

Economic Development Strategies for Rural Downtowns:
Building upon Tennessee's Current Success and Resources

Tennessee Certified Economic Developer Capstone Report

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I. Trends and Current Tennessee Economic Development Programs for Rural Downtowns

A. Introduction

Economic Development professionals across Tennessee and the country now recognize the important role that vibrant and appealing downtowns play in successful local economic development efforts. This recognition was demonstrated in a 2015 IEDC article that identified downtown development as an essential element of successful industrial development. (1) The need to redevelop Tennessee towns, cities and communities is supported by this and ongoing IEDC research that contends that successful economic development, especially in rural communities, requires not only incentives, but communities that have thriving downtowns, successful educational offerings, and vibrant cultural activities that support a great quality of life. These community development or “quality of place” attributes attract and retain residents and businesses that want to live, work, play and invest in their communities and provide talent and capital necessary to grow local and regional economies. This assertion is especially true for rural communities where an economically viable downtown business district is often the most advantageous location to host locally owned retail businesses and professional services, support tourism and value-added agriculture economic clusters, and recruit and retain younger human capital talent. All of these elements are critical components for local rural economic development success.

In today’s market place, both Millennial and Baby Boomer consumers express preferences to shop, work, and live in or near traditional downtowns and neighborhoods. These locations are also becoming the preferred location for local small businesses and professional service providers that offer unique and experiential products and services. Smaller startups and entrepreneurs seeking to reduce risks and capital-intensive costs are attracted to dense and collaborative environments that are found in downtowns.

Demand is also growing for Co-Working Centers in downtown locations that serve entrepreneurs and small business owners who desire shared work spaces and business amenities that include high-speed broadband, conference and meeting facilities and the use of business equipment and other digital economy resources. In many rural communities across Tennessee, an increase in the number of remote workers is also a growing trend that offers great potential to accelerate economic development in rural downtowns. These high-skill and high-wage workers desire the advantages of small towns and rural areas that offer a higher quality of life at a slower pace and lower cost of living.

The amenities found in traditional downtown business districts in rural communities that include walk ability, higher speed internet services and access to local businesses and gathering places are highly desired by all of these rapidly growing segments of the workforce. Desirable commercial real estate is also available for redevelopment in most rural communities to accommodate these new market demands. Creating desirable physical environments is important to serve these worker preferences. The “quality of place” matters greatly in preparing for and meeting these emerging market demands and opportunities.

Successful downtown business districts are also very important to local governments. In addition to leveraging existing transportation, water, and sewer infrastructure, the concentration of commercial and government users and daily customers provide the density to support broadband infrastructure investments in rural communities. Downtown real estate also has the most potential to capture and increase property values and generate higher levels of sales and property tax revenues that are critical to local municipal and county governments operations. Investors also benefit from each of these publicly funding infrastructure amenities.

In response to these downtown-related trends and the opportunities they present for rural communities, this capstone project is intended to qualitatively explore current national and Tennessee-specific economic development programs for use by rural downtowns and provide recommendations for resources to build upon Tennessee's momentum and successful practices. This capstone will also introduce new strategies, evaluation metrics, and selected Tennessee best practices in a useful, implementable format to support downtown economic development efforts in a rural community of any size and scale. Applicable TNECD courses to this research include "Strategic Planning for Economic Development", "Entrepreneurship and Small Business," "Basic Finance," "Business Retention and Expansion", and "Managing Economic Development Organizations."

B. Overview of the Tennessee Main Street and Tennessee Downtowns Programs

The current recognition in economic development literature of the importance of economic development in rural downtowns is so good to see in writing. In Tennessee, the emphasis on downtown revitalization has been in place through the successful Tennessee Main Street (TMS) Program that began in the early 1980's and the Tennessee Downtowns (TD) Program that is unique to Tennessee for smaller, rural communities that launched in 2010. Tennessee is also unique in the location of both programs in the Tennessee Economic and Community Development Department (TNECD) Rural and Community Development Division that provides direct support for this important rural economic and community development element.

The Tennessee Main Street and Tennessee Downtowns Program can be best described as an organized and rational way to address the variety of issues that traditional business districts face. Both programs advance the inter-related concepts of economic development within the context of historic preservation. Both programs also follow the National Main Street Center's (NMSC) comprehensive Four-Point Approach™ to support local downtown revitalization and economic development actions that serve internal and external markets and enhance the community's best downtown assets. (2) TMS is the Coordinating Partner of the NMSC for Tennessee and serves as the state's general information and technical assistance source for downtown revitalization in this capacity. The Tennessee Main Street Director, along with NMSC Coordinating Program Staff and Tennessee-based Consultants, provide hands-on technical services (including training, strategic planning, and market research) that are delivered to local programs that have achieved designation through structured application and technical assistance processes for both programs.

Tennessee Main Street Program requirements include:

- Broad-based community support
- Effective vision and mission statements
- A comprehensive annual work plan grounded in the NMSC Four Point Approach
- A preservation ethic
- An active board of directors and committees
- Sufficient and sustainable finances
- A paid, professional manager/director
- Participation in annual training and education
- Reporting of annual reinvestment statistics
- Membership in the National Main Street Program

The TNECD Tennessee Downtowns Program is an affiliate of the Tennessee Main Street Program that is designed to help smaller, rural communities embark on a comprehensive revitalization effort for their downtown district. This 18-month program coaches designated Tennessee Downtowns Steering Committee members through the steps of launching a successful and sustainable downtown revitalization effort. On-going training and technical assistance is provided to prepare local volunteers to identify community assets located in the designated downtown district, select catalytic projects to begin the revitalization process, and implement their TNECD Tennessee Downtowns \$15,000 grant to jump-start local efforts.

Tennessee Downtowns Program requirements include:

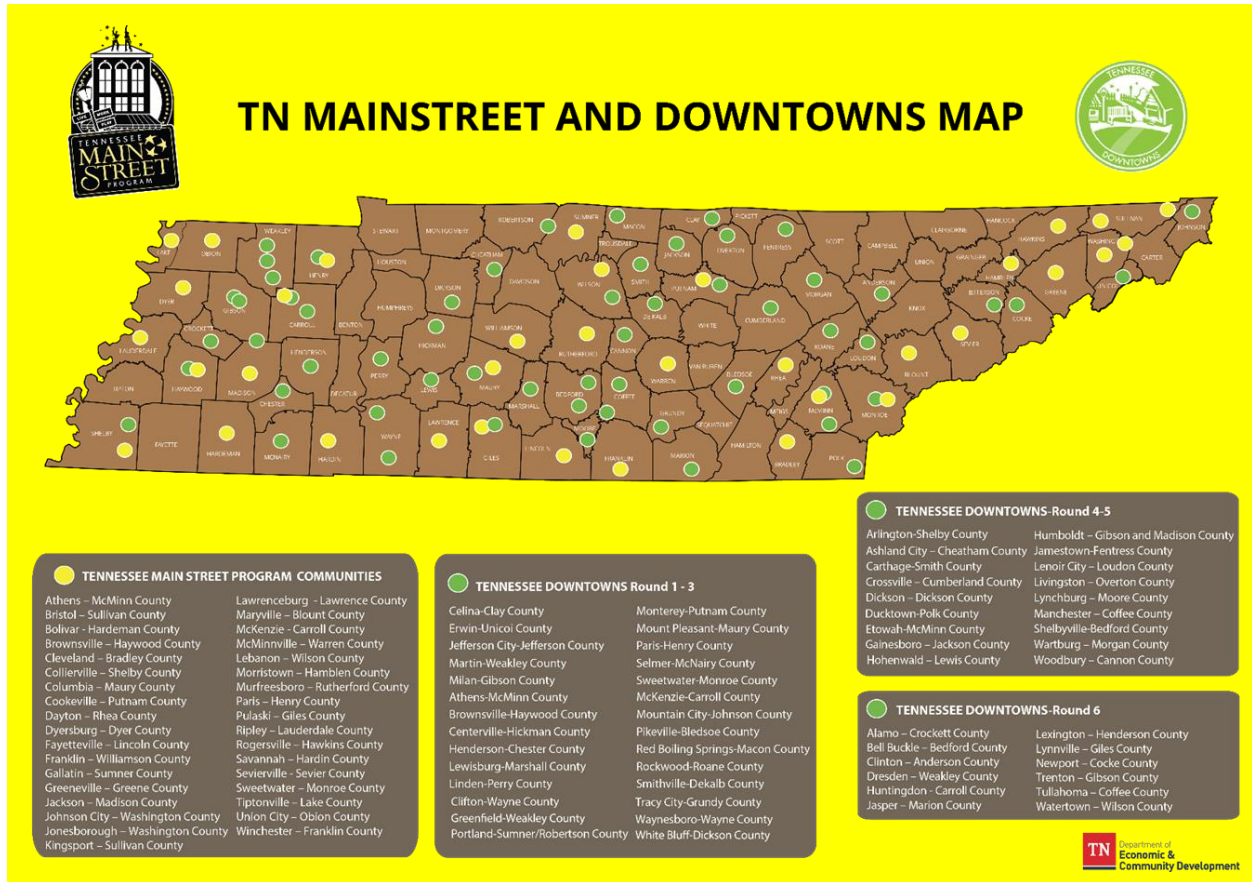
- Be a town or city located in a county that is an active participant in the TNECD Three Star program
- Clearly demonstrate community need for downtown revitalization assistance
- Illustrate interest and support from local governments, chambers of commerce, merchant organizations, business and property owners within the district, and other stakeholders who recognize the importance of downtown to their community
- Adopt a resolution by the city government to participate in the program
- Designate a program area (revitalization district) that encompasses a traditional commercial district that is over 50 years old and compact in size, features a pedestrian scale and orientation, and contains a critical mass of commercial buildings and businesses that provide the foundation for downtown revitalization efforts
- Establish a five-member volunteer “Downtown Revitalization Steering Committee” comprised of community leaders who will lead local program efforts and participate in on-site meetings and training sessions for the length of the program
- Designate a non-profit or local government organization that will house the steering committee as the project grant manager and become a member of the National Main Street Center

Since the early 1980’s, successful downtown revitalization results in Tennessee Main Street and Tennessee Downtown communities’ have been achieved through local implementation efforts that follow the National Main Street Program’s Four Point Approach of Design, Promotions, Organization and Economic Vitality.

Currently, there are 34 accredited Tennessee Main Street communities. They include: Athens, Bolivar, Bristol, Brownsville, Cleveland, Collierville, Columbia, Cookeville, Dayton, Dyersburg, Fayetteville, Franklin, Gallatin, Greeneville, Jackson, Jonesborough, Lebanon, Kingsport, Lawrenceburg, Maryville, McKenzie, McMinnville, Murfreesboro, Morristown, Paris, Pulaski, Rogersville, Tiptonville, Savannah, Sevierville, Sweetwater, Union City, Ripley and Winchester. Of these, five started out in the volunteer-driven Tennessee Downtowns program and made the choice to transition into a permanent Tennessee Main Street Program with paid staff. These programs include: Athens, Brownsville, McKenzie, Paris, and Sweetwater.

Since 2010, a total of 58 towns and cities have participated in the Tennessee Downtowns program. These include: Alamo, Ashland City, Arlington, Athens, Bell Buckle, Brownsville, Carthage, Celina, Centerville, Clifton, Clinton, Crossville, Dickson, Dresden, Ducktown, Erwin, Etowah, Gainesboro, Greenfield, Henderson, Hohenwald, Humboldt, Huntingdon, Jamestown, Jasper, Jefferson City, Lenoir City, Lewisburg, Lexington, Linden, Livingston, Lynchburg, Lynnville, Manchester, Martin, McKenzie, Milan, Monterey, Mount Pleasant, Mountain City, Newport, Paris, Pikeville, Portland, Red Boiling Springs, Rockwood, Tullahoma, Selmer, Shelbyville, Smithville, Sweetwater, Tracy City, Trenton, Wartburg, Watertown, Waynesboro, White Bluff, and Woodbury.

The following map depicts the location of both categories of communities. Tennessee Downtowns are illustrated by the green dots and Tennessee Main Street communities are illustrated by the gold:



C. Overview of Supporting Tennessee Rural Economic Development Programs

The State of Tennessee has made significant investments in rural economic development programs that leverage and support economic development efforts and outcomes in rural downtowns. In the past two decades, Tennessee Orange Carpet Tours and more recent Select Tennessee - Property Evaluation Program (PEP) reports cite successful downtown business districts as critical community assets in the industrial development process. When vibrant “Downtowns” or “Main Street” business districts are in place in rural communities, this is noted as an asset to be maintained to support ongoing job creation and talent retention efforts. Or if not, revitalization of the downtown business district is often recommended as a high priority for immediate community attention to competitively position rural Tennessee communities for industrial location, expansion, and retention success.

TNECD’s growing efforts to support economic development in Tennessee’s main streets and rural downtowns have been fueled by the Economic Development community’s realization that location decisions of corporate executives and future employees are positively influenced by the existence of economically vibrant, attractive downtowns. Other TNECD program investments provided through the Façade Improvement Grant (FIG) Program directly support downtowns revitalization efforts through improvements to downtown properties. In 2015, TNECD increased annual FIG grant amounts to \$100,000 to have a larger impact on the redevelopment of downtown properties to prepare for the location of new businesses and investments.

Downtown business districts and Main Streets provide the perfect environment to support entrepreneurs and the growth of locally owned, small businesses. (3) In 2017, TNECD began to leverage these assets by providing new grant funding to support local business development in downtown districts through the TNECD Main Street Entrepreneur Grant (MEG) Program that was launched to support local job and business creation efforts in Tennessee Main Street and Tennessee Downtowns communities. The MEG program provided up to \$75,000 in funding to establish entrepreneur centers and provide training and resources to start-ups and existing downtown businesses. Several successful MEG projects have been completed since that time that produced impressive local business and job creation outcomes in Sweetwater, Winchester, Athens, and Lebanon. The TNECD Business Enterprise Resource Office (BERO) and Launch Tennessee have also provided entrepreneur and small business development training and technical assistance that TMS and TD communities have accessed to develop locally delivered entrepreneurial services and programs. These include financial support for the development of regional entrepreneur center hubs and several new types of entrepreneur training programs and electronic and mobile platforms that include Tennessee SmartStart™ and Driving Innovation programming resources.

In 2019, TNECD introduced the Tennessee Placemakers Entrepreneurship Fund that consolidated three related TNECD entrepreneur and small business development programs. Grant funding was made available through this enhanced program to support the operation of local Co-Working and Entrepreneur Centers and provide training and community support services to start and grow downtown businesses. In 2019, the new TNECD Downtown WiFi Access Grant Program was also launched to provide catalyst funding to install broadband infrastructure and high-speed internet access that is a critical component for economic development in rural downtowns. Use of these grant incentives have positioned local Tennessee Main Street and Tennessee Downtown Programs to create new partnerships with local economic development and local government entities to create new economic vitality programs and broadband infrastructure that benefit these important partners and their constituents.

In 2019, TNECD BERO introduced an enhanced version of Tennessee SmartStart™ on-line resources through a “No Wrong Door” approach to better connect local small business and entrepreneurs to existing service providers and form locally organized entrepreneurial ecosystems to serve rural communities more effectively. In early 2020, BERO is leading the designation of Tennessee SmartStart™ Communities to coordinate improved access to services and create local referral networks for entrepreneurs and business owners desiring assistance. This new community training is another great example of TNECD’s innovative focusing of resources and direct support for job and business creation in Tennessee’s rural downtowns.

TNECD is not alone in providing significant financial support for economic development efforts in rural downtowns. Tennessee is unique in that the Tennessee Department of Transportation (TDOT) has provided several sources of federal and state grant funding for critical streetscape improvements that create safe and walk-able downtown business environments for several decades. Significant amounts of annual TDOT funding for sidewalks, crosswalks, and multi-modal transportation facilities have leveraged local government investments to create critical streetscape infrastructure in downtown business districts across the state. Federal Historic Tax Credits and the Certified Local Government (CLG) Programs managed by the Tennessee Historical Commission (THC) provide financial incentives and technical assistance to property owners and local officials working on eligible historic districts and properties that leverage these federal and state infrastructure investments. The Middle Tennessee State University Center for Historic Preservation also works across Tennessee to provide technical expertise through faculty and graduate students that help downtown leaders identify assets and create improvement strategies for focused development efforts and investments. Each of these successful Tennessee government programs have leveraged TMS and TD programs and supported downtown economic development in rural downtowns for the past 30+ years.

In 2016 and 2017, these and several new state and federal government departments were involved in the Tennessee Rural Development Task Force that identified and launched several new collaborative programs that have greatly benefitted economic development in rural Tennessee downtowns. (4) Existing state and federal government programs that predated the Rural Task Force were also expanded to support economic development in rural downtowns at that time, including ARC, DRA, CDBG and other federal sources.

Both the Tennessee Department of Agriculture (TDA) and USDA Rural Development (USDA RD) have provided technical assistance and grant programs that support the growth of local businesses across many economic sectors including local food systems through funding for Farmers Markets and creation of commercial kitchen facilities. The Tennessee Departments of Tourist Development (TDTD) and Tennessee Department of Environment and Conservation (TDEC) provide grant resources for the development and enhancement of rural tourism and outdoor recreation assets that directly support rural downtown business districts in communities across Tennessee. The Tennessee Office of USDA Rural Development also provides a variety of grant and loan funding programs that support various types of financing, local infrastructure installation and business development projects that support economic development in rural downtowns across the state.

II. National Resources for Economic Development in Rural Downtowns

A. Overview of the National Main Street Center Program

In 1977, the National Trust for Historic Preservation launched a pilot program for downtown revitalization in three communities: Madison, Indiana; Galesburg, Illinois and Hot Springs, South Dakota. These three communities were selected in a competitive process and embarked on a three-year study to determine causes of the decline of downtowns, changes to their remaining assets and markets, and specific measures needed to add economic vitality back to the historic commercial core. Much of what was learned during the pilot projects, which spread to six states by 1980, formed the basis of the Main Street Four Point Approach™ that continues to guide the nation's largest downtown revitalization network today. In Tennessee, several communities were early and enthusiastic adopters of the Main Street program, including Greeneville, Gallatin, Franklin, Columbia, Murfreesboro, Union City and Collierville. All joined the program in the early 1980's as Tennessee's first Main Street Communities and Programs.

Historic downtown commercial districts that thrived until the mid-20th Century did not fall into decline suddenly or because of one single cause. The study and pilot programs launched by the National Trust for Historic Preservation found several contributing factors and confirmed the realization that there would be no single solution to bringing the downtowns back. Through these early programs, and consistently throughout the 40 -year history of the program, the National Main Street Center was able to identify four key areas of work that included: Design, Promotion, Organization and Economic Restructuring. This work confirmed that a comprehensive program of work containing all four elements would help rural downtowns to thrive once again.

Since the early 1980's, the Main Street™ movement has been transforming the way communities think about the revitalization and management of their downtowns and neighborhood commercial districts for decades. Specifically, Main Street™ is three things: a proven strategy for revitalization, a powerful network of linked communities, and a national support program that leads the field. As an early adopter of the program in the 1980's, Tennessee has added a large number of accredited Main Street communities to the national network and leveraged many NMSC resources and services since that time.

B. National Main Street Center “Program Refresh” and Economic Vitality Framework

In 2016, the NMSC completed a comprehensive review of the effectiveness of the past 40 years of the Main Street™ program and completed a program update in keeping with new economic and market conditions of downtown business districts across the country. New economic development approaches were introduced that built upon the program’s pragmatic approaches and past successes. Now described as the “Program Refresh”, the new Main Street Four-Point Approach™ focuses on market opportunities and transformational strategies to drive business development and real estate investment in downtowns and main street districts. The other three points of Design, Promotion and Organization were aligned to new Economic Vitality strategies to better serve internal and external markets, customers, and investors.

The new Main Street Four-Point Approach™ is a unique multi-faceted economic development tool that enables communities to revitalize their downtowns by leveraging local assets ranging from historic, cultural, and architectural resources to local business enterprises and community pride by focusing on the following areas:

Economic Vitality - Strengthening the community's existing economic assets while diversifying its economic base through identification of current and potential market opportunities, business retention and recruitment efforts, working with small business owners and entrepreneurs to grow new businesses, and development of financial assistance and training tools, and incentives.

Design - Getting downtown properties and infrastructure into top physical shape and creating a safe, inviting environment through appropriate building renovations, redevelopment guidelines, streetscape and public space improvements, good signage, attractive window displays, and overall aesthetic qualities.

Promotion - Creating a positive image to rekindle community pride and improve consumer and investor confidence in the commercial district through special events, marketing campaigns and branding.

Organization - Building partnerships among the key groups that have a stake in the downtown and creating a well-run, financially sustainable downtown development non-profit or other designated organization that operates the local Main Street™ program.

C. National Main Street Center Downtown Economic Development Best Practices

In 2018, the NMSC began to offer comprehensive training and certification for Main Street and downtown development professionals in new downtown economic development approaches. These services positioned Tennessee Main Street organizations to create integrated strategic plans to implement new local economic development programs and services. The National Main Street “Program Refresh” places a greater emphasis on Strategy of Downtown Development organizations that are:

- Informed by broader community engagement to define and carry vision for district
- Understanding of existing market conditions & opportunities
- Comprehensive in focus and level of activity
- Attentive to measurements and quantitative outcomes with increased focus on economic impact

This approach focuses attention and creates new methods and structures for downtown economic development by creating new strategic partnerships and fostering more organizational flexibility within Main Street organizations. It also provides the framework to allow broader community engagement aligned with economic development strategies to clearly defined opportunities and to define partnerships with other collaborators. Three note-worthy “Best Practice” elements were introduced during this time that offer great potential to advance Tennessee’s current efforts and successes:

Transformation Strategies - When the NMSC completed the “Program Refresh” in 2016, this repositioned the program to work with new “Transformational Strategies” in keeping with the new Economic Vitality framework. This shift of focus to economic development outcomes in the creation of new jobs and businesses and the development of downtown real estate provided the basis to advance economic development in rural downtowns. The creation of Transformation Strategies relies upon two primary data sources: community surveys and market understanding gathered from ESRI and other community profiles. Community surveys are best completed through online and direct survey systems, focus groups and opinion boards and social media input. Market understanding is the essential element of Transformational Strategies and a complete vision for the downtown economic district. Both processes increase understanding of the community’s makeup of consumers and identify current economic conditions, important gaps, and key opportunities for business and real estate development. Key Components for developing Transformational Strategies include:

- Identified community assets and anchors
- Existing business mix
- Place-based and other unique community assets
- Demographics to include population, age, sex and other consumer and resident characteristics
- Trade area delineation to include distance or time of travel
- Sales leakage and opportunities
- Psychographics and ESRI tapestry descriptions specific to Main Street market areas

The entire process to create and maintain the effectiveness of “Transformational Strategies” relies upon sound evaluation methods and metrics that are tied to economic development programs and actions completed within the downtown business district. In Tennessee and across the country, accredited Main Street organizations prepare annual reports that provide local statistics on the number and amount of public and private projects and investments as well as the number of new businesses and jobs created each year. These annual reports and other local evaluation metrics such as local building and business permits, along with sales and property tax collection data provide the basis to report annual results, evaluate economic impacts, and guide on-going downtown economic development programming.

Entrepreneur Ecosystems and Small Business Development - Cultivating businesses and jobs that thrive in downtown business districts is the crux of successful economic development in rural downtowns. Main Street America communities have long understood that supporting new and existing small businesses and the entrepreneurs who own them represents a vital aspect of the revitalization of downtowns and neighborhood business districts. New businesses, especially those owned and operated by Gen Z’s, Millennials, Baby Boomers, retirees, women, foreign born, and minority groups of all nationalities can bring new ideas, innovation, excitement, and jobs to communities. As downtown business districts and communities experience new interest in entrepreneurship and local business development from these groups, there is a corresponding transition in the habits of consumers toward a more local shopping pattern that is more experiential and value-added in the collection of local goods and services that are available.

Acknowledging these market changes and catering to new consumer needs is critical for downtown economic development efforts in rural communities and local leaders working on business development programs. Creating and cultivating community support for entrepreneurship and local business development is an important first step in creating new services and resources for this local economic development strategy. (5) The Main Street Four-Point Approach™ provides a strong framework to create new entrepreneurial ecosystems to support the creation of new local businesses and services:

Economic Vitality

- Offer technical assistance workshops in support of small business development
- Create incentives to drive targeted new entrepreneurial investments
- Develop a downtown incubator, accelerator, or innovation work center
- Leverage proximity to other entrepreneurship hubs
- Create a strategic downtown development plan with an entrepreneurship component
- Encourage cultural or distinctive businesses or institutions
- Launch pop-up showcases and seasonal markets that introduce new businesses and services
- Recruit “Third Space” businesses to co-locate in existing businesses and upper story spaces

Design

- Enhance the local digital infrastructure, including cell, fiber, and Wi-Fi networks
- Be willing to drive innovative uses of space beyond retail, such as small-scale manufacturing
- Provide access to transportation alternatives (recreation trails, bike/hike paths, car shares)
- Create live/work spaces in downtown buildings and districts that comprise both functions
- Place a greater focus on downtown housing on second floors and as part of nearby neighborhood and infill developments

Promotion

- Conduct events designed to promote, encourage, and showcase entrepreneurship such as “Pop-up Retail” and “Shark Tank” events
- Run feature articles and host TV and Radio shows that showcase new entrepreneurs and businesses locating to your district
- Feature targeted entrepreneurship marketing materials that outline local ecosystem resources
- Create new social media resources and a downtown blog to market new ventures
- Run a social media contest for favorite, innovative, or quirkiest district entrepreneur

Organization

- Engage entrepreneurs, young professionals, developers, artists, and consumer groups in board and committee activities
- Develop downtown supporter groups, clubs, and networking activities for young professionals and entrepreneurs
- Create new partnerships with entrepreneurship stakeholders such as Small Business Development Centers and local universities and community colleges
- Cultivate Group Meet-ups for specific interest groups such as Remote Workers, Makers, Technology, Music and the Arts, Local Food Systems, ETSY and On-line Marketing Clubs, Cooperatives, Tourism, Food Hubs and Value-added Agriculture, Short-term Rentals, others unique to rural communities

“Place-based” Economic Development - A truly robust local entrepreneurial ecosystem recognizes a location’s physical environment as a critical factor for ensuring small business success. Putting “place” in a prominent position within an entrepreneurship strategy recognizes that historic business districts have the character, building stock, and walkable human scale that provide a unique, competitive advantage within the marketplace and is conducive to the kind of personalized, experiential shopping desired by today’s consumers. Given this need and opportunity, rural downtown development programs can maximize their downtown business district and their community’s position to create desired conditions and amenities.

Talent attraction and retention is the most common reason why businesses ultimately made the decision to move to a downtown. Architecture also plays a role. Many new downtown business owners express their desire for an open-office feel, and converted warehouses and lofts impress potential workers. In addition, these new owners and occupants take advantage of a surplus of underutilized buildings for redevelopment that convey local heritage. Entrepreneurs and Young Professionals (YP’s) seek locations in “live/work/play” neighborhoods that are near bars, restaurants, and cafes. Places with strong character, historic building stock, and mixed-use development also tend to have more diversity in terms of business types and offer higher-density residential offerings that fuel a healthier entrepreneurial ecosystem. These references to talent attraction and retention, the value of architecture, the reuse of historic buildings, and the creation of “live/work/play” communities all tie directly back to the principles that rural Tennessee Main Street and Tennessee Downtowns programs have used successfully. These unique downtown attributes now provide the framework for effective entrepreneur ecosystems and services.

III. Strategies for Effective Downtown Economic Development

In 2017 in keeping with the NMSC national work, the Tennessee Main Street program began to introduce the NMSC “Program Refresh” and the use of “Economic Transformational Strategies” through Tennessee Main Street Managers Meetings that align with these new strategic principals. New locally delivered training and technical assistance served as the basis of TNECD-provided strategic planning technical assistance to advance local use of the new “Transformation Strategies” program framework by local Main Street leaders. Customized two to three-year strategic plans were created in conjunction with local boards, staff, and key community partners that included local strategies, priorities, and actions for focused economic development programming for participating Tennessee Main Street communities. These local “Strategic Plans” were adopted to increase the focus on Economic Vitality priorities and actions. Corresponding Annual Work Plans created by a wider array of community partners provided a new framework for Economic Vitality programming to work in conjunction with the other three points of the NMSC program that were being successfully implemented by local programs at the time. Based upon current TMS technical services, the following comprehensive strategies are recommended to advance these efforts or provide a framework for any rural community embarking on downtown economic development efforts.

Organization Strategy One: Set the Downtown Economic Development Team

Effective downtown revitalization and economic development programs require key public and private sector partners. Main Street organizations are naturally situated with leaders from both sectors to support effective program efforts and can readily assemble key public and private sector leaders and downtown stakeholders to include property and business owners, financial sector leaders and real estate professionals to guide local downtown economic development efforts. Chambers of Commerce and city governments also host downtown development programs and can be important partners and downtown stakeholders.

Key community leaders to engage in downtown economic development include:

- Main Street, Tennessee Downtowns or other downtown revitalization organizations
- Economic Development. Industrial Development Boards and Chambers of Commerce
- Municipal and county officials
- Merchants and property owners
- Young Professionals and other downtown advocacy groups
- Downtown business and professional service groups
- Real estate and development professionals
- Groups representing downtown assets including historic, cultural, recreational, tourism, and others
- Representatives from all ages and ethnic groups that reside or have businesses in the downtown and adjoining areas
- Committed downtown supporters

Main Streets, Tennessee Downtowns or local economic development and chamber of commerce organizations can take the lead to create new “Downtown Economic Development Task Force” groups to focus on joint efforts in economic development programming and the provision of resources and services to serve their downtown business district in conjunction with local government leaders. It is important that “someone is in charge” of actively working on downtown economic and business development to create a point of communication for business and property owners that are actively investing in downtown districts.

Once the right team is set and charged with leadership of the downtown economic development effort, training on effective strategies and best practices can jumpstart and guide successful implementation. Next steps to set a shared community vision and focus for downtown economic development actions are best informed from this shared basis of knowledge. Consideration of Transformation Strategies that include internal and external markets to be served, current and future businesses and amenities, and other economic and community assets and drivers can also provide the basis for a focused effort that includes the perspectives and input from all key stakeholders.

Evaluation metrics for this strategy include:

- (1) The number and diversity of Downtown Economic Development Task Force leaders that are involved
- (2) The number of groups and organizations that they represent and engage
- (3) The number of annual training and capacity building events completed

Organization Strategy Two: Create Shared Vision and Focus

Community Vision gained through strategic community engagement insures that Main Street and other downtown development organizations gather perspectives from all stakeholders and sectors of a community. If done correctly, the process will provide new information that recognizes diverse perceptions, creates new understanding of expectations and ideas, and identifies common themes on community needs.

Key components to be identified and reviewed during this process include community assets and anchors, as well as desired businesses, services, and amenities. Inclusive community engagement is a fundamental building block to a successful revitalization effort. Main Street-style revitalization looks different in every community and district and should be a reflection of the input, wisdom, and perspective of local leaders, business owners, and residents. Program Focus can be achieved through strategic thinking and planning that

ensures all key stakeholders and perspectives are involved, real-time economic data and community preferences are considered, and the best use of local expertise and resources that support downtown economic development efforts is achieved.

When Main Street leaders build their programs, relationships, and services upon a clear, shared community vision developed through strategic engagement of all important community stakeholders and sound market understanding, their organizations are poised to lead effective “Community Transformation” efforts that take advantage of today’s economy and consumer preferences. If these efforts are grounded in sound “Economic Transformation Strategies” and implemented through the National Main Street 4Point approach, local Main Street organizations can truly play a key role in successful economic and community development in their rural communities.

Evaluation metrics for this strategy can include:

- (1) The number of Advisory and Partners Group members that include representatives from each district, key stakeholder groups, local Main Street and other downtown development groups, city and county government leaders, key leaders from economic development organizations, Industrial Boards and the development community including property owners, investors, banks, and realtors, and local business operators and residents that match the community’s demographics
- (2) Completion of a Downtown Economic Development Plan of Work that includes priorities and actions to be completed including description of roles, responsibilities, activities, and resources for the joint effort

Design Strategy Three: Identify Downtown District Boundaries and Assets

The physical location and attributes of a downtown business district are critical components for the success of downtown economic development efforts. “Quality of Place” that is built upon unique physical assets and amenities differentiate a downtown district. Traditional economic theory cites that a differentiated product commands a higher price in the marketplace rings true for traditional and historic downtown business districts. Identification of boundaries and assets provide focus for and sequencing of downtown redevelopment efforts necessary to prepare the defined area for new businesses and investments.

Rural downtowns contain:

- commercial and government buildings
- sidewalks that provide walk ability and connectivity to nearby neighborhoods and markets
- historic districts and properties that are eligible for redevelopment incentives
- destination businesses and services, unique tourism and cultural assets
- important anchor institutions including libraries, schools, colleges and churches
- multi-modal transportation access through historic thoroughfares, streets and highways

All of these attributes are highly desired by new consumers interested in supporting downtown businesses and services and investors improving downtown properties.

Evaluation metrics for this strategy can include:

- (1) The number of community assets and properties within the downtown economic district
- (2) A formally accepted and adopted map containing detail of the physical boundaries, critical assets and other characteristics of the designated downtown district

Design Strategy Four: Use Good Design to Prepare Critical Downtown Infrastructure

In keeping with the realization that “Place Matters”, rural communities across Tennessee have accomplished large numbers of streetscape and downtown infrastructure projects over the last four decades. These investments have been made with the help of the TDOT, USDA Rural Development, and other local sources. In successful downtown districts, downtown master plans are often created to guide these improvements and create confidence for property and business owners and investors.

Critical elements of downtown infrastructure include:

- Streetscape and multi-modal transportation connectivity
- Way finding, parking and directional signs
- Public event and green spaces
- Broadband and high-speed Internet
- Water and sprinkler system infrastructure

Evaluation metrics for this strategy can include:

- (1) The existence of downtown master and streetscape plans that are used for implementation
- (2) The number and amounts of streetscape projects that have been completed
- (3) The installation of way finding and directional signs and the amount of public event and green space created
- (4) The availability of public access and broadband services for businesses and service providers, as well as water and sprinkler system infrastructure located in the downtown district
- (5) Other investments made to anchor institutions, cultural and tourism assets located in the downtown district project area

Promotion Strategy Five: Create Destination Branding, Marketing and Events for the Downtown District

Destination branding, downtown business promotion campaigns, and aligned business promotions and special events are key components of successful downtown economic development. These program elements work best if they deliver a sound brand promise and feature available downtown real estate, local businesses and services promotions campaigns, and downtown events. Development of promotion and marketing materials that build upon destination branding resources is the next step to promote downtown districts, events, businesses, and services. Key elements of downtown branding and marketing programs include:

- A clear destination brand that reflects the community’s assets, identity and delivers brand promise
- Up-to-date websites and social media systems to promote and market downtown businesses and services, events, and spotlight features on successful people and businesses
- Up-to-date clearinghouse sources on downtown events and businesses
- Coordinated marketing platforms among key partners
- Attractive print materials that utilize the brand and marketing materials
- Coordinated media stories highlighting successful events, businesses, and people involved in downtown economic development activities and enterprise
- Special events that highlight community assets and brand—promise amenities

Coordinated promotions and marketing by key partners is central to successful downtown economic development and marketing efforts. Local chambers of commerce and tourism agencies can assist Main Street and downtown economic development by leveraging their marketing and promotions resources and efforts. Savvy downtown business owners are often the most visible and successful marketing leaders for downtown districts. A final step to add links to existing marketing efforts lead by cities and counties, economic development and chamber of commerce groups, local downtown businesses and attraction operators is also an effective strategy to raise the visibility of downtown business districts and local promotions.

Downtown business promotions and events support the retention and expansion of existing businesses and create the conditions for the location on new businesses. Elements of effective downtown business promotions campaigns include:

- Visible on-line and print business inventories and promotions that showcase local businesses and services
- Local business promotional campaigns that put a face on the owners and customers of downtown businesses also enhance the unique offerings that are available for locals and visitors.
- Business promotions and events that draw customers and attention to downtown districts and businesses are also critical elements of successful downtown economic development programs.

These planned opportunities to introduce locals and tourists to downtowns and their local businesses and assets increase traffic and remind consumers seeking these shopping, dining, and leisure activities to spend their time and money locally.

Evaluation metrics for this strategy can include:

- (1) An inventory of available downtown marketing and promotions resources
- (2) Tracking of readership and visitation to on-line and actual events and promotions outlined above
- (3) Readily accessible contacts and lead persons for these efforts
- (4) Evaluation reports of the effectiveness of each marketing and promotions tool and efforts that are implemented
- (5) Evaluation of special events and business promotions to determine impacts and the success of each activity

Economic Vitality Strategy Six: Redevelop and Market Available Downtown Real Estate

Successful work that insures the full use of available properties located in a revitalization district is an essential component of successful economic and community development outcomes in any size community. The current shifts in consumer and developer demand provides the perfect opportunity for Main Street and Tennessee Downtowns groups and other business leaders to participate in supporting the full use of viable commercial and residential space available within downtown commercial districts. As support for real estate development is put in place, effective marketing of available downtown properties can drive effective downtown economic development efforts. Main Street organizations, economic development and Chamber organizations, and city governments can prepare an up to date property inventory that can be used to jointly promote the availability of downtown properties on websites and in-office locations. Real estate and financial professionals also can play a key role in marketing available downtown real estate.

Local governments also play an important role in the redevelopment of downtown real estate. The use of good design standards can guide successful redevelopment of buildings and open the door for financing incentives if properties are located within or are listed on the National Register of Historic Places. Appropriate zoning and effective codes that allow the full development and use of downtown properties is an essential component to support downtown investments. The location of city and county buildings and services in downtown districts are also important to drive customers to nearby businesses and services. When coordination of key stakeholder efforts is accomplished, the door is opened to engage key investors that are necessary to accomplish the successful redevelopment of downtown properties in keeping with an overall district strategy including property and business owners, investors, bankers, and real estate professionals.

Evaluation metrics for this strategy can include:

- (1) An inventory of available downtown properties
- (2) The existence of downtown property listings and coordinated marketing resources
- (3) Readily accessible information on design standards and supporting zoning and codes to guide redevelopment efforts
- (4) Showcase events of available downtown properties and positive publicity of projects that are completed
- (5) Readily accessible information on incentives and technical resources

Economic Vitality Strategy Seven: Identify Markets and Prepare Business Development Targets

One of the biggest and most important questions for any downtown economic development leader is what amenities, businesses, and services are needed in my downtown to meet customer needs and opportunities. Community surveys and focused ESRI and GIS data products delimited to characteristics and customers of downtown business districts can help economic development practitioners better understand a community's makeup and current economic conditions and identify important gaps and key business and real estate development opportunities.

Key components to be identified and reviewed through the Market Analysis process include Demographics – population, age, sex, employment and education levels, Retail Gap Analysis and Sales Leakage, Trade Area delineation including distance and time traveled and ESRI based consumer characteristics and psychographics and other community characteristics.

True market understanding can be developed through the combined use of the following elements:

- Assets and destination anchors
- Demographics
- Trade areas
- Sales leakage – gap Reports that identify opportunities to improve the business mix
- Psychographics
- Existing business and services mix
- Annual job growth
- Annual business growth - retention, expansion, and location data
- Annual sales and revenues
- Annual sales and property tax collections
- Customer preference and evaluation surveys

Through the thoughtful gathering and review of community surveys and market data information, downtown development organizations can validate their findings and recommendations to target needed businesses and services to serve their local markets and customers. These efforts can also strategically lay the groundwork for each program activity organized by the Main Street Four-Point Approach™ to advance local Transformation Strategies. Once these Economic Vitality elements are grounded in both shared community vision and sound data, all of the community's economic development efforts in downtown real estate development, business recruitment, marketing and communications, public and private collaborations, leadership and volunteer development, and fundraising strategies can be set for maximum effectiveness.

Evaluation metrics for this strategy can include:

- (1) An inventory of available downtown business analysis and data sources
- (2) Comprehensive reports that combine Demographics, Trade Areas, Sales Leakage and Gap Analysis and Psychographics
- (3) Up-to-date data on existing numbers of jobs, business and services existing in the downtown district boundaries
- (4) Evaluation reports of the effectiveness of business recruitment, retention, and expansion efforts that are implemented
- (5) Annual reports on the number of jobs and businesses created in downtown commercial districts
- (6) Annual reports on the number of jobs and businesses lost in downtown commercial districts

Economic Vitality Strategy Eight: Remove Barriers and Offer Incentives

Successful downtown development can be held up if government processes and guidelines are not in place to easily support reinvestment in properties and the opening and expansion of businesses. Municipal governments can work to have effective systems in place that remove barriers and create supportive systems for downtown economic development. These often include:

- Supporting zoning and building codes
- Sign guidelines that fit downtown districts and businesses
- Design guidelines and department staff to guide good redevelopment and investments
- Centralized staff to assist property owners and businesses on redevelopment projects
- Up to date business start-up and expansion guidelines to support successful operations

Rural communities can also work with key partners to offer incentives to support downtown economic development and the development of downtown properties and businesses. Municipal governments, Industrial Development Boards, Chambers of Commerce, Main Street organizations, and local financial institutions are lead groups in assist in providing these resources. These often include:

- Façade and sign improvement resources
- Assistance to obtain federal tax incentives for building restoration projects
- Tax Increment Financing, Business Improvement Districts and other forms of real estate value incentives
- Small business start-up and expansion programs
- Micro-lending Funds for downtown businesses
- Technical support and programming to assist property owners
- Technical assistance in merchandising and displays
- Rent and utility reduction short-term programs

Evaluation metrics for this strategy can include:

- (1) An inventory of available property redevelopment guidelines and resources
- (2) Staff directories and referral networks to staff and consultants
- (3) Easily accessible guides to financial incentives for real estate redevelopment
- (4) Up-to-date directories on lending sources and programs
- (5) Up-to-date listings of technical assistance services, property and small business resources

Economic Vitality Strategy Nine: Support Entrepreneur and Small Business Development

Entrepreneurial ecosystems refer to the strategic alignment of a variety of public and private efforts including government policies, funding and finance, human capital, and regulatory frameworks that provide necessary financial, social, and human capital to foster entrepreneurship in innovative and creative ways.

The value of place and the physical environment are central factors in creating and growing successful enterprises that create economic development in rural downtowns. By emphasizing the creation and support of great places and spaces for people to live and work, downtown commercial districts can attract new businesses and new ideas and contribute directly to the development of the local entrepreneurial ecosystem.

Traditional “ingredients” of quality downtown infrastructure that contribute to an entrepreneurial ecosystem, with a particular emphasis on place/physical environment include:

- Redeveloped real estate
- Co-working and shared work spaces
- Industry compliant spaces
- Live/work properties
- High-speed fiber and internet services
- Cell and wireless services
- Fair taxes and supporting regulations
- Directed sources of capital and incentives for small business operators
- Rental and utility subsidies
- Training resources for entrepreneurs and small business owners

Cultivating community support and creating basic elements of local Entrepreneurial Ecosystems include Basic and Advanced levels of services to include:

- Access to basic business services; legal, marketing, production, financial, accounting
- Raising awareness of role of entrepreneurs in the community
- Networking and mentoring services
- Entrepreneurship classes for adults and youth
- Early entrepreneurial education for youth
- Financial access beyond self financing
- Promoting the community as a place for entrepreneurs and small business owners
- Meetups and Networking for local business owners, remote workers, YP’s and others

Evaluation metrics for this strategy can include:

- (1) An inventory of available Co-Working and shared work spaces
- (2) Established staff directories and referral networks for entrepreneur and small business owners to make it easy to locate resources
- (3) Easily accessible guides to financial incentives for entrepreneurs and small business owners
- (4) Up-to-date directories on business start-up and expansion resources

Organization Strategy Ten: Utilize Local, State and Federal Grant Resources for Implementation

Tennessee is recognized as a leading state in supporting downtown economic development. Information is presented in sections I.C of this capstone that describes multiple state and federal programs that are in place to support local efforts. Local governments are also providing support for and investing in critical downtown infrastructure, facilities, and services to support downtown development. TNECD Rural and Community Development Best Practices Series articles highlight 75 of the state's most successful implementation projects that have utilized these state and federal resources. Robust local implementation can be supported by resources from strategic investments from local, state and federal sources.

Key incentives and sources include:

- Tennessee Department of Economic and Community Development – Rural Development Division
- Tennessee Main Street and Tennessee Downtowns Programs
- Tennessee Department of Economic and Community Development – BERO
- Tennessee Historical Commission
- Tennessee Department of Transportation
- Tennessee Department of Agriculture
- Tennessee Department of Environment and Conservation
- University of Tennessee Outreach and Economic Development Services
- Tennessee Valley Authority – Economic Development
- USDA Rural Development
- CARES Act and American Rescue and Recovery Act
- Tennessee Development District Historic Preservation Planners

Evaluation metrics for this strategy can include:

- (1) An inventory of current and past projects utilizing local, state and federal grant funding, and technical assistance resources
- (2) Established staff contacts and role definition for leadership on downtown economic development projects involving local, state, and federal resources
- (3) Identified future projects that can be advanced through the use of local, state, and federal grant funding and technical assistance incentives

Organization Strategy Eleven: Evaluate Results and Report Outcomes

Effective program management methods recognize that what gets measured gets accomplished. This is true in effective downtown economic development program efforts. It is important for any downtown economic development effort to evaluate results on an annual basis and report successful outcomes to key stakeholders. These efforts will build more investor confidence and support for continuing efforts in rural downtowns across Tennessee. Fortunately for Tennessee Main Street communities, Annual Designation Reports that are submitted to the Tennessee Main Street and National Main Street Center report annual reinvestment statistics from public and private sources, along with the numbers of new jobs, businesses, housing units, and other improvements made in designated downtown districts.

Rural communities involved in the Tennessee Downtowns programs now work to report similar outcomes from local program efforts. These methods and more can be used to evaluate results and report annual outcomes. Review of annual work plans and three to five year strategic plans can also report progress and successful implementation outcomes.

Evaluation metrics for this strategy can include:

- (1) Annual reinvestment statistics reflecting public and private investments
- (2) Annual reports of new jobs and businesses created in designated downtown districts
- (3) Reports of community improvements and amenities created in designated downtown districts,
- (4) Reports of attendance at downtown events and festivals
- (5) Annual accomplishments of identified projects and programs listed in annual plans of work and other strategic planning documents

IV. Conclusions and Recommendations for Effective Practices

The successful use of the NMSC and TMS program resources is apparent in the results that Tennessee Main Street and Tennessee Downtown communities have achieved. During the 40+ year period of the Tennessee Main Street Program and the first 10 years of the Tennessee Downtowns Program, most of the participating communities' local efforts have focused on the first three points of Design, Promotions, and Organization. The success of these can be seen across Tennessee in revitalized downtown business districts that include well designed streetscape infrastructure investments, historic building improvements, retention and expansion of iconic local businesses, and recognized downtown festivals and events.

The fourth point of Economic Vitality that supports focused economic development in rural downtowns is creating improvements to downtown real estate, installing critical WiFi access, and creating new entrepreneur and small business services that drive investments and create new jobs and business outcomes. All of these economic development actions leverage past efforts and position rural downtowns for focused economic development actions. This portion of this capstone project will include updates on Tennessee Main Street Program results and how they can be enhanced to continue Tennessee's success and momentum.

A. Current implementation of downtown economic development strategies in Tennessee

Through the efforts and resources provided through the Tennessee Main Street and Tennessee Downtowns Programs, Tennessee has seen impressive economic and community impacts created through locally led downtown revitalization programs. Both programs also leverage and support all other TNECD Rural and Community Development programs that are producing significant economic development success in rural communities across the state. Supporting resources provided by the TNECD Rural and Community Development programs and others provided by state and federal government partners leverage local program investments. Successful examples of these unique collaborations are illustrated in numerous TNECD Rural Development Best Practices that document strategic leveraging of investments. (6)

The Tennessee Main Street and Tennessee Downtowns programs have leveraged and supported all other TNECD Rural and Community Development programs, as well as numerous state and federal government investments. This collaboration is producing significant economic development success in rural communities across the state.

Use of Tennessee's specific state and federal resources is illustrated in selected TNECD Rural Development Best Practices reports that document Tennessee's unique collaborative efforts and strategic leveraging of investments that are producing significant economic and community impacts. Selected examples include:

- Lebanon Main Street that leveraged a \$100,000 TNECD Façade Improvement Grant with \$800,000+ of local property owner investments to update 18 downtown properties and create 18 new businesses and 35 new jobs between the period of 2016 to 2018
- Brownsville Main Street saw similar impacts from \$1,800,000+ from the TNECD Façade Improvement Grant and several other infrastructure grants from the Tennessee Departments of Transportation, Tourist Development, Agriculture and USDA Rural Development that created over \$7,500,000 of combined public and private investments in the downtown Brownsville over a five year period
- Sweetwater Main Street worked with one private property owner to update a historic three-story downtown building to house a new night-time restaurant, a new bakery and coffee shop on the first floor and a new retail and architectural firm on the second floor. Downtown housing is planned for the third floor with future investments from the building owner. Focus to develop these four businesses resulted in 12 new jobs and over \$200,000 of new sales tax revenue in the first year of operation.

In 2019 and 2020, the Tennessee Main Street Program will be providing a new round of technical assistance to all 34 Main Street communities that will support local economic development through the Tennessee Main Street Marketing with Data project. Three TMS pilot communities have been working to prepare prototypes for these new resources: McMinnville, Lawrenceburg and Brownsville. Community survey results from each of these communities have provided up-to-date information on local demand and preferences for more downtown dining, retail and professional service establishments to meet local demand and markets. This information will be matched with ESRI driven retail and services data reports to form the basis of local Economic Vitality-based work plans to recruit new jobs and businesses to downtown districts over the next two year period.

B. Evidence of successful implementation and positive economic impacts in Tennessee

Through the efforts and resources provided through the TNECD led Tennessee Main Street and Tennessee Downtowns Programs, Tennessee has seen impressive economic and community impacts created through locally led downtown revitalization programs. Both programs also leverage and support all other TNECD Rural and Community Development programs that are producing significant economic development success in rural communities across the state.

The TNECD Tennessee Main Street Program annually compiles and reports economic development impacts for local programs. Annual Nation Main Street Center (NMSC) Designation Reports submitted to TNECD by 34 local Tennessee Main Street communities provide significant composite statistics in the number of new businesses, jobs and downtown housing units created through local Tennessee Main Street programs. These NMSC reports also quantify total private and public investments in designated Main Street downtown districts on an annual basis. In 2017 alone, 288 new businesses and 1098 new jobs were created and a total of \$194,085,680 in public and private public investments were made in Tennessee's 35 Main Street communities.

In 2018, these totals increased with 1315 new businesses and 241.5 new jobs created and a total of \$149,354,561 in public and private investments were leveraged in Tennessee's 35 Main Street communities. Also of note is the impact of downtown event attendance on rural tourism economic development statistics.

In 2018 alone, 1,371,617 visitors and residents attended Main Street sponsored promotions and events. Three-year annual program report results to the National Main Street Center by the Tennessee Main Street Program include:

Tennessee Main Street Reinvestment Statistics	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net New Jobs	1019	1098	131-
Net New Businesses	231	288	241
Rehabilitation Projects Completed	332	353	322
Public Improvement Projects Completed	99	118	130
New Construction Projects Completed	64	37	18
Total Private Investment	\$58,874,275	\$124,667,064	\$97,343,927
Total Public Investment	\$65,389,432	\$69,418,616	\$52,010,634
Volunteer Hours Contributed	100,588	99,167	99,704
Number of Designated Programs Reporting	29	34	34

C. Recommendations for continuing future implementation and success

The success of Tennessee Main Street and Tennessee Downtowns programs is shown in the ROI metrics contained in 12+ TNECD Best Practices Series website that was launched in 2019 and Annual Designation Reports compiled by the Tennessee Main Street Program. These stories with metrics illustrate community success in economic development in rural downtowns across Tennessee. ROI metrics in each Best Practices report the success in downtown economic development that is measured by the large amount of public and private investments that has been leveraged and the number of new businesses and jobs that have been created in the last five year period.

Successful local implementation illustrated in these TNECD reports form the basis for the following recommendations for continuing and expanded local, state, and federal programs and resources that match the needs of our state and support economic development in rural downtowns across Tennessee:

- Continue to provide adequate levels of state and federal grants and incentives to support and grow local economic development programs in downtown districts
- Support the redevelopment of real estate assets and create required transportation and broadband infrastructure
- Enhance rural tourism, and the creation of event and green spaces, and agriculture-related facilities in downtown business districts
- Provide more targeted technical assistance in the emerging area of Entrepreneurship and Small Business Development to accelerate local business and job creation in rural downtowns
- Provide more training and technical assistance to Economic Development-based Strategic Planning and Evaluations to build rural community capacity and local expertise on program staffing, project development and implementation
- Provide more training and technical assistance on the utilization of outside resources for economic and small business development efforts in rural downtowns to grow sustainable, local economies
- Provide direct access to staff from Rural Development Departments and Agencies
- Continue to capture and report the successful local use of technical assistance and funding sources to build understanding and support for economic development actions in rural downtowns and build local capacity to replicate and implement successful practices
- Recognize and reward progress and impact in downtown economic development

D. Conclusions for going forward to continue Tennessee’s rural development success and resources

Tennessee has seen impressive results from the nationally recognized Tennessee Main Street and Tennessee Downtowns TNECD programs. Both provide the foundation for on-going economic development success in rural downtowns. Both programs provide the five essential ingredients for building rural economies through “Place-based” Economic Development Strategies by providing:

- Technical Assistance
- Education and Training
- Networking
- Mentoring
- Access to Capital

These successful efforts are now being leveraged by new rural development and job creation strategies that focus on building local economies organically by serving the needs of community-based startups and entrepreneurs. (7) Significant program results quantified in the amounts of public and private investments that have been leveraged and the creation of new jobs and businesses show the effectiveness of both programs on an annual basis. New TNECD Best Practices Series stories that include ROI metrics provide detailed information of how downtown economic development results have been created in multiple Tennessee rural communities can be used and expanded to build local knowledge and capacity.

Strategic collaboration among Tennessee’s state and federal agencies has also been a key ingredient of the state’s on-going success in creating positive economic development outcomes in rural Tennessee downtowns. The effective use of the Main Street Four-Point Approach™ and TNECD’s Tennessee Main Street and Tennessee Downtown Programs technical services and funding resources provide proven resources that help Tennessee communities to implement successful practices that create new wealth in communities.

Effective downtown redevelopment and economic development programming brings jobs and business opportunities to residents in communities instead of the former model to relocate talent to far-away job centers. (8) This approach shows that “Place-based” policies and programs are essential in helping leaders and citizens in rural distressed counties support investments that are tailored to local conditions and opportunities to retain critical human capital.

This level of “Main Street and Place-based” rural economic development can be continued in our state through continuing focus and increasing policies, programming, and capacity building that support Tennessee’s successful efforts to create lasting improvements and investments in Tennessee’s rural downtowns and communities.

Sources:

- (1) Successful Industrial Development Now Requires More Than Incentives, IECD Article Series, Spring 2015
- (2) Tennessee Main Street 101 – New Director Program Orientation, Jackson Tennessee, Fall 2018
- (3) NMSC Community Transformation Workshop, Main Street America, Chattanooga Tennessee, 2019
- (4) Tennessee Rural Development Task Force Final Report, TNECD, Winter 2016
- (5) NMSC Advanced Economic Vitality Course Materials, Main Street America, July 2019
- (6) TNECD Rural and Community Development Best Practices Series, TNECD, Spring 2019
- (7) 5 Ingredients for Building Rural Economies – A program in Washington State is finding new ways to ease the way for local entrepreneurs and startups, Governing.Com, September, 2015
- (8) Don’t Move People Out of Distressed Places, Instead Revitalize Them, City Lab, September 2019