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#### **EXECUTIVE SUMMARY**

# Michigan Main Street is economic development.

Since 2003, Michigan Main Street has transformed commercial districts and communities across the state through dedicated economic development efforts, leading to economic growth and downtown revitalization. Michigan Main Street empowers local priorities and supports local decision-making and input to guide on-the-ground economic development.

Championed by Michigan Main Street (MMS) and Michigan Economic Development Corporation (MEDC), MMS Communities target efforts to support local businesses, bring more customers to downtown, revitalize the built environment, and enhance the downtowns throughout Michigan. The original four Main Street Communities expanded to 42 cities and neighborhood districts over the past 20 years, with 25 MMS Communities in 2023.

This report highlights the many ways in which MMS Communities support economic growth, contribute to the state's tax base, and foster social ties, communities, and culture.

The Impact of Michigan Main Street Communities (2003-2023)

These dollars and jobs occurred because of the work of MMS Communities:

**\$445.6 Million** 

Total Economic Impact of Michigan Main Streets

4,000+ Jobs

Supported Because of Michigan Main Street Communities

\$239.6 Million

Business Revenue Attributable to Michigan Main Streets

\$8.8 Million

**Total Cumulative State Tax Revenue Attributable to the Programming of Michigan Main Street Communities** 

The programmatic functions of MMS Communities generally fall within four main categories, as told throughout this report:

**Business Attraction and Retention.** Keeping a strong economic base downtown by helping to bring new businesses and provide technical and financial assistance to existing businesses.

**Customer Attraction.** Introducing new visitors while ensuring downtown remains a social and shopping center for local residents through targeted promotional and marketing efforts as well as festivals and events.

**Preservation and Revitalization.** Retaining the historic character while improving the physical condition of the downtown building stock through façade improvement programs and historic preservation efforts.

**Beautification.** Strengthening the visual appeal and local aesthetics with neighborhood cleanups, public art, and signage and branding efforts.

Each of these types of activities relates to placemaking, a key tenant of community-driven economic development: creating communities with the type of character and reputation where businesses want to locate, where people want to live, and where visitors want to go to shop, socialize, and be entertained. It's this mix of people and activity that helps an MMS Community thrive. Importantly, Michigan Main Street's impact reaches beyond business attraction, job creation, and local spending. It plays a role in preserving the history and identity of its communities. And it preserves downtown as a central place for stakeholders throughout a region to come and be together.

#### Methodology

This study, conducted by Jon Stover & Associates, assesses three types of impact of Michigan Main Street over the last 20 years: its social value, its fiscal value, and the primary focus of this report, its economic value. The analysis leverages a comprehensive base of data reporting called "reinvestment statistics" that have been collected on a remarkably consistent basis over the history of the program. JS&A used this data along with a 2023 survey of Main Street leadership to assess budget expenditures, customer attraction data, business trends, programmatic expenditures, and programmatic results. An economic modeling software called IMPLAN was used to estimate a range of economic impacts of this programmatic activity, as well as estimate the tax revenues that this economic activity generated at the state level.







#### **INTRODUCTION**

## The Story of Michigan Main Street

Celebrating its 20<sup>th</sup> year, Michigan Main Street, a key program within Michigan Economic Development Corporation, has established itself as a leading economic development program for the state and has garnered national acclaim.

The program has expanded from the original four local Main Streets in 2003 to 25 MMS Communities today. The prestigious Great American Main Street Award landed in Michigan three times to date - Old Town Lansing in 2011, Howell Main Street in 2018, and Boyne City Main Street in 2020.

As a proven economic development model, the Main Street Four-Point Approach<sup>TM</sup> is one of the most efficient and flexible structures that aligns local business needs with state-level coordination and support. The renowned approach includes economic vitality, design, organization, and promotion to strive for balanced downtown revitalization and resiliency. Michigan Main Street oversees a network of MMS Communities, local Main Street programs that are predominantly funded and operated at the local level. Each program follows the same national framework necessary to maintain Main Street accreditation but is provided wide flexibility and creativity to create and prioritize programming suited to the specific needs of its local downtown and align with the resources at hand. Main Street values historic preservation and retaining what is authentic and special about each historic downtown to celebrate a community's history while creating the type of conditions that will continue to attract investment.

Through trainings, oversight, and leadership, MMS works directly with its local communities to strategize for vibrant economies, deploy best practices and creative approaches for downtown enhancement, and celebrate the unique qualities and experiences of each community. As the program has grown and gained success, MMS tailors new approaches for showcasing its communities, including its recent Michigan Main Street Story Series, tracking and monitoring impact and key metrics for program development, and offering direct support for downtown improvement, such as MEDC's Match On Main, Main Street Vibrancy, and Optimize Main Street grant programs for business growth and retention.

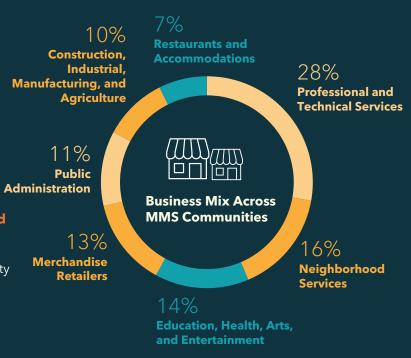
#### **A Wide Range of Businesses**

MMS Communities feature a wide range of businesses beyond the quintessential retailers, corner stores, and charming restaurants. Main Streets are hubs for employment across the state and feature a diverse set of establishments and employment opportunities.

## **Technical Services to Support Businesses and Community Vibrancy**

Michigan Main Street amplifies MMS Community leadership and approaches through a robust menu of targeted Technical Services that prioritizes understanding on-the-ground needs and desires of each community for economic development strategies that reflect the unique conditions and character of each downtown. Such technical services include:

- Entrepreneurial Ecosystem Audit
- Branding Service
- Site Prioritization and Visioning
- Business Recruitment Toolkit
- Downtown Futures Service
- Design and Historic Preservation Assistance
- Executive Director Leadership Training
- Targeted Capacity Building
- and more!



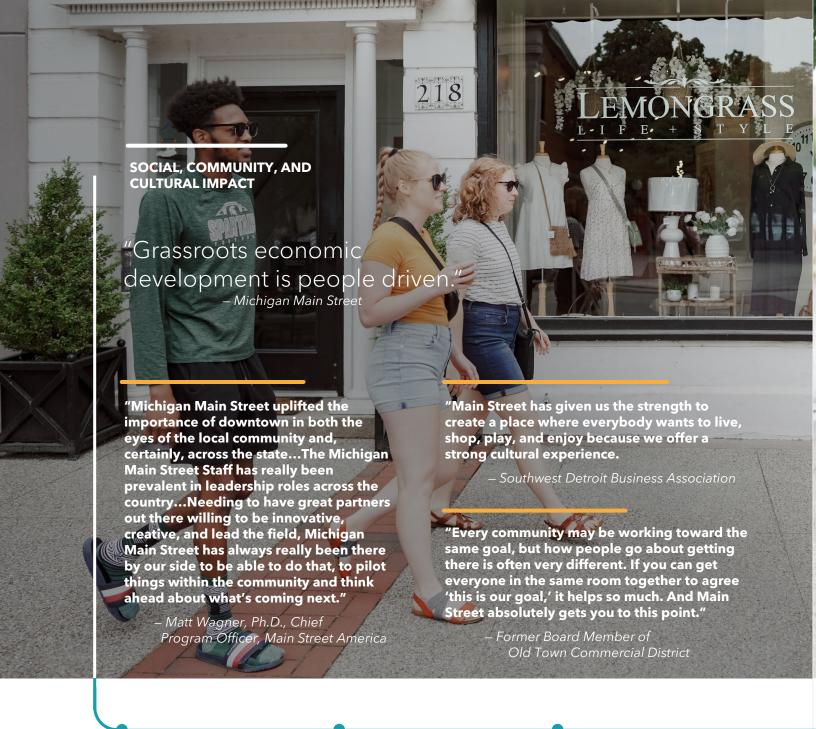
## **Leadership Development at the MMS Community Level**

Michigan Main Street prioritizes elevating the local leadership of MMS Communities. Through Executive Director leadership development, targeted support to increase salaries and benefits for retention and tenure, and subject matter trainings, Michigan Main Street grows economic development leaders for local communities across the state.



## Projects People Places

Embodying the three pillars of the State of Michigan's comprehensive economic strategy, Make it in Michigan, Michigan Main Street builds vibrant communities one project at a time. By developing attractive places, holistically approaching community development, collaborating with partners, and celebrating and redeveloping downtowns, MMS Communities exemplify Michigan's economic priorities and are a key part of MEDC's roadmap for Michigan's future.





## "Placemaking binds people to place. That connection drives investment."

Main Streets are communities' symbol of home. Public gathering spaces foster strong community connections, anchor people to their communities, and promote social interaction among all.

## "Successful businesses are vital to a thriving district."

The entrepreneurial spirit and mentorship of MMS Communities encapsulate Main Street as the ideal place to open a business, with a social network of Main Street leadership to help along the way. Main Street marketing efforts, sharing stories of places, and building downtown brands contribute to business success.

#### "A well-designed event strategy creates vibrancy, builds brand equity, and proves market viability."

MMS Community event programming provides opportunities for neighbors to get to know one another and encourages meaningful interactions.

Quotes from MMS's Solution Center, an interactive, public digital library of Main Street resources, best practices, and helpful guides for MMS Communities. For more information about MMS's Solution Center, please visit: <a href="www.miplace.org/programs/michigan-main-street/resources">www.miplace.org/programs/michigan-main-street/resources</a>.

#### "Our buildings are our character. They make us who we are. We must restore and protect our authenticity and uniqueness."

Rooted in historic preservation, MMS Communities celebrate the past and actively preserve their built environment, ensuring the community's history, charm, and culture remain for future generations.

## "Investment in property development and building rehabilitation is the key to growing the value of place."

MMS Communities understand the mechanisms for garnering new investment in their downtowns and have the tools through foundational plans and technical services for success. Investment in a community symbolizes the resiliency and care within a downtown.

(1) The value of MMS Volunteer Hours is calculated based on Independent Sector's Value of Volunteer Time, the leading source for valuation of volunteerism in each state.

### Volunteer Hours in MMS Communities Since 2003

Main Street placemaking, business support, events, historic preservation, and downtown investment is championed by volunteers. These volunteer hours equate to a value of \$25.7 million. (1)

Volunteers in MMS Communities not only implement the programming, from events to beautification of the Main Streets, but the collective engagement fosters stronger civic pride, community connections and relationships, and on-the-ground capacity of MMS Communities.

#### **ECONOMIC IMPACT**

Over the past 20 years, Michigan **Main Street has transformed** downtown communities through economic development.

Between 2003 and 2023, Michigan Main Street helped generate \$239.6 million to businesses, directly attributable to Main Street programming across the State of Michigan. This impact was generated by:



MICHIGAN



**Attracting New Businesses to Main Street and Supporting Downtown Business** 

\$90.9 Million



**Bringing More Customers** to Local Businesses



\$61.2 Million

**Revitalizing and Preserving Downtown Communities** 

\$13.4 Million





**Developing Attractive Places Across the State** 

\$74.1 Million

**Direct Economic Impact** 

\$239.6 Million This cumulative direct economic impact reflects how Main Streets generated additional spending and business revenue because of their programmatic efforts in downtowns.

#### The economic impacts of Michigan Main **Street extend beyond the direct impacts** into indirect and induced economic effects.

Revenue and sales that occur because of Main Streets spark additional spending and generate additional economic activity beyond the \$239.6 million of direct impact.

\$93.5 Million Indirect Impact

**Business-to-business transactions, such as** supply chain purchases, occur as a result of the increased activity due to Main Streets. This is referred to as indirect impacts.

#### \$112.6 Million Induced Impact

When employees of jobs supported by the economic impacts of Main Streets spend their salary and wages, even more economic activity occurs.

This household spending of wages is referred to as induced impacts.

#### \$445.6 Million

**Total Economic Impact of Michigan Main Streets Between 2003 and 2023** 

#### Total Economic Impact of Michigan Main Street (2003-2023) (2023 Dollars)

Type of Impact	Employment	Salary and Wages	Total Revenue
Direct Impact	2,682 Jobs	\$93.8 Million	\$239.6 Million
Indirect Impact (Business-to-Business Impacts)	601 Jobs	\$32.9 Million	\$93.5 Million
Induced Impact (Spending of Wages Impacts)	719 Jobs	\$36.7 Million	\$112.6 Million
Total Cumulative Economic Impact	4,002 Jobs	\$164.4 Million	\$445.6 Million
Average Annual Total Economic Impact	191 Jobs	\$7.8 Million	\$21.2 Million

Note: The direct impact in the above table is defined by IMPLAN as the immediate result of the direct spending or industry change attributable to the economic activities of MMS programming. This figure is adjusted with a retailer marginal coefficient to deflator to adjust the impact overlap between direct and indirect impacts. All figures expressed in 2023 dollars. Source: IMPLAN (2023)

#### **FISCAL IMPACT**

#### Michigan Main Street Communities have generated \$2.9 million more State tax revenue than its cumulative expenditure on the program since 2003.

The State of Michigan has allocated \$5.9 million in today's dollars to support MMS since its inception. The direct economic impact of MMS's activities have in turn generated \$8.8 million cumulatively for the state in fiscal revenue. In other words, for every \$1 spent on the program the state has brought in \$1.49, helping to fund services for all state residents. This is just one way that MMS Communities create value not only for their local cities and towns but for communities across every corner of the state.

#### State Expenditure on MMS (2003-2023) (2023 dollars)

State Expenditure	Annual Average State Expenditure	Cumulative State Expenditure
Total State MMS Expenditure	\$282,795	\$5,938,685

#### State Tax Revenue Generated by MMS Communities<sup>(1)</sup> (2003-2023) (2023 dollars)

State Revenue Stream	Annual Average State Tax Revenue	Cumulative Direct Fiscal Impact
Sales Tax	\$245,364	\$5,152,645
Property Tax	\$41,286	\$867,014
Motor Vehicle License	\$7,675	\$161,184
Severance Tax	\$1,207	\$25,350
Corporate Profits Tax	\$15,765	\$331,065
Personal Income Tax	\$89,128	\$1,871,683
Other Personal Taxes	\$7,952	\$167,001
Other State Taxes <sup>(2)</sup>	\$12,950	\$271,957
Total Direct Fiscal Impact	\$421,327	\$8,847,899

<sup>(1)</sup> State tax revenues reflect the direct fiscal impact. Figures directly pulled via the IMPLAN model for the economic impact of MMS. Actual tax revenues may differ. Tax revenue figures include only state revenue and do not include county or municipal tax revenue. All figures in the above chart are represented in 2023 dollars.



<sup>(2) &</sup>quot;Other State Taxes" are a tax revenue category per IMPLAN category classification. This includes taxes on motor fuels, tobacco products, alcoholic beverages, accommodations, and other miscellaneous products and services at the state level. Source: IMPLAN (2023); State expenditure data provided by MMS.



#### **BUSINESS ATTRACTION + RETENTION**

## Attracting New Businesses to Main Street and Supporting Downtown Businesses

\$180.7 Million **Total Economic Impact** 

2,150 Jobs **Supported by Total Impact** 

Michigan Main Street Communities bring new businesses to their downtown communities, filling vacant storefronts and meeting untapped market demand. Main Streets across the state tailor their business attraction efforts specific to the on-the-ground realities of their commercial community. They leverage the robust resources through the MMS Coordinating Program and MEDC and follow scalable best practices set forward by Main Street America™ for attracting new businesses to locate in their downtowns. MEDC's Match on Main, a reimbursable grant program for MMS Communities and Redevelopment Ready Communities®, exemplifies collaborative partnerships between MMS Communities and local businesses, encouraging small business growth, pathways for new business opportunities, and authentic downtowns across Michigan.

#### **How MMS Communities Support Their Downtown Local Businesses**

The targeted technical assistance and business support MMS Communities provide are tailored to the specific needs of their downtown economy. Through the Main Street model, MMS Community leadership forms strong relationships with their local businesses, ensuring that Main Street efforts provide value to their local business community.

**89%** Provide Resources to Current and Prospective Businesses

**89%** Connect Businesses with Outside Financial Resources

79% Host Networking and Mentorship Initiatives

**68%** Offer Direct Financial Support to Businesses

**63%** Assist with Business Marketing Efforts

**32%** Host Entrepreneurship and Incubator Programs

1,753

businesses opened in Main **Street Communities since** the program's inception.

of Main Streets actively work to bring businesses to their downtown.

of Main Streets prioritize business retention efforts.

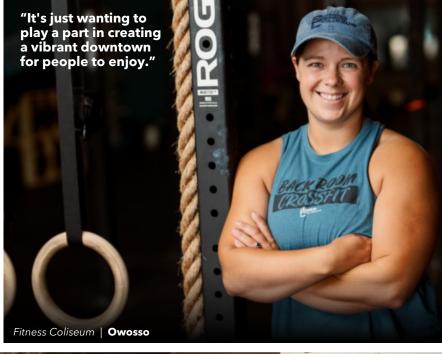
Note: This economic impact of business growth in Main Streets assumes 4% of the net new business activity is attributable to the direct presence of a Main Street based on prior studies through Main Street America™ Source: MMS Reinvestment Statistics (2003-2023), MMS 2023 Leadership Survey, Jon Stover & Associates, InfoGroup (2023)

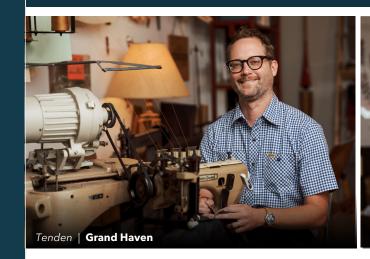




"Here in Michigan, we're proud to support risk-takers, groundbreakers and innovators in bringing their **business to life.** Whether it's by supporting small businesses through our Match on Main program or preparing our communities for development through Michigan Main Street and the Redevelopment Ready Communities program, we're committed to helping transform a dream business into a thriving success."

- Quentin L. Messer, Jr., CEO, MEDC









A recent initiative of MMS, the Michigan Main Street Story Series shares the stories and perspectives of local business owners throughout Main Street communities. Through its partnership with Storyville Social, this effort, combined with the economic impact of Main Street business attraction and retention, impressively articulates the power of Main Streets for entrepreneurship, growth, and inclusion. To read and watch the stories of Michigan Main Street's business owners, visit: www.miplace.org/programs/michigan-main-street/story-series.



**MARKETING, BRANDING + EVENTS** 

## Attracting More Customers to Local Downtown Businesses

\$116.9 Million

1,091 Jobs

**Total Economic Impact** 

**Supported by Total Impact** 

From helping to brand and market commercial districts to planning and hosting events that expand the customer base of local businesses, Michigan Main Street Communities directly bring more customers to their businesses. As champions of local branding and marketing the collective business community, Main Streets highlight and share the unique personas and experiences of the downtown communities across the state. From social media advertisements, to partnering with local tourism bureaus, to creating downtown itineraries for out-of-town visitors, MMS Communities launch a variety of tools, mechanisms, and approaches for marketing, branding, and customer attraction.

To help bring more customers to downtown businesses, MMS Communities plan, partner, and host celebrated events throughout all times of the year. These events offer more than a good time but directly support local businesses with expanded revenue and drive the local economy. Michigan Main Street helps guide MMS Communities in shifting events to meet the specific needs of its business districts, targeting events in the offseason when business revenue is low as well as during peak times to heighten and enhance local spending. Main Street events introduce new visitors to the commercial district and their businesses. One out of every three Main Street event attendees comes from outside their local municipality to experience the Main Street Community, offering meaningful first impressions and encouraging people to return downtown.

95%

of Main Streets directly help bring customers to their local businesses.

34%

of Main Street event attendees come from outside the community. 100%

of Main Streets host events, giving more reasons to come downtown.

13,700

people come, on average, annually to the events put on by a Main Street Community.

4.2 million

people attended Main Street events since the first events in 2003.

volunteer hours go into a typical Main Street event in recent years.

Note: This economic impact of Main Street customer attraction includes programmatic budget allocated toward marketing efforts, event planning, and the attributable visitor spending at Main Street events. This model assumes that Main Street event attendees' spending is based on prior national studies Source: MMS Reinvestment Statistics (2003-2023), MMS 2023 Leadership Survey, Jon Stover & Associates



of the typical MMS Community'

budget is allocated towards marketing, branding, and event efforts. This equates to nearly \$60,000 annually for the average Main Street.

24%

"The Lapeer Main Street DDA uses marketing campaigns that include video, photos, and community storytelling to create engaging materials designed to showcase our downtown as a whole and businesses within our community."

- Lapeer Main Street DDA



of the typical MMS Community' staff time is dedicated towards customer attraction, including marketing, branding, and event programming.



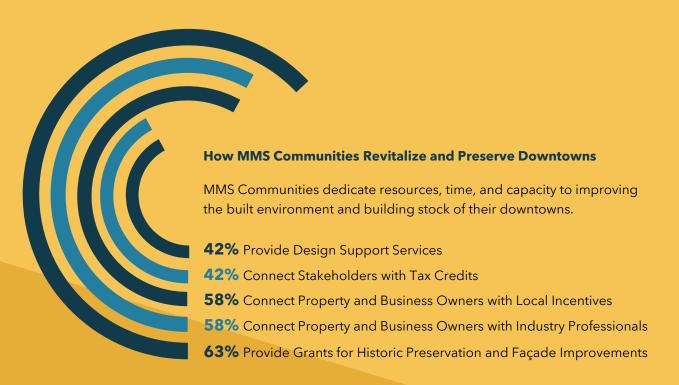


#### **HISTORIC PRESERVATION**

## **Downtown Communities**

**Supported by Total Impact** 

Ingrained in the original idea of Main Street America™ as a subsidiary of the National Trust for Historic Preservation, MMS and its Communities dedicate efforts to preserving the existing fabric and downtown character while imagining the future and bringing new investment across Michigan.



building and façade improvements occurred in Main Streets since 2003.

of private investment has gone into Main Streets since the program began. \$137 Million

of public investment has been committed to Main Streets since 2003.

Note: This economic impact of Main Street historic preservation efforts is based on the programmatic budget allocations of Main Streets for historic preservation, restoration, and building improvements Source: MMS Reinvestment Statistics (2003-2023), MMS 2023 Leadership Survey, Jon Stover & Associates



1.7 million investment in the heart of Niles, the velopment on East Main Street transformed two nt historic buildings into modern commercial space, home to the headquarters of a software company. Through Federal Historic Tax Credits, the Niles Main Street Façade Grant, the Michigan Community Revitalization Program Performance Based Grant, and substantial private investment, Niles Plym Park symbolizes the power of preservation, investment, and partnership.



Living **Downtown:** Michigan **Main Street** 

Residents



Michigan's Main Streets are more than just the centers for business activity, retailers, and entrepreneurs – they are the home and livelihood of many Michiganders across the state.

Since the program's origin, Michigan Main Street has recognized the power of local residents in Main Street programs and the continued importance of downtown housing. From tracking key indicators such as new housing added to downtown or rehabilitated units to providing training and oversight on the value of Main Street residents, MMS has been the leader of many statewide Coordinating Programs in strategizing for downtown housing in Main Streets.

Beyond providing a wider variety of housing options for Michigan residents, MMS Communities pull their residential populations directly into their efforts and prioritize for shaping downtown. The recently launched MMS Pulse Poll Surveys offer an innovative approach to understanding community sentiment, activity and consumer behavior, and vision for the future - keeping MMS Communities' "finger on the pulse" of their broader communities.



#### **PLACEMAKING**

## Developing Attractive, High-Quality Places Across the State

\$123.4 Million

637 Jobs

**Total Economic Impact** 

**Supported by Total Impact** 

Vibrant communities showcase investment, community pride, and unique atmosphere as a beautification, and cleanliness, is a key undertaking of Michigan's Main Street Communities as community into the storefronts, streetscaping, and pedestrian experience. Importantly, the key aspects of Main Street programmatic efforts, including business attraction and retention, marketing and branding, events, and historic preservation, all play into placemaking - filling

#### **How MMS Communities Create Attractive Places**



100% Execute Landscape and



**79%** Add Public Art and



**74%** Install Wayfinding and



**74%** Hang



**74%** Host Community Clean-Up Events



**68%** Add

100%

of MMS Communities work to improve the public realm of their downtowns.

14%

of the average Main Street **Community's time is dedicated** toward placemaking.

Note: This economic impact model allocates Main Street programmatic operation budgets as placemaking impacts, netting out the budget allocations of Main Streets toward the other impact categories. Source: MMS Reinvestment Statistics (2003-2023), MMS 2023 Leadership Survey, Jon Stover & Associates









#### Main Street **Vibrancy Grant**



Michigan's Main Street Vibrancy Grant is one of many tools that celebrate Michigan Main Street's community-based economic development approach. The Main Street Vibrancy Grant helps communities implement projects within their foundational community plans and specific targeted transformational strategies. To date, \$460,000 of grant funding has gone towards MMS Communities funding projects ranging from public art, outdoor dining improvements, wayfinding, alley activation, seasonal festivities, and public space reimagination.







#### CONCLUSION

## Michigan Main Street Moving Forward

Celebrating its 20th year, Michigan Main Street continues to be a proven economic development model for the State of Michigan and its communities.

With the support of the Michigan Economic Development Corporation, state partners, and key players, Michigan Main Street serves as a premiere Coordinating Program within Main Street America™. MMS Communities, under leadership, quidance, and advisory of the statewide program, directly bolster revenue and sales in their downtowns, sparking spending activity at local businesses through strategically planned events and marketing efforts, attracting new businesses to fill vacant storefronts, helping revitalize and preserve celebrated community character, and create high-quality places for all.

The strong economic, fiscal, and community impacts over the past 20 years are only the beginning for Michigan Main Street. The program's attention to tracking and assessing data helps communicate the value of MMS, monitors successes over time, informing program decisionmakers, and serving as a leading example for Main Street Coordinating Programs nationwide. MMS's unique, two-step Main Street track (where programs start as Select Level Communities and can become Master Level Programs over time) represents a leading best practice for allocating resources and attention effectively, promoting a clear pathway for MMS Communities, strengthening on-the-ground local capacity, and ensuring that MMS continues its track record of successful economic development.

Increasing the role of Main Street Directors as key economic development contacts for their communities will help ensure that the future of Michigan's downtowns reflects the sentiment, vision, and unique identity of each MMS Community. Increasing capacity building of MMS Communities, the professionalization of the role of Main Street Directors, and knowledge and training on critical subject matters such as real estate development are fundamental for continued on-the-ground success.

Support for and investment in MMS moving forward will help Michigan's communities continue to be vibrant places for businesses, residents, and visitors for years to come.



For additional information about Michigan Main Street and how to get involved, please visit: www.miplace.org/programs/michigan-main-street.



