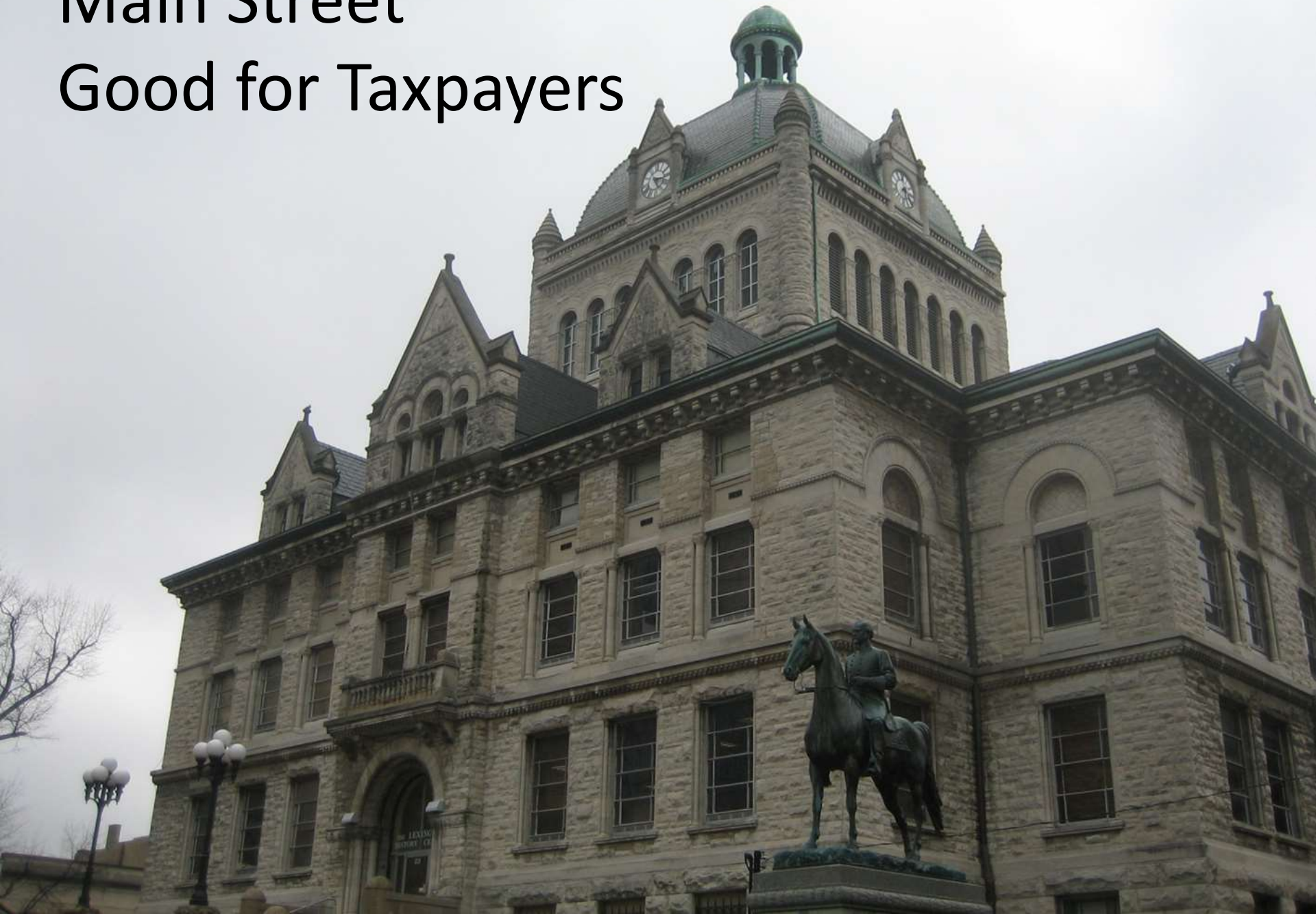


*Real* increase in investment, not just  
inflation driven numbers



National Recession has meant Construction in Iowa flat....but not in Main Street Communities

# Main Street Good for Taxpayers







# Property Taxes

*EVERY YEAR* the Property Taxes from buildings renovated on Main Street provide an additional **\$10,800,000** to local governments





# Sales Tax

Conservatively, the Net New Businesses in Iowa Main Street towns provide over \$43 million each year in Sale Tax Revenues to the State



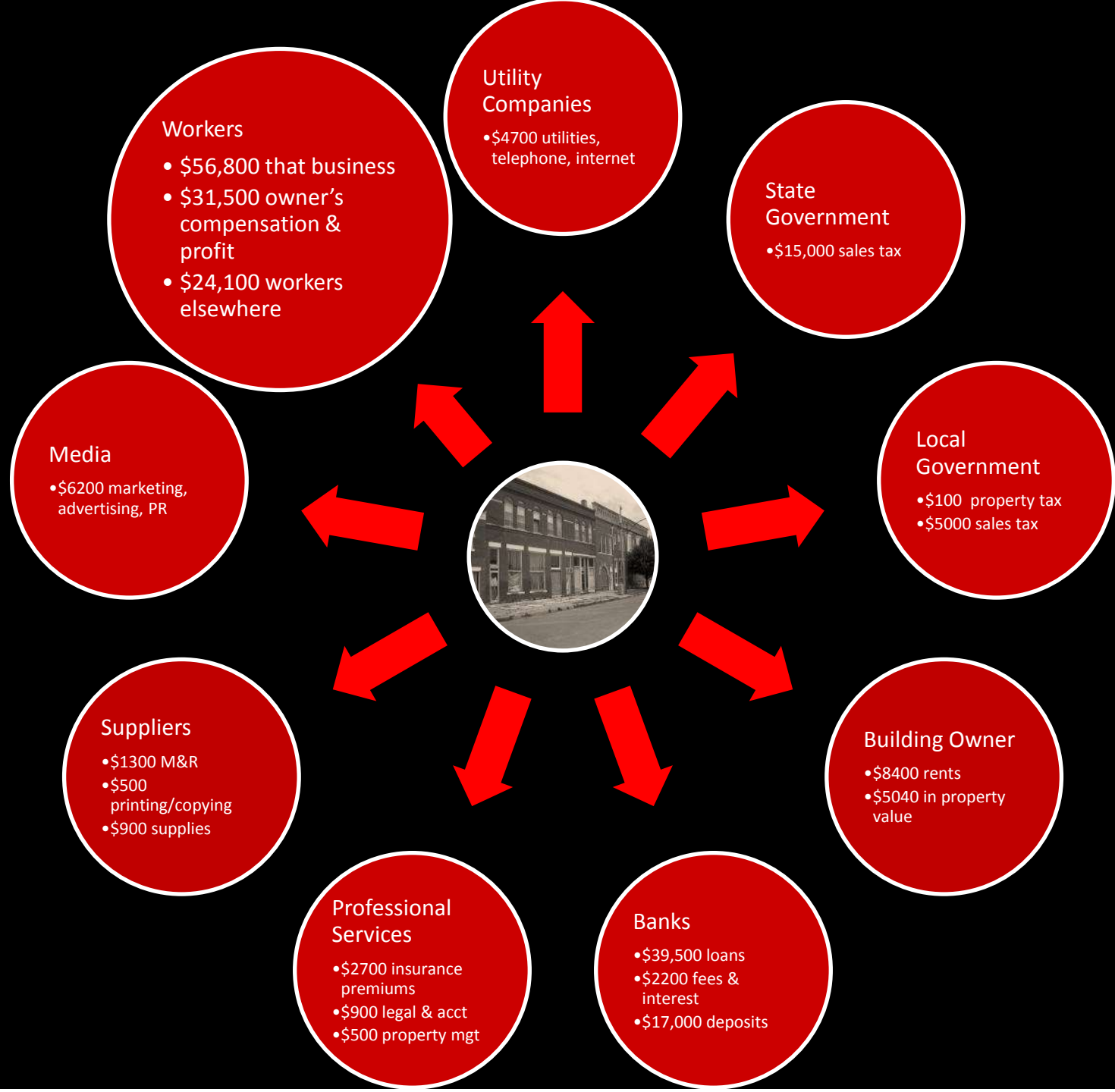
**Little Differences  
Big Effects**

BONAPARTE  
POTTERY  
Parker & Hanback  
HISTORICAL POTTERY SITE  
1866 to 1895





# Cost of an Empty Building





# Upper Floor Housing

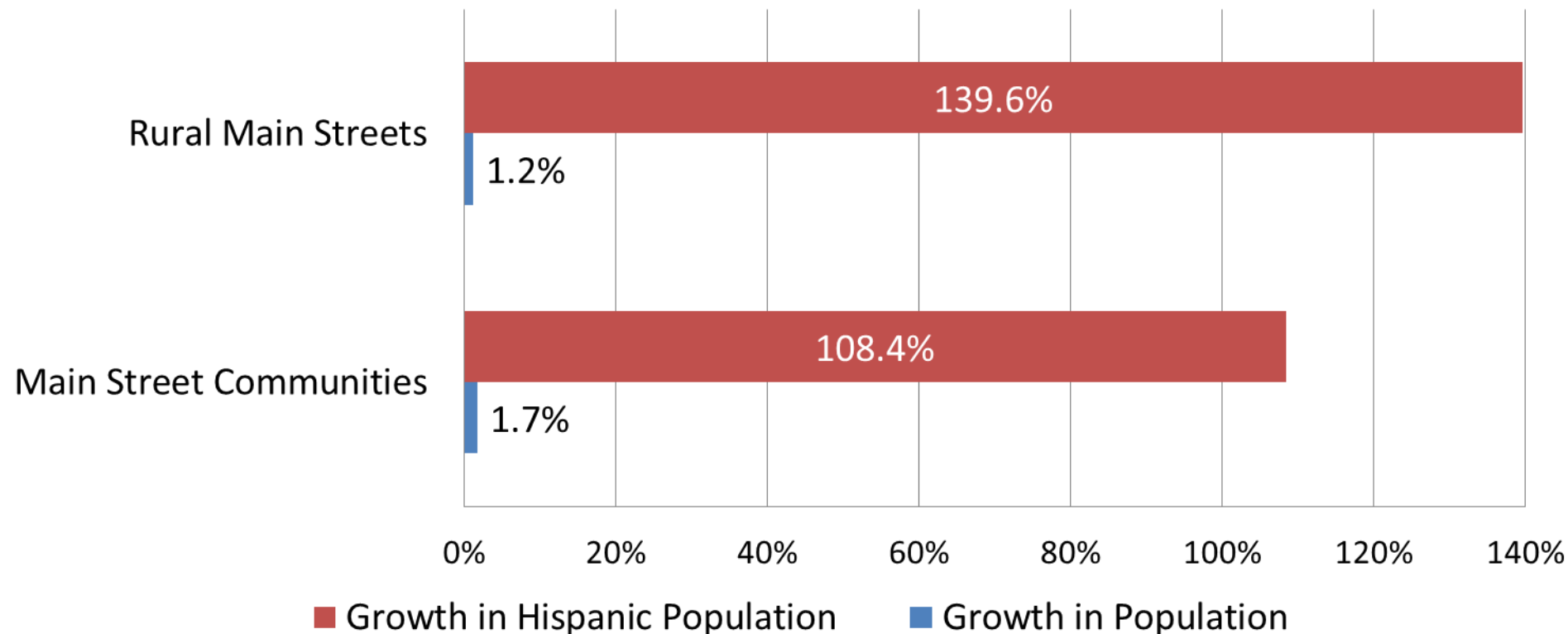


Benefit to an Iowa downtown economy from an upper floor housing unit rented to a couple for between \$500 and \$1000/month	
Food at home	\$1,898 -- \$3,795
Food & Drink out	\$807 -- \$1,613
Rent	\$6,000 -- \$12,000
Other housing costs including utilities, maintenance, insurance, and upkeep	\$4,606 -- \$9,213
Furniture, equipment & electronics	\$560 -- \$1,121
Apparel & apparel services	\$655 -- \$1,310
Vehicular and transportation related	\$1,909 -- \$3,819
Health related	\$789 -- \$1,577
Entertainment	\$934 -- \$1,868
Personal services	\$314 – \$629
All others	\$ 997 -- \$1,994
<b>Total Annual Economic Impact of an Upper Floor Apartment in an Iowa Downtown</b>	<b><u>\$19,469 – \$38,939</u></b>



Main Street  
Welcoming  
New Iowans

# Growth in Hispanic Population 2000-2010



Main Street Communities welcome New Iowans

# Getting the Word Out



# Getting the Word Out

## Main Street Managers' Meeting





# Getting the Word Out

## Senior Economic Development Authority Staff



# Getting the Word Out

## SHPO and Cabinet Secretary

IOWA DEPARTMENT OF  
CULTURAL  
AFFAIRS

STATE  
HISTORICAL  
SOCIETY *of*  
IOWA

# Getting the Word Out

## Public Forum



# Getting the Word Out

## Governor and Lt. Governor





# Getting the Word Out

## Newspapers

**Main Street Iowa coming back to life: Small towns restore historic downtowns with program's aid**

Feb. 2, 2013 |

Written by  
Kyle W. Minson

# The Des Moines Register

Donovan Rypkema flew to Iowa last week from Washington, D.C., and delivered a belated holiday gift to the state's historic preservationists and small-town boosters.

The economic development guru with PlaceEconomics spent recent months crunching 26 years' worth of data on the Main

*The effort has been a boon for Iowa taxpayers, leveraging an outsized influx of money and jobs into towns that put their shoulders to the wheel and restored their historic downtown commercial districts.*





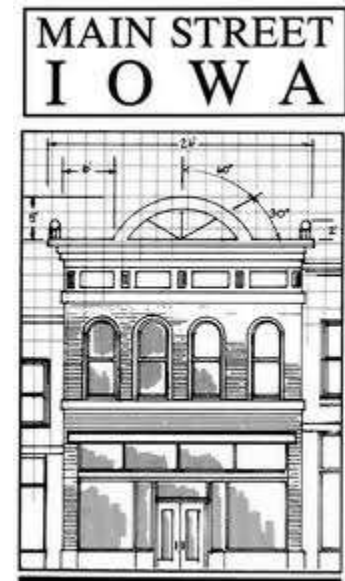
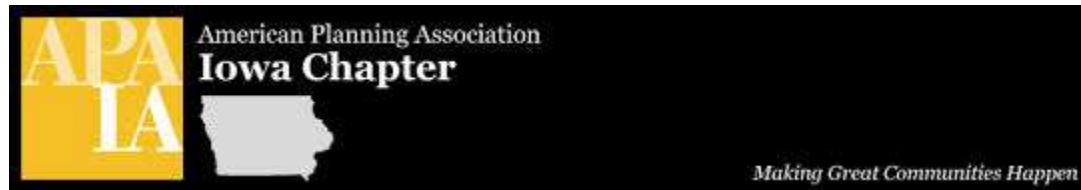
Getting the Word Out

Senate Economic  
Growth Committee



# Getting the Word Out

## Partners' Conference



## Summary: Getting Results

The Economic Impact of  
Main Street Iowa, 1986-2012

**ICOWA**  
economic development



### Main Street works.

That's the clear message from the recent study of the economic impact of Main Street Iowa. An analysis of twenty-six years of data demonstrates that Main Street Iowa has been doing exactly what it was created to do – helping Iowa communities use their historic downtowns and neighborhoods as an effective vehicle for economic development.

Since 1986:

- 11,500 net new jobs have been created in Main Street Iowa districts.
- Main Street Iowa districts have had a net gain in jobs in 25 of the last 26 years. As a comparison, the state of Iowa gained jobs in 19 of those 26 years and the U.S. economy only 20 of those 26 years.
- More than 3,800 businesses have started-up, relocated to, or expanded in Main Street Iowa districts.
- In spite of the farm crisis, four recessions, the dot-com bust and the real estate crash, there has been a growth in net new businesses every year in Main Street Iowa districts.
- In 25 of 26 years the rate of net new business growth in Main Street Iowa districts exceeded the rate of the U.S. as a whole.
- \$1.1 billion has been invested in buildings in these Main Street districts, \$300 million in acquisition and over \$800 million in building renovation.
- Projects in Main Street districts have generated an average of 623 Iowa jobs and over \$19 million in paychecks every year since the program began.
- In spite of a recession and a shaky economy, Main Street rehabilitation projects in the last ten years have created more than 1,000 jobs each year, on average, and generated worker earnings of nearly \$35 million dollars.
- Today, the property taxes on just the rehabilitation investment in Main Street Iowa districts provide local government with \$10.8 million in revenues every year.
- The recent national recession meant construction nationally and in Iowa was flat. However, in Main Street Iowa districts, construction activity increased 250 to 350 percent during the same time period.
- Conservatively, the net new businesses and business expansions in Main Street Iowa districts generated state sales tax revenues of \$543 million in 2012, nearly 50 times the budget for the state program.
- For every \$1 spent on the state program nearly \$73 in private investment has been spent on the acquisition and rehabilitation of buildings in Main Street districts.
- In the decade of the 1990s, the average sale price of a building in a Main Street Iowa district was \$59,459. Since 2000, that average has increased to \$154,827. For Main Street Iowa districts in towns less than 5,000 in population, in the decade of the 1990s the average sale price of a building was \$40,166. Since 2000, that average has increased to \$130,764.
- A couple living in an upper tier downtown apartment and paying \$500 per month in rent will add nearly \$20,000 per year to the downtown economy if a range of goods and services is available. In communities where the rents are \$1000 per month, that couple will add \$39,000 to the downtown economy.
- Main Street Iowa communities with populations between 5,000 and 50,000 grew 1.7 percent in population between 2000 and 2010; but the Hispanic population in these communities increased 108.4%. Rural Main Street Iowa communities (population less than 5,000) grew a modest 1.2 percent and the Hispanic population increased by nearly 140 percent.

The 26 year program of Main Street – economic development in the context of historic preservation – has been a singular success story. More jobs, new businesses, increased investment, enhanced tax revenues, bigger paychecks, rising property values ... these are at the top of the list of economic development priorities, and Main Street has done them all. And it has done so while protecting and enhancing the character and uniqueness of every Iowa Main Street community.

# Getting the Word Out

## 1 Page “factoids” sheet



# What's the Economic Impact of Main Street Iowa?



Jobs and Incomes



New Businesses



Real Estate Investment



Sales and Property Tax Revenue



Economic Opportunity



Community Commitment



And more....

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[www.iowaeconomicdevelopment.com/userdocs/documents/  
ieda/MainStreetReportMay2013.pdf](http://www.iowaeconomicdevelopment.com/userdocs/documents/ieda/MainStreetReportMay2013.pdf)