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Sustainable Economic Growth
& Quality of Place

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May 6, 2025

To: Chairman Abney, House Finance Committee

From: Scott Wolf and Jillian Finkle, Executive Director and Deputy Director,
Grow Smart RI

RE: Testimony in Support of H-5477

Dear Representative Abney and Members of the House Finance
Committee:

Grow Smart RI enthusiastically submits the following testimony in support
of House Resolution 5477 supporting the establishment of a State Main
Street Coordinating Program.

A STATE COORDINATING MAIN STREET PROGRAM IS A REVENUE GENERATING PROPOSITION.

As the state of Rhode Island stands to confront the loss of a significant
amount of federal funding, we must identify solutions to generate more of
our own revenue, ideally coming in from outside the state. We need to
leverage every asset we have, and we are currently underutilizing our
traditional commercial districts, which have great bones, history and stories,
but are not living up to their potential. If Rhode Island's Main Streets and
neighborhood commercial centers were more universally attractive, vibrant,
and activated, the state would attract more residents, visitors, customers,
and outside private investment. Rhode Island already has a substantial
tourism industry as a foundation on which to build.

MAIN STREET AMERICA'S PROGRAM IS PROVEN ECONOMIC DEVELOPMENT.

Since 1980, Main Street America has been fine-tuning a proven approach
to commercial district revitalization that has yielded impressive results.
Donovan Rypkema of PlaceEconomics has studied the Main Street
Approach extensively, and has called it "the most cost-effective form of
economic development that exists in the United States today — not just in
downtown revitalisation, or historic preservation, but any form of economic
development." Since the program began, Main Street America has tracked
several indicators of success across all participating districts nationwide,
including:

- \$107.62 billion in private and public reinvestment
- 175,323 NET new businesses
- 782,059 NET new jobs
- 335,675 buildings rehabilitated
- 35.3 million volunteer hours
- Average return on investment, across all districts over the
entire life of the program, is \$24:\$1

There are (as of the latest newly released count) currently 48 other Main Street Coordinating programs (41 are statewide, the rest are in counties, regions, or big cities) including the nearby states of CT, VT, ME, PA, NJ, DE, MD and the cities of Washington, DC, Baltimore, MD, and Boston, MA. These other Coordinating Main Street Programs have documented the value of and returns on these investments:

- Since Maine entered the program in 1999, they have calculated a reinvestment ratio of 23-1.
- In a 10-year period, Oregon estimates that its \$1.8 million investment in the state coordinating Main Street program's administration yielded \$3.5 million in ADDITIONAL state tax revenue and estimates a total economic impact of \$141 million.
- In North Carolina, annual sales tax revenue just from NEW businesses in Main Street districts is enough to cover the administrative costs of the state Main Street program. Moreover, they calculate that over their 33 years they have attracted \$127 in private investment for every \$1 in public investment.
- In New Mexico, the annual average amount of income generated from private investment in Main Street district buildings is more than the entire administrative cost of the State Main Street program since its inception.
- In one single year, Delaware Main Street's 18 participating communities counted 154 new full-time jobs (net), 17 new businesses (net), 16 completed renovation projects, 5,614 volunteer hours, and more than \$2.7 million in private investment.
- Links to other states' impact reports are available at <https://www.growsmartri.org/main-street-ri-rationale/>

At the local level, communities that support local organizations dedicated to commercial district revitalization have reaped social and economic benefits:

- The local Main Street organization in Biddeford, ME (pop. 22,000) has 2.5 staff, and in 2024 produced 16 events and 4 collective promotional campaigns in their downtown attracting 15,000 attendees with 779 volunteers contributing 3,436 hours.
- Since 2010, the River District Association in Danville, VA (pop. 41,837) has leveraged \$52 million in public investment to attract \$310 million in private investment to facilitate the creation of more than 150 new businesses and the addition of over 1,200 residential spaces.
- The Easton (PA) Main Street Initiative (EMSI) is a non-profit, volunteer driven downtown revitalization program that has managed a \$425,000 facade improvement program, multiple lighting improvement projects, and a robust ambassadors program. Their efforts have resulted in the reduction in the downtown commercial vacancy rate from 26% in 2008 to 10% in 2024.

OUR MAIN STREET DISTRICTS ARE THE BEST PLACES TO ADDRESS SEVERAL OF RI'S MOST PRESSING NEEDS: GROWING SMALL BUSINESSES, EXPANDING AFFORDABLE HOUSING AND TRANSPORTATION CHOICES, IMPROVING PUBLIC HEALTH

Main Street/Downtown commercial districts are the neighborhoods in Rhode Island best equipped logistically and politically to accommodate commercial and residential growth, and that stand to benefit the most from such growth.

- They are the places which have traditionally been the economic launching pad for immigrants and people of color.
- They are also the places which have been among the most heavily impacted by recent major social and economic upheavals associated with the pandemic, the remote working revolution, the rise of online consumerism and the hunger for more social connection.
- Given their access to water and sewer infrastructure and their often high rate of underutilized or vacant buildings, Main Street districts and their adjacent neighborhoods are the places where more multifamily affordable and workforce housing is most easily accommodated and permitted.
- And finally, they are the places where the built environment is most conducive to a healthy lifestyle because of the ability of people living in these areas to walk, bike or stroll to many of the essential services and activities for economic advancement and a high quality of life.

WHILE RI HAS SOME USEFUL PROGRAMS TARGETING MAIN STREETS, WE NEED TO FUND THE PIECE THAT WE ARE MISSING FROM THE PROVEN FORMULA FOR SUCCESSFUL PLACES.

Over its 45 years of experience, (and as originally conceived by longtime Providence Revolving Fund leader Clark Schoettle), Main Street America has identified four elements that sustain commercial district success: the physical environment (“design,”) the businesses (“economic vitality,”) communication and events (“promotion,”) and people to do all the work (“organization.”)

To at least some extent, Rhode Island is investing in the first three of these “points.” For design, we have the Main Street Streetscape Improvement Fund, Site Readiness Grants, the State Historic Tax Credit, ReBuild RI, etc. Services for small businesses are provided by Commerce RI, the Small Business Hub, SBDC, Social Enterprise Greenhouse, etc. Recent Commerce RI placemaking grants sought to support signature and/or off-season events. However, a lack of coordinated statewide focus specifically dedicated to Main Street districts has diluted the effectiveness and impact of these existing efforts and investments.

The final and most important point, because it enables all of the others, is where Rhode Island is falling short – “organization.” To facilitate *all* of the work in the other three points, people are needed in each place who are intentionally organized and working on a sustained basis, guided by best practices, to make that commercial district successful. A statewide Coordinating Main Street Program is designed to provide the framework that supports the people and organizations working at the local level to improve and

activate their commercial districts. Investing in the missing “people part” of the equation actually protects, leverages and makes connections to the investments we as a state have already made.

Rhode Island is lucky to already have some dedicated people and existing groups in local communities working on behalf of commercial districts, albeit often in ad hoc or incomplete ways. Without support, these mostly volunteer-led efforts remain inconsistent and prone to burnout. The idea behind the State Main Street Coordinating program is to encourage these efforts more systematically across the state and connect them all in a network. This way, we can efficiently build their capacity and expand upon the work they're already doing so that each community is pursuing all four points of the proven approach for increasing Main Street economic and social vibrancy.

As a bonus, a connected network of place-based organizations will streamline the outreach efforts of state agencies, municipalities, utilities, and others, thus creating additional savings through improved efficiency of a very time-consuming task.

IT'S NOT EXPENSIVE TO GET IT STARTED, AND WE CAN'T WAIT.

The comparatively modest appropriations request in the bill funds the first three years of a state Coordinating Main Street program as a pilot managed by Grow Smart RI. The funds represent the minimum required: a full-time state program coordinator and a consulting contract to provide expert-led training workshops for our communities. We don't need to reinvent the wheel - we can use the affordable expertise found through Main Street America and their vast national network (currently 1,228 local programs are officially affiliated.) Over time we hope to have actively engaged groups in all of RI's significant commercial centers working in partnership with local governments and other partners to comprehensively nurture successful Main Streets, downtowns, and neighborhood commercial centers around the state.

While we understand that this is a difficult year for the State Budget, Rhode Island cannot wait to begin developing our ability to raise revenue and tap the economic potential of our Main Street districts. The current uncertainty with federal funding shows no sign of improving anytime soon, and building up local capacity in a new program will take several years to realize strong returns. Main Street programs are popular where they exist, with the millions of documented volunteer hours to prove it. Ultimately, they provide a mechanism for residents to share in the work of place improvement and management – critical tasks that government truly cannot do all on its own.

GROW SMART RI IS STEPPING UP TO LEAD AND MANAGE THIS PROGRAM FOR RHODE ISLAND.

While a majority of Coordinating Main Street Programs are housed within state government, there are more than a dozen that are run as non-profit organizations.

Although economic development is generally a core function of government, a non-profit structure allows greater flexibility, especially with the ability to secure grants, donations, and other funding. Additionally, the public may respond more favorably to an independently-run versus government-run program, and may find it easier to get involved, especially with an approach that is new to the state.

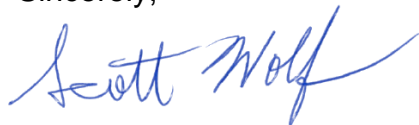
Grow Smart RI, with its 27-year award winning track record of engagement in many aspects of Main Street and Downtown revitalization, brings significant credibility and policy/programmatic expertise to this undertaking, along with a large network of relevant practitioners and local civic activists.

It is important to note, however, that even when state-level Main Street programs are run by non-profit organizations, they receive public funding. Grow Smart RI has invested a great deal of its limited resources over the past few years investigating how Main Street programs operate around the country. Through countless conversations with stakeholders, funders, and program leaders in other states, we have determined that the coordinating function of the Main Street approach, which sets the stage for success at the local level, cannot occur without state government buy-in and financial support.

Therefore, we respectfully request that you fund an appropriation of \$500,000 for a 3-year pilot – or \$167,000 per year, representing an infinitesimal fraction of the State Budget. This small amount will allow us to get this program started, funding a full time State Main Street Coordinator to consistently facilitate programming and bringing Main Street America staff to Rhode Island on a limited consulting contract to provide start-up training for interested communities.

Thank you very much for your consideration and for the opportunity to share this proposal with you.

Sincerely,



Scott Wolf
Executive Director
Grow Smart RI



Jillian Finkle
Deputy Director
Grow Smart RI