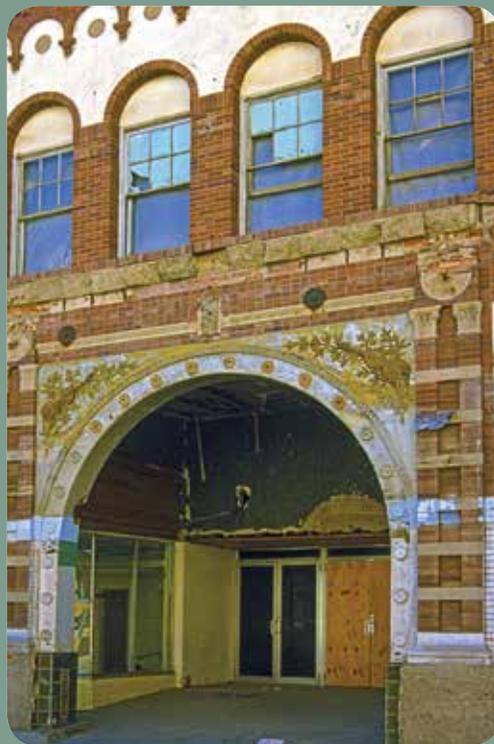


IN THE NEW MEXICO TRADITION THE IMPACTS OF MAINSTREET 1985-2013



PREPARED FOR NEW MEXICO MAINSTREET
NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT
BY PLACEECONOMICS | WASHINGTON, D.C. | FEBRUARY 2014



Front cover photo: Rio Grande Theatre, Las Cruces, before rehabilitation.
Inside front & back cover: Rio Grande Theatre, after rehabilitation.



"New Mexico's MainStreet program continues to make remarkable gains in revitalizing our rural and urban historic city centers. This in-depth study clearly shows that state investments combined with local leadership create an environment in which small businesses thrive."

Governor Susana Martinez
State of New Mexico

"We are proud that New Mexico's MainStreet program is recognized as one of the best run programs in the country and that is reflected in the results of this study. We can track almost dollar for dollar the return on the state's investment into MainStreet. The program has proven to be a truly remarkable business and job creation effort for our historic commercial districts, in urban and most especially our rural communities."

Cabinet Secretary Jon Barela
*New Mexico Economic
Development Department*



EXECUTIVE SUMMARY

No other state has the tradition of New Mexico. The merging of culture, history, and character into the fabric of daily life in New Mexico is unmatched anywhere.

New Mexico MainStreet has become part of that tradition. Local, bottom-up economic development; government as a helping hand, not a hand out; volunteers committed to moving their community into the future but not forgetting its past – these are all part of the New Mexico tradition and they are central to the success of MainStreet.

And successful it has been by any measure.

Since the New Mexico MainStreet program began in 1985:

- 11,400 net new jobs have been created in MainStreet districts
- Over 3,200 businesses have started up or relocated to MainStreet districts
- More than \$1 billion dollars has been invested in these MainStreet districts, over half of that from the private sector
- These projects have generated an average of 430 New Mexico jobs and over \$11 million in paychecks every year since New Mexico MainStreet began. In fact, the average amount of income generated each year from private sector investment in MainStreet buildings is more than the entire budget of the New Mexico MainStreet state program since its inception in 1985
- New Mexico MainStreet is cost effective economic development, costing the taxpayers \$1,127 per net new job or \$3,952 per net new business
- For every \$1 the taxpayers of New Mexico have invested in the state MainStreet program, the private sector has invested \$44.50 locally in MainStreet communities
- Conservatively, the private sector investment in MainStreet district buildings brings in an additional \$5.1 million in local tax revenues each year

New Mexico MainStreet was created to bring jobs, investment, and new business to downtown. By any measure it has done exactly that.



"It is very gratifying to again see hard economic evidence to support what we've long known about Main Street revitalization: that it is good for the economy, our heritage and our quality of life. New Mexico MainStreet and its local programs are to be commended for creating vibrant downtown and neighborhood districts where people want to live, work, shop, and play."

**Patrice Frey, President and CEO
National Main Street Center, Inc.**

THE STORY OF MAIN STREET

Main Street is a subsidiary of the National Trust for Historic Preservation. The registered Main Street Four-Point Approach is a proven method for the economic development of downtowns in the context of historic preservation. The value and power of this approach as a vehicle for downtown revitalization has been proven in 40 states and more than 2,500 communities.



"New Mexico MainStreet has had consistent and cohesive leadership, each state director building on the successes of their predecessor. The study reinforces the need for dedicated directors who are attuned to the needs of communities as they develop their revitalization strategies."

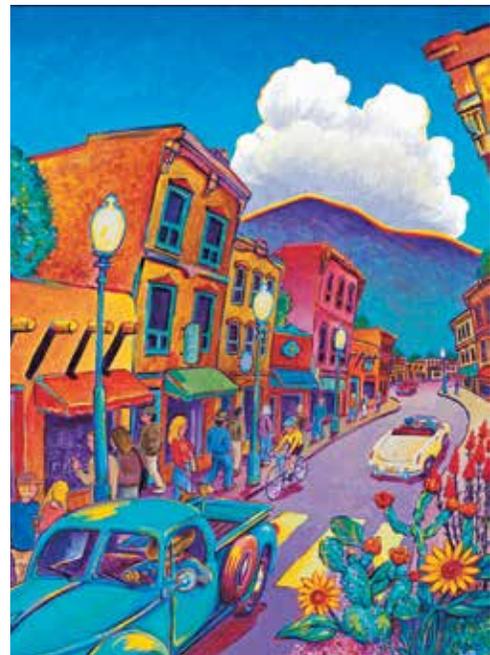
Rich Williams, Director
New Mexico MainStreet

Early on, New Mexico recognized the potential for using Main Street as an economic development strategy, particularly in its rural communities, and established its state MainStreet Program in 1985. The program was

housed in the Lieutenant Governor's office until 1989 and then transferred to its current place in the Economic Development Department. Since its inception, the New Mexico MainStreet program has been extraordinarily effective in achieving its purpose. From its beginning with a few communities, the program has grown to currently serve 27 towns, cities, and urban neighborhoods.

The MainStreet program helps build the capacity of each participating community by providing technical assistance, training, and resources. New Mexico MainStreet operates with three core staff and a team of specialist consultants to help towns find solutions to revitalization challenges. The participating communities begin as "Emerging" Programs, advance to "Start-Up" Programs, and as they grow their operations and capacities, achieve State-Certified MainStreet status. The MainStreet program works with communities of all sizes, from rural small towns such as Clayton (population 2,980) to urban commercial districts in Albuquerque and Las Cruces.

New Mexico MainStreet districts are locally organized, run, and funded. These self-supporting programs are independent non-profits or city agencies that raise money to hire a MainStreet executive director and fund their operations. They rely on many volunteers and a board of directors to carry out their goals.



THE BIG NUMBERS

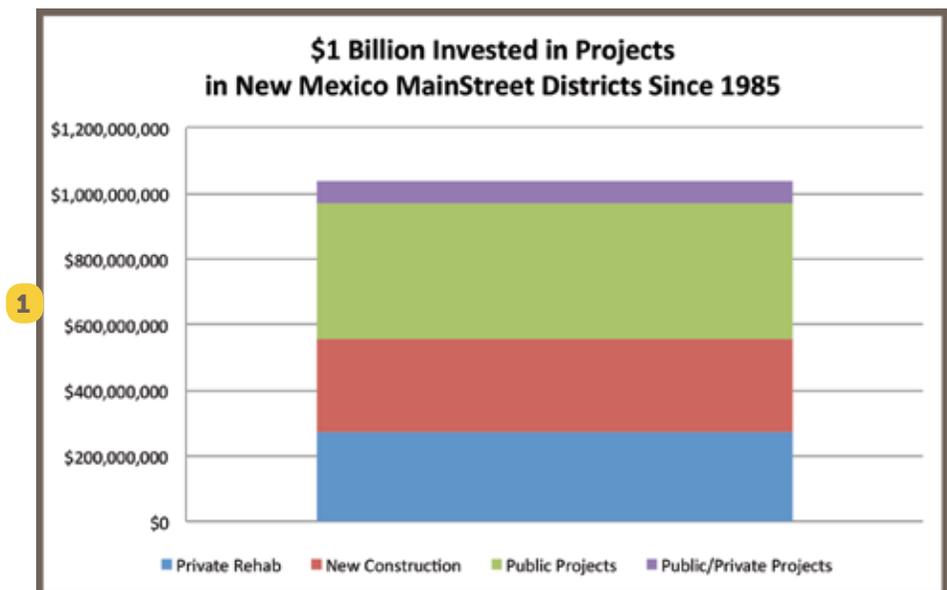
One of the obligations of a local MainStreet program is to provide quarterly reports on the activities in their districts. This attention to detail over the 28-year history of the program provided a wealth of data for this study. Among the economic measurements reported are:

- Number of net new businesses
- Number of net new jobs
- Number of private buildings rehabilitated and amount of private investment
- Number of public buildings rehabilitated and amount of public investment
- Number of new buildings constructed and amount invested
- Number of buildings purchased and purchase price

Since the beginning of the program, over \$1 billion has been invested in the buildings, infrastructure and public improvements in MainStreet districts. (SEE FIGURE 1) The private sector has invested more than \$272 million in building rehabilitation and nearly \$284 million in new construction in these downtowns. Additionally the public sector has invested over \$415 million in these downtowns in public buildings and in infrastructure, plazas, sidewalks and other amenities.

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In the late-20TH century, downtowns across America suffered from neglect, decay and disinvestment. Some citizens forgot how important their downtown was to the identity of the community. For others who understood that downtown was the heart of their community, MainStreet provided the means and the strategy to make downtown a vital place to work, live, shop and play. MainStreet is not a big fix or an instant answer, but rather an incremental process that ultimately can make a dramatic difference.



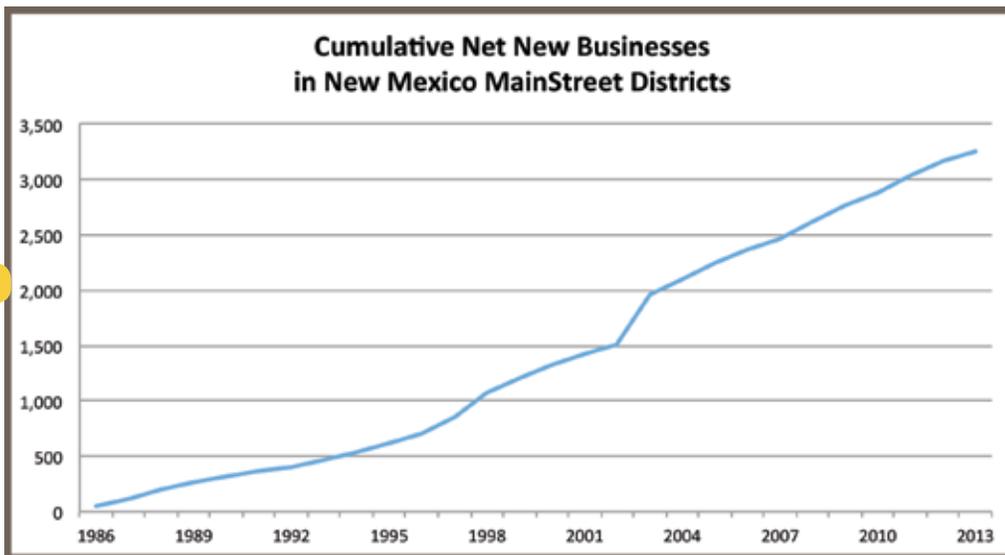
A top priority of many MainStreet communities is to fill vacant storefronts. It is not uncommon for a town beginning their MainStreet efforts to have a downtown vacancy rate of 25%, 30% or 40%. Filling vacant buildings is a lengthy process of convincing buildings owners that change is coming, and finding businesses willing to expand, start-up, or relocate from elsewhere. MainStreet is about creating a positive economic climate downtown. Those sustained efforts have paid off. Over the history of New Mexico MainStreet, communities have seen a gain of over 3,200 net new businesses. (FIGURE 2)



**Three Rivers Brewery,
Farmington**

Those businesses create new jobs. Job growth downtown has redefined the economies of some MainStreet communities. Since MainStreet began there has been an addition of 11,400 net new jobs in New Mexico MainStreet districts. (FIGURE 3)

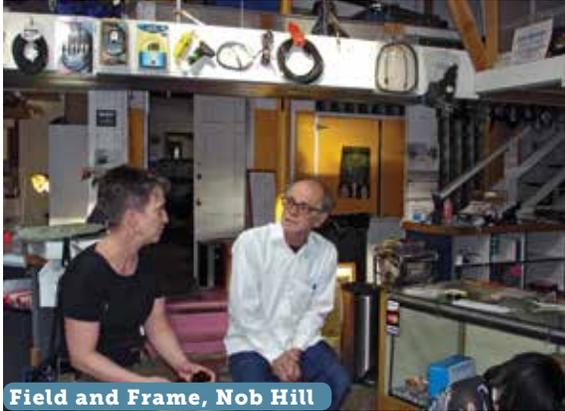
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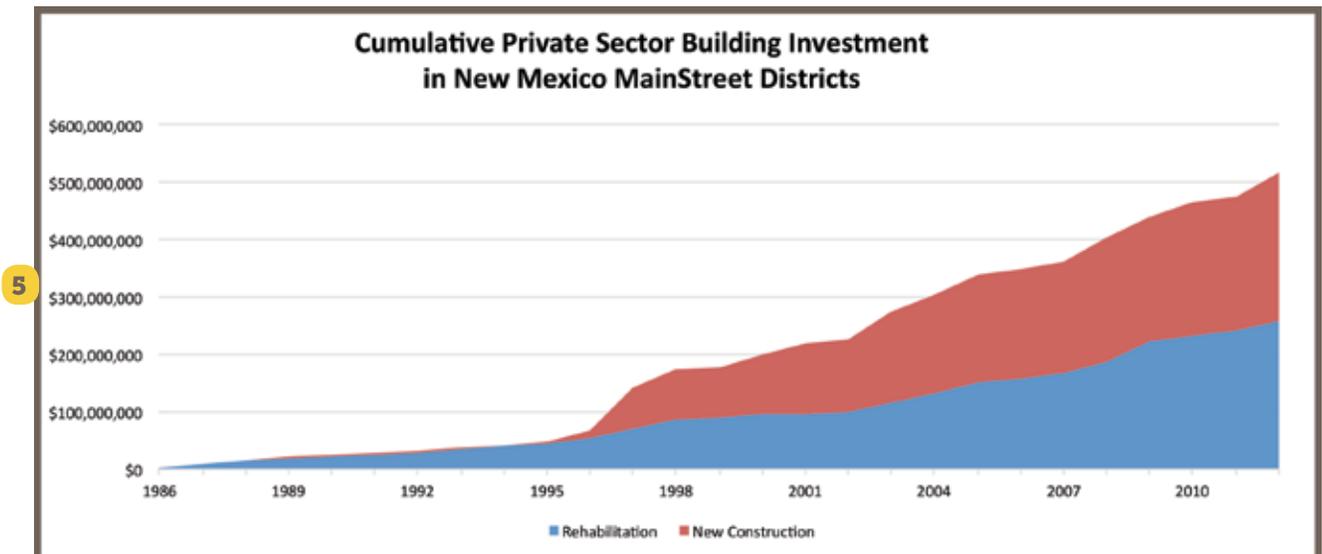
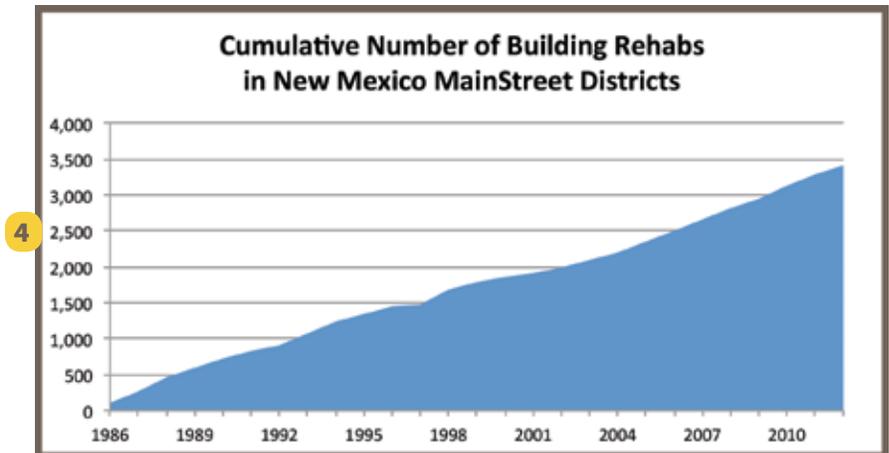




Over the past 28 years in New Mexico, MainStreet has transformed the way communities think about revitalization and management of their downtowns. One key component in almost every example of successful revitalization is the rehabilitation and adaptive reuse of historic buildings. An impressive 3,400 private building rehabilitations have occurred in MainStreet districts since 1985. (FIGURE 4) These resulted in nearly \$250 million in investments.

Between rehabilitations and new construction, these MainStreet districts have seen over \$500 million invested by the private sector in their downtown buildings. (FIGURE 5)

One of the many strengths of the New Mexico MainStreet program is that it serves communities of every size, in every part of the state. There are, of course, differences in the amount of economic activity





Pajarito Brew Pub, Los Alamos

based on the size of the community involved with the MainStreet program. Over the last decade, for example, while the smallest towns (fewer than 2,500 in population) saw less than \$1 million in private sector investment, they did see a growth of more than 150 net new jobs and 40 net new businesses. (FIGURE 6) While these numbers might not be particularly impressive in downtown Albuquerque, for these small rural communities MainStreet jobs and businesses are often the sole bright spots in a very challenging economic environment.

Cumulative Totals, New Mexico MainStreet Communities – 2003-2013

Population	# of Towns ¹	Net New Jobs	Net New Businesses	Private Investment
< 2,500	5	153	43	\$921,950
2,500 – 10,000	13	1045	427	\$16,687,532
10,000 – 25,000	9	1690	327	\$38,976,705
25,000 – 50,000	6	1424	418	\$37,384,816
> 50,000 ²	5	832	172	\$57,370,103

¹ Not every town participated every year; ² Including Albuquerque neighborhoods

EFFECTIVE USE OF SCARCE RESOURCES

MainStreet is a state program. And New Mexico taxpayers want assurance that scarce public resources are used in an effective and efficient manner. What this study found is that New Mexico MainStreet is a model for leveraging public dollars.

Over the lifetime of the program, for every \$1.00 used to run New Mexico MainStreet, there has been \$44.50 in private sector capital investment in MainStreet districts.

The total budget for New Mexico MainStreet since its inception in 1985 has been \$11.6 million. Every year, on average, there has been private sector investment in MainStreet districts of \$19.1 million.

But is MainStreet A Job Creating Program?

Some have suggested that MainStreet should not talk about job creation. After all, New Mexico MainStreet does not provide subsidies for new jobs, nor does it collect Social Security data on every new job, or individually verify every new hire. If those are the criteria for a job creation program, MainStreet indeed does not meet that test.

What MainStreet does instead is assist communities in creating an economic environment where individual entrepreneurs and small businesses make the decision on their own to hire one more worker. Every three months each MainStreet community reports how many jobs were added in the MainStreet district and how many disappeared. It may be that the preciseness of the data does not match that of programs which, in exchange for direct subsidies, require detailed information about each new worker. However, the amount, consistency, and regularity of the information that MainStreet executive directors provide the state program give a statistical reliability to the data. Further, this voluntary submission of information through each local executive director to the state MainStreet office is an appropriate level of documentation for the small, largely mom-and-pop businesses that today fill once empty storefronts.

The 30+ states that have Main Street programs consistently report the Net New Jobs in their Main Street districts using the



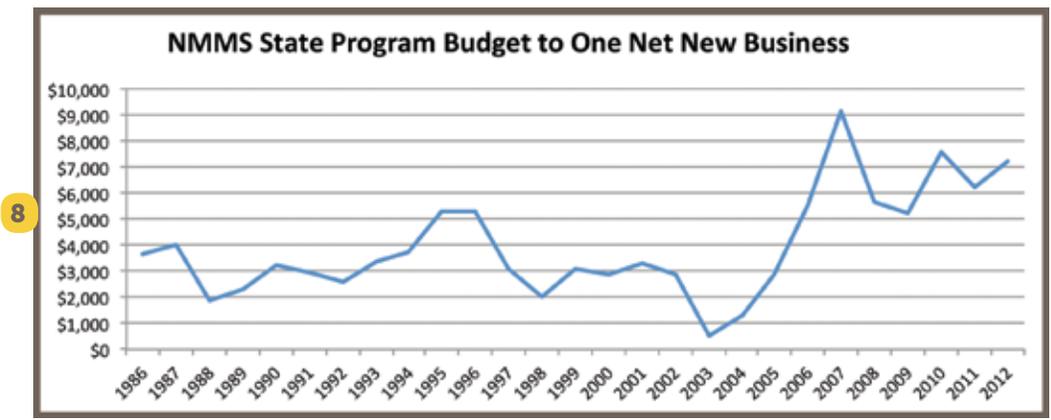
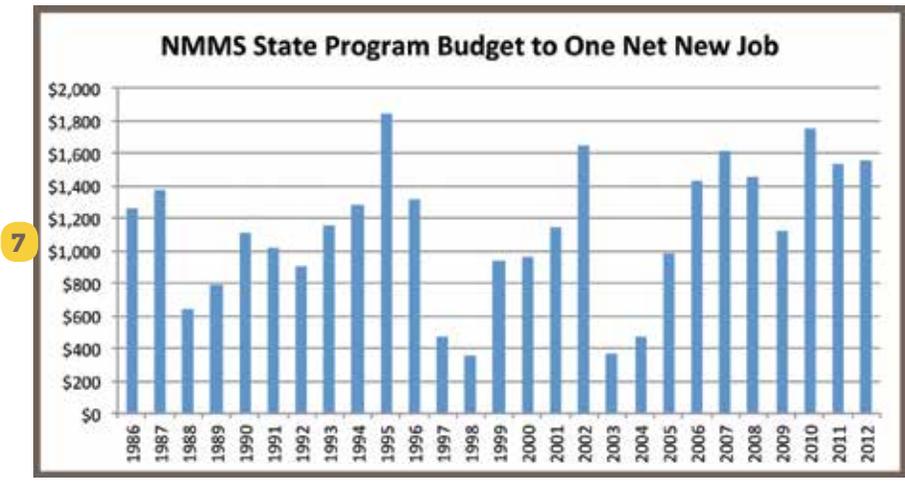
Martha's Gifts, Truth or Consequences

same process of collecting and reporting the data as does New Mexico. MainStreet is creating jobs in the New Mexico tradition – helping individuals and communities understand their opportunities and leaving it to them to make economic decisions on their own. What have they done? Opened new businesses and hired new workers.

MainStreet IS job creation.

It would be a bit unfair to compare the cost per new job in MainStreet districts with a comparable number from other job creation programs – after all, MainStreet gives exactly \$0 to a business for each new worker. Just the same, it merits looking at how well taxpayers’ dollars are stretched through the MainStreet program. Over the lifetime of New Mexico MainStreet, the cost per job created has been \$1,127. (FIGURE 7)

Just as New Mexico MainStreet does not pay businesses to hire new workers, neither does it pay businesses to locate downtown. Rather, MainStreet assists communities in identifying opportunities, and communicating those opportunities to existing businesses and would-be entrepreneurs. MainStreet provides technical assistance, advice, information, and training to help businesses to open, grow, and prosper. Once again MainStreet does this with frugal use of public dollars. Over the lifetime of New Mexico MainStreet the cost per net new business has been \$3,952. (FIGURE 8)

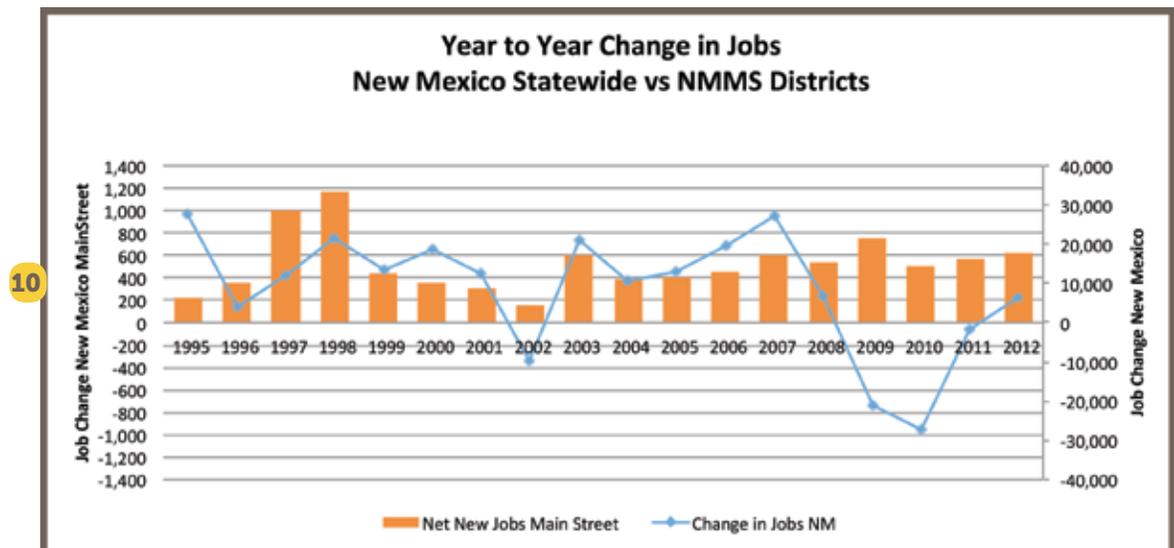
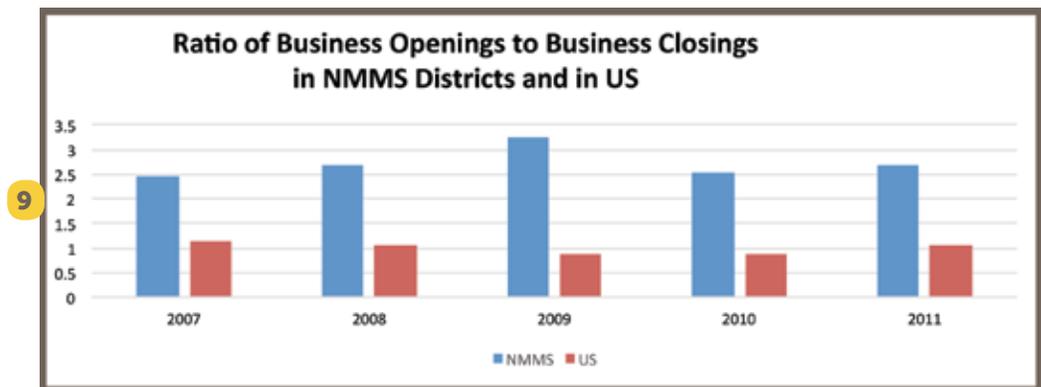


Behind The Numbers

Over the past 28 years in New Mexico, MainStreet has demonstrated that following the Four-Point Approach leads to revitalized downtowns and transformed communities. The growth of new businesses and business expansions is an important measure in any public economic development strategy as it is the private sector that is the engine of the economy.

Throughout the most recent recession, businesses in the United States suffered. Nationally, between 2007 and 2011, for every 100 businesses that opened, 103 closed. Over that same period in New Mexico MainStreet districts, for every 100 businesses that opened, only 37 closed. (FIGURE 9) These gains in net new businesses, even in times of economic downturn, reflect the long-term confidence and stability that MainStreet districts provide.

The impressive number of businesses that weathered the recent recession means that New Mexico MainStreet businesses were hiring and retaining jobs. Even in times when the overall New Mexico economy was losing jobs, MainStreet businesses were going against the trend, adding net new jobs every year. (FIGURE 10)



Real Estate Investment

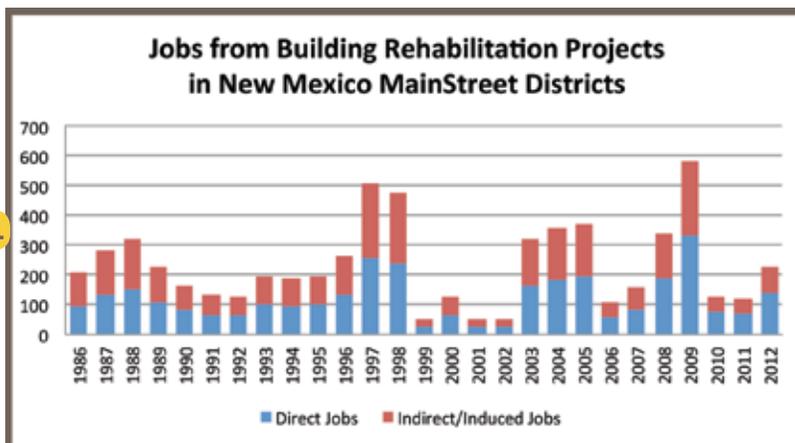
In the second half of the 20TH century, many downtowns throughout America were either written off or largely demolished, and New Mexico towns were no exception. The urban renewal period was described in one New Mexico city as “a disaster for downtown.” While the hows and whys of the decline are numerous, the results are largely the same: buildings in downtowns lost tenants, declined in value and deteriorated in physical condition. The deferred maintenance created a pattern of property owners unwilling to invest in their buildings and tenants unwilling to move into a deteriorated space.



Apartment complex, Clayton

It was this cycle that Main Street was established to reverse. The concerted effort to revitalize downtown commercial districts and historic neighborhoods gradually changed the way of thinking. Grassroots efforts built confidence in the economic future of downtowns. But that meant that many dilapidated buildings required rehabilitation before they could be used again. Sometimes this meant a few cans of paint, and other times hundreds of thousands of dollars of repairs.

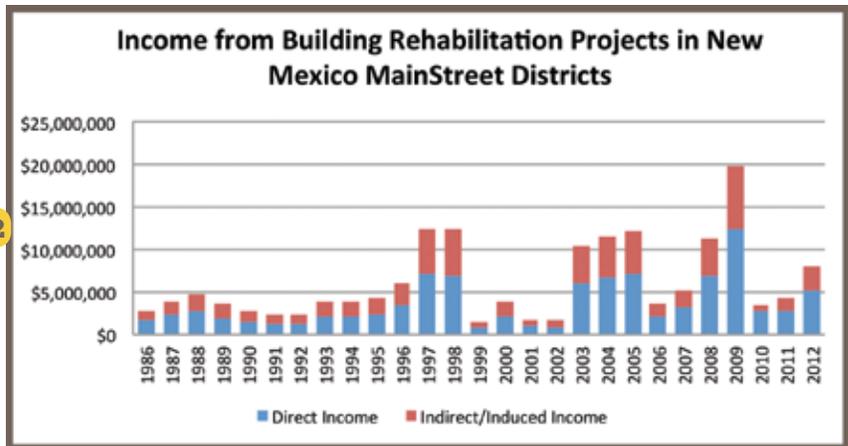
Rehabilitating a historic building is a powerful act of economic development that results in new jobs, more paychecks and increased property values. The labor intensive nature of rehabilitation has meant that an average of 116 full time direct and indirect jobs were created each year just through the rehabilitation of buildings in New Mexico MainStreet districts. (FIGURE 11)



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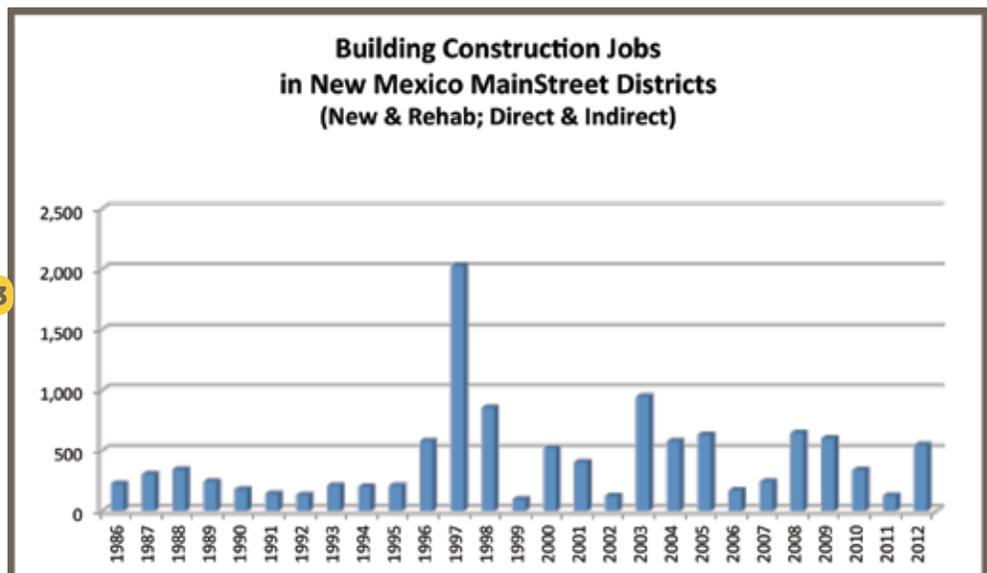


Because those jobs are relatively well paid, particularly for those without an advanced formal education, an average of more than \$3 million a year has been paid to New Mexico workers as a result of those MainStreet district rehabilitation projects. (FIGURE 12)

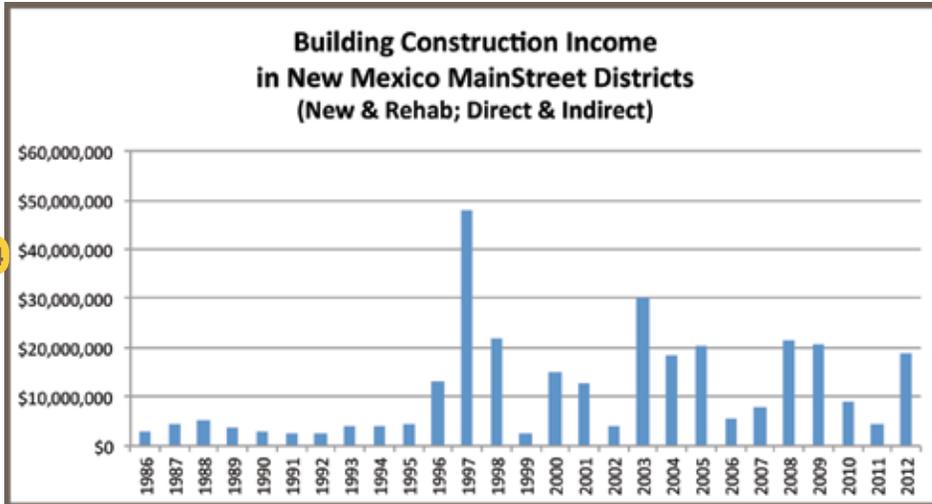
When both new construction and rehabilitation by both the public and private sectors is included, the investment in the physical fabric of New Mexico MainStreet districts has generated an average of 429.5 jobs each year (FIGURE 13) with those workers being paid an average of \$11,494,000 in salaries and wages. (FIGURE 14) Put another way, each year the average amount paid to workers as a result of investment in downtown is greater than the entire budget for the state MainStreet program since its inception.

It is not uncommon that new investors to the community purchase buildings in MainStreet districts. The last five years saw a period where much of the country, including New Mexico, was in the depths of a recession. Nevertheless, buildings downtown remained an attractive investment for many. During that time, more than 150 buildings were purchased in New Mexico MainStreet districts for a wide variety of prices. Nearly three quarters of all buildings sold were purchased for less than \$500,000.

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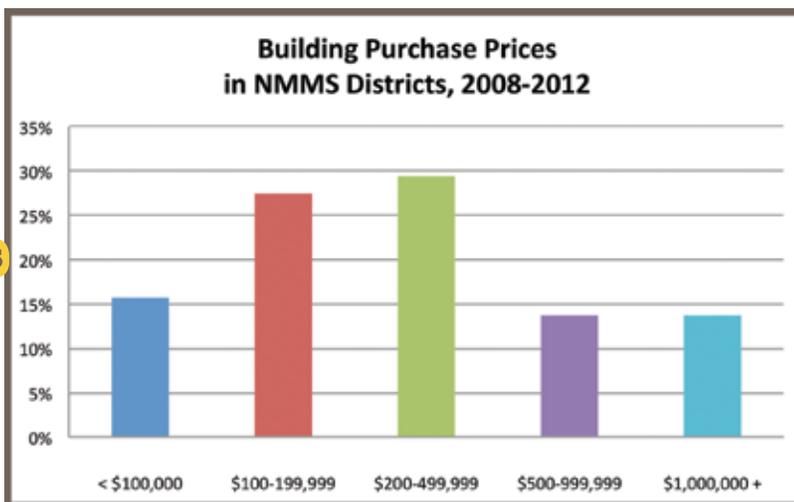


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On the other end of the spectrum, around 14% were purchased for in excess of \$1 million. (FIGURE 15) This investment in MainStreet buildings has paid off for more than the owners. Conservatively, an additional \$5.1 million each year is going to local governments through property taxes on the investment in rehabilitation and new construction by the private sector in New Mexico MainStreet districts. That provides money for schools, police and public infrastructure.

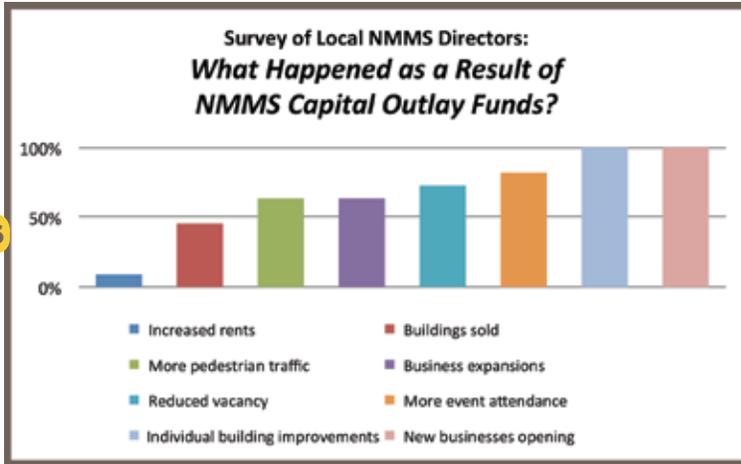
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CAPITAL OUTLAY PROJECTS

Since 2000, MainStreet programs have successfully utilized the State's New Mexico MainStreet (NMMS) Capital Outlay Fund to fill financial gaps in economic development projects in their downtowns. These funds are used for capital improvement projects such as building renovations, streetscapes, wayfinding systems, and master planning initiatives. These relatively small grants have been successfully leveraged to achieve higher levels of funding. The impacts of these funds are observed easily and often quickly.



In October 2013, PlaceEconomics conducted a survey of New Mexico MainStreet executive directors. (FIGURE 16) All of the programs who had received NMMS Capital Outlay Funds indicated improvements on Main Street as a result of the Capital Outlay-funded project. All of the respondents reported both building improvements and new businesses opening as a result of the Capital Outlay projects. Over half also reported increased pedestrian traffic, business expansions, greater attendance at downtown events, and reduced vacancy.

The statistical data confirmed the executive directors’ impressions. For communities that received NMMS Capital Outlay Funds, three years after the project was completed, 54% of the communities had an increased number of building improvements. The rate of net new businesses was 23.3% greater than in the two years prior to the Capital Outlay project. Just four of the many NMMS Capital Outlay projects help to illustrate the financing program’s benefits for communities.

THE HOTEL CLOVIS



Hotel Clovis, Clovis

Year Entered the MainStreet Program	_____	2001
Population	_____	37,775
Cumulative Net New Jobs	_____	215
Cumulative Net New Businesses	_____	83
Cumulative Private Investment	_____	\$21,424,680

In 2009, the NMMS Capital Outlay Fund provided \$300,000 towards a \$12.8 million dollar renovation of the Hotel Clovis into 59 affordable rental apartments and 8,000 square feet of commercial space. The circa 1931 hotel is 10 stories high and listed on the National Register of Historic Places.



After sitting vacant from 1983-2009, Clovis MainStreet, in partnership with the City of Clovis, pursued its revitalization. The project received an Honorable Mention in 2013 in the Rural Housing category for the Charles L. Edson Tax Credit Excellence awards sponsored by the Affordable Housing Tax Credit Coalition. The Hotel Clovis renovation has spurred additional market-rate housing and other development in the immediate vicinity.

THE LUNA THEATER, CLAYTON

Year Entered the MainStreet Program _____	2005
Population _____	2,980
Cumulative Net New Jobs _____	65
Cumulative Net New Businesses _____	21
Cumulative Private Investment _____	\$164,550

The Mission Theater opened in 1916 with seating for nearly 400. In the 1930s it was renamed the Luna Theater and received extensive interior remodeling and Art Deco aesthetics, complete with a neon winking moon face marquee. The building fell into disrepair in the 1990s. In 2009, the Town of Clayton purchased the theater, in part with \$180,000 of NMMS Capital Outlay funds. Clayton MainStreet rallied together the community and renovated the theater, utilizing thousands of work hours from volunteers, high school students, and even inmate crews. The revived Luna Theater received an additional \$450,000 over the next few rounds of NMMS Capital Outlay grants for a new heating system, modern seating, new digital equipment and surround sound systems, with 3D projection capacity. Ticket sales have increased by 40 percent since the digital projection system was installed in June 2013. The Luna Theater is operated by Clayton MainStreet on a non-profit basis for the benefit of the community.



Luna Theater's new marquee, Clayton



MainStreet Leader Nancy Leighton, 1936-2014

THE SILCO THEATER, SILVER CITY

Year Entered the MainStreet Program _____	1985
Population _____	10,315
Cumulative Net New Jobs _____	304
Cumulative Net New Businesses _____	145
Cumulative Private Investment _____	\$6,423,837

In 2012 and 2013, NMMS Capital Outlay Funds provided over \$300,000 to the Town of Silver City and Silver City MainStreet for the acquisition and preliminary renovations of the Silco Theater. Built in 1923, the Silco Theater has lived many lives: serving throughout the years as a theater, a furniture store, and a mini-mall. The Town and local MainStreet program are transforming the building back to a first run cinema, with a goal of reopening on July 4, 2014. Since the acquisition of the Silco by the Town in June 2013, Silver City MainStreet has been successful in raising more than \$300,000 in federal and private grants for the rehabilitation project. Project costs including acquisition will total about \$1.2 million. In 2008, Silver City MainStreet Project was selected as the first-ever U.S. Department of Commerce, Economic Development Administration's 2008 Excellence in Economic Development Award, for Excellence in Historic Preservation-led Strategies to Enhance Economic Development.



The Silco Theater's restored marquee, Silver City

ARTESIA STREETSCAPE

Year Entered the MainStreet Program _____	1997
Population _____	11,301
Cumulative Net New Jobs _____	266
Cumulative Net New Businesses _____	87
Cumulative Private Investment _____	\$5,636,500

Artesia has been the recipient of NMMS Capital Outlay Funds for streetscape improvements several times: 2000, 2006, and 2007, totaling over \$450,000. Artesia MainStreet is a repeat grant recipient because of its ability to leverage the funds for even greater benefit. The list of accomplishments includes much needed planning studies, sidewalk improvements, installation of a town clock, a Heritage Walk, the History in Bronze monuments, a new roundabout, and many more.



The Trail Boss monument, Artesia

CASE STUDY TOWNS

While the big numbers show the impressive cumulative quantitative impact of MainStreet investments, the true story of MainStreet in New Mexico cannot be told by numbers alone. To demonstrate the triumphs and struggles of MainStreet, four MainStreet programs were chosen to provide an in-depth perspective of how the program impacts downtowns across the state. The communities are representative of various regions in the state, varying population sizes, and length in the statewide program. The vignettes below on Carlsbad, Farmington, Las Cruces and Tucumcari explore the stories of MainStreet in New Mexico.

CARLSBAD: PARTNERSHIPS

Year Entered the MainStreet Program	1987
Population	26,138
Cumulative Net New Jobs	313
Cumulative Net New Businesses	137
Cumulative Private Investment	\$4,971,997

It is all too easy for communities to lose their downtown vibrancy to the sprawl of big box shopping centers and office parks, an issue Carlsbad is tackling head-on. A natural gas and mining boom sparked an impressive economic and population expansion in Carlsbad and the surrounding three counties. New residents represent various populations



Trinity Hotel and Dining, Carlsbad



including retirees, families and temporary workers. While managing the growth is a challenge for Carlsbad, it is not a challenge the downtown cannot overcome.



Despite the rapid growth, the community rallies around the changes with strong partnerships and a passion for their downtown. The location of the county courthouse, city offices and regional jail in the downtown district provide stability. The MainStreet program in Carlsbad utilizes the public lawn at the courthouse for festivals, events, and the farmers market. The latest project is the Halagueno Arts Park, a ten-year phased project on the lawn of a city-owned art museum, which will provide community-desired outdoor performance space. These public partnerships have also spurred private investment in the downtown, most notably transforming the decaying 1892 First National Bank into a vibrant boutique hotel and restaurant named the Trinity (2007).

FARMINGTON: CONSISTENCY

Year Entered the MainStreet Program	1997
Population	45,877
Cumulative Net New Jobs	266
Cumulative Net New Businesses	87
Cumulative Private Investment	\$5,636,500

Like many downtowns, Farmington has had its fair share of absentee building owners and failed businesses. Yet, a long-serving MainStreet executive director housed in the city municipal office provides ongoing support for downtown revitalization efforts. As a result, the Farmington Downtown Association has influence beyond the central business district, being active also in the regional planning process. The downtown is marked with numerous wayfinding aspects, a completed streetscape project provides a pedestrian friendly area, and a State Historic Register District protects the historic built environment.





Handmade pottery, Farmington

Façade improvement grants are often supplemented by business owners’ private investment on interior spaces. The success of the downtown Arts Walk, featuring over 30 venues, is representative of the downtown’s success.

This subsequent stability of downtown Farmington attracts new businesses and expansion and reinvestment at businesses like the Three Rivers Brewery, a brew pub located on a prominent Main Street corner. The business environment was so inviting that the Three Rivers owner bought the building next door and opened a pizza place, and then opened a pool hall next to that. The owner of the Three Rivers Brewery specifically cites New Mexico MainStreet as having been the catalyst for his opening his business. Farmington is an hour away from several regional cultural heritage destinations and new investments help link the downtown to these markets.

LAS CRUCES: RECOVERY

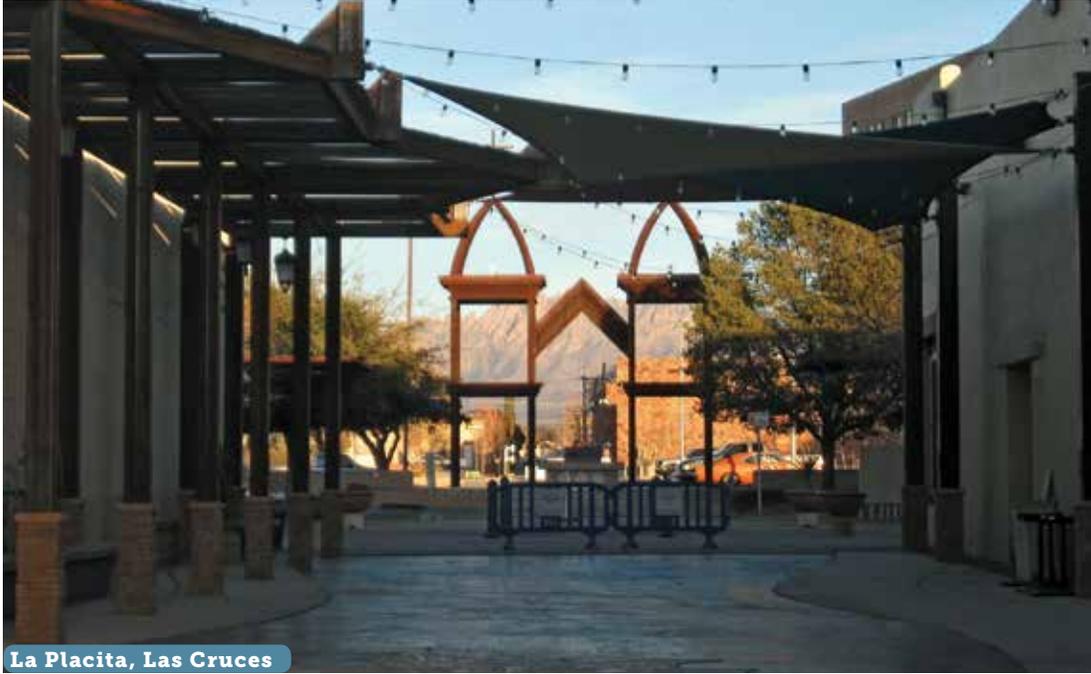
Year Entered the MainStreet Program	2003
Population	97,618
Cumulative Net New Jobs	311
Cumulative Net New Businesses	73
Cumulative Private Investment	\$7,837,577

In the mid-twentieth century, cities across the country took advantage of the federal Urban Renewal program in an attempt to revitalize their downtowns. Unfortunately, the federally-funded efforts often proved to be a failed experiment in urban planning. In Las Cruces, Urban Renewal funds were used to turn Main Street into a pedestrian mall, with parking located on the back sides of the stores. Customers learned to bypass the Main Street entrance and use the more convenient parking lot entrance. In a fight led by the Downtown Las Cruces Partnership in 2005, the Main Street was reopened to traffic and “streetside” entrances to the businesses reopened after nearly 40 years. In a 2009 hallmark event, the Downtown Las Cruces Partnership hosted a “callejoneada,” a Mexican street party with traditional mariachis, folklorico dancers and storytellers strolling down the re-opened Main Street.



COAS Books, Las Cruces





La Placita, Las Cruces

Downtown Las Cruces now enjoys a vibrant arts market, and works closely with the City of Las Cruces on downtown revitalization efforts. As the second largest city in New Mexico, Las Cruces maintains its downtown identity by recovering from past mistakes and charging forward to centralize information and streamline problem-solving. A Tax Increment Finance (TIF) district provides financial support for goals and helps give long-time Main Street businesses such as Whites Music Box (est. 1948) confidence for the future.

TUCUMCARI: WORKING ON LARGE AND SMALL PROJECTS

Year Entered the MainStreet Program _____	2007
Population _____	5,363
Cumulative Net New Jobs _____	45
Cumulative Net New Businesses _____	19
Cumulative Private Investment _____	\$205,700

What do you do in a town which has lost population for 50 years? That has been the challenge facing the legendary Route 66 town of Tulumcari. While Tulumcari was a participant in the New Mexico MainStreet program in the mid-1980s, after a nearly 20 year absence it rejoined the network in 2007, and it did so with renewed energy.

At the top of the list of community-identified priorities was the renovation of the 1927 Rock Island – Southern Pacific Depot. This multi-year, \$2 million project spurred community attention and has already attracted railroad buffs from around the country.

The adjacent plaza and park, also part of the project, have become a public gathering point for community festivals and celebrations of all kinds. The project received an Architectural Heritage Award from New Mexico MainStreet in 2012.

But Main Street doesn't just rely on the "big fix." Tucumcari established a micro loan program for façade restoration and building maintenance funded by USDA Rural Development. A successful "Paint the Town" program helped pool local funds to paint four buildings on Main Street to reflect their original use as a 1950s-60s era Route 66 gas station. As a result of these steps, in 2010, the program graduated from a Start-Up program to a State-Certified MainStreet program.



Odeon Theatre, Tucumcari



Restored Depot, Tucumcari

New Mexico MainStreet Today...New Opportunities Emerging

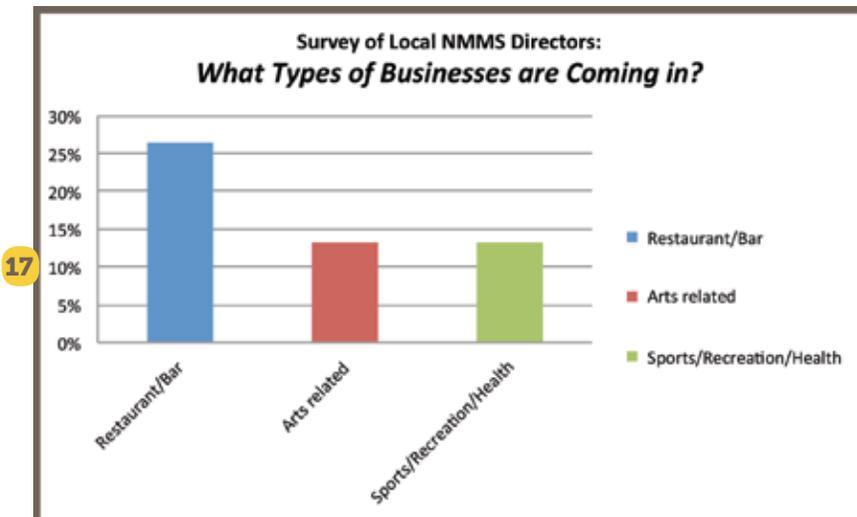
If you ask a New Mexican – lifelong resident or relative newcomer – what his or her state is known for, at the top of nearly everyone’s list would be: the arts, the food, the great outdoors. All of these are found in New Mexico MainStreet communities. In a November 2013 survey of New Mexico MainStreet programs, the executive directors were asked,



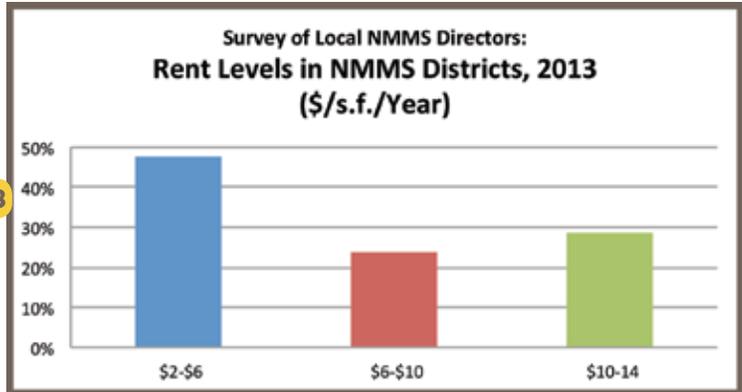
Inn the Village, Corrales

“What were the three most recent business openings in your district?” Over half of all new businesses in the communities were related to food, the arts and sports/recreation/health. (FIGURE 17) Furthermore, 85% of the communities reported having a bookstore, gift store, art dealer and/or music store in their downtown. The vast majority of these businesses are locally-owned and retain much more of their annual sales volume in the local community than do chain stores.

The rent levels in New Mexico MainStreet communities vary widely with nearly half of the executive directors reporting local commercial rent levels of between \$2 and \$6 per square foot per year.



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Just over a quarter of the communities are seeing rents in the \$10 - \$14 dollar range. (FIGURE 18) This is a “good news/bad news” story. Rents at the lower end of the range allow downtown to be an affordable place to expand, start up, or relocate a business. This is particularly important in the early years of an operation. On the other hand, rents at that level do not provide the opportunity for most building owners to fund a substantial reinvestment in the rehabilitation of the building absent significant subsidies.

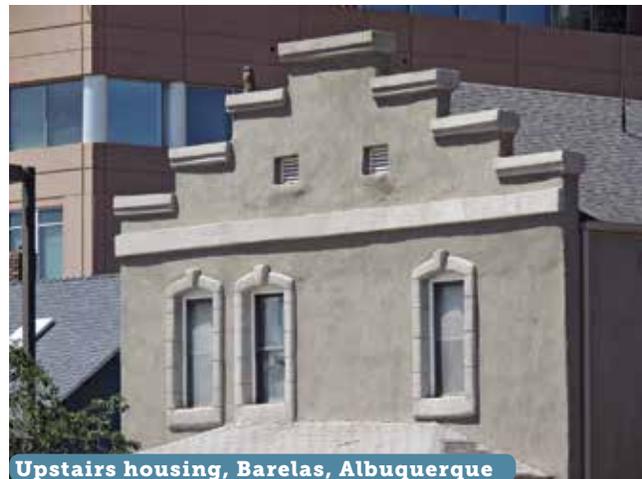
Downtown housing, on the other hand, is emerging as a major opportunity in many New Mexico MainStreet communities. Over half of the respondents report already having downtown housing. And the average rents are \$620 per month. On a square foot basis, these rents are 1.5 to 2 times the average storefront rents.

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Benefit to a New Mexico Downtown Economy from an Upper Floor Housing Unit Rented to a Couple for between \$400 and \$800/month	
Food at Home	\$1,472 - \$2,405
Food & Drink Out	\$622 - \$1,119
Alcohol and Tobacco	\$301 - \$499
Rent	\$4,800 - \$9,600
Other Housing Costs	\$2,406 - \$3,867
Furniture, Equipment & Electronics	\$266 - \$444
Apparel & Apparel Services	\$361 - \$581
Vehicular & Transportation Related	\$2,304 - \$3,198
Health-Care Related	\$1,048 - \$1,713
Entertainment	\$801 - \$1,369
Personal Services	\$208 - \$347
Other	\$332 - \$540
Total Annual Economic Impact of an Upper Floor Apartment in a New Mexico Downtown	\$15,321 - \$26,482

There is a significant impact of having downtown housing units. Figure 19 shows the impact that one couple living in an upper-floor, downtown apartment can have on that downtown's economy.

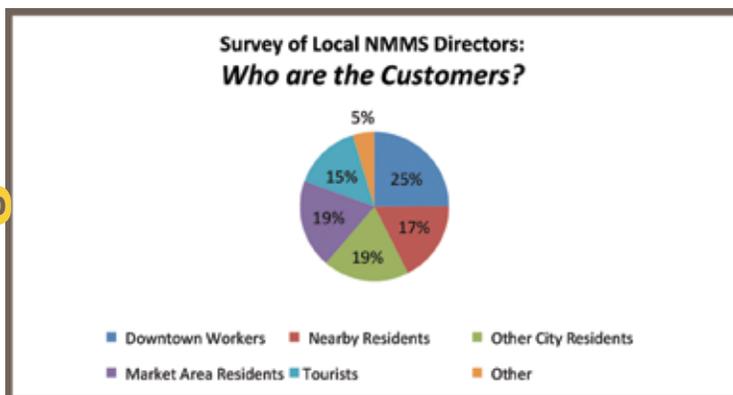
One of the major responsibilities of a MainStreet executive director is to understand who the customers are for the downtown district. On a composite basis, nearly two-thirds of the customers in MainStreet districts are downtown workers, close-in residents and other city residents, with tourists only constituting around 15% of all customers. (FIGURE 20)



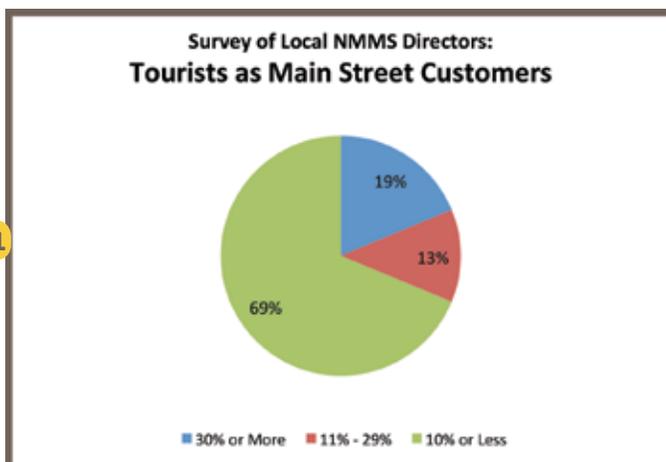
Upstairs housing, Baretas, Albuquerque

Not surprisingly, however, this amount varies widely from community to community. Tourists are 10% or less of the customer base in over two-thirds of the towns, while nearly one town in five sees tourists as 30% or more of their customers. (FIGURE 21) Given that these MainStreet towns have the arts, food, and outdoor recreation that draw visitors to New Mexico, an increase in small town, MainStreet tourism represents a significant opportunity in the coming years.

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CONCLUSION

Times are tough in many New Mexico towns. In many cases downtown has seen decades of departure and disinvestment. It isn't that every New Mexico MainStreet community is today the picture of sustained prosperity, but MainStreet communities are succeeding against the trend.

New Mexico MainStreet – economic development in the context of historic preservation – has been a singular success story.

Economic development is about jobs, new investment, new businesses, and the generation of tax revenues. New Mexico MainStreet has done them all. It has done them without relying heavily on subsidies, incentives, and tax breaks. It has done that through helping local communities first imagine and then implement the pathways to their own future. New Mexico MainStreet provides tools, information, technical assistance and common sense expertise so that downtowns in New Mexico communities rebuild and revitalize themselves.

That, after all, is the New Mexico tradition.



A new generation of MainStreeters, Roswell

ACKNOWLEDGEMENTS

This report was made possible by the efforts and hospitality of numerous individuals and organizations throughout New Mexico, in particular the MainStreet executive directors and their boards and merchants, property owners, public officials, and others in the four case study towns. Those Main Street directors were: **Amanda Melvin**, Executive Director, Carlsbad MainStreet; **Elizabeth Isenberg-Phelps**, Executive Director, Farmington Downtown Association; **Hal Henthorne**, Former Board President, Downtown Las Cruces Partnership; and **Mark Lake**, Executive Director, Tucumcari MainStreet.

Additionally the staff of the New Mexico MainStreet program provided much of the information evaluated in this report and pointed the authors toward additional resources, information, and individuals within New Mexico state government.

The Principles of Main Street come from the National Main Street Center.

Methodologies

Data for net new jobs, business growth, buildings rehabilitated and sold, amount of investment in rehabilitation and acquisition, comes from the quarterly reports each MainStreet community is required to submit to the New Mexico MainStreet office.

Calculations for jobs and income created through the rehabilitation of buildings was based on data from IMPLAN®, an Input-Output econometric model created by the private sector firm MIG.

Demographic and population data was based on 2010 and earlier US Census information.

Estimates of impact on downtowns from upper floor housing were based, in part, on the Consumer Expenditure Survey of the Bureau of Labor Statistics of the US Department of Labor.

Additional data was obtained from various data bases of the US Department of Commerce,

US Department of Labor, Small Business Administration, and other government sources.

Reports prepared for the New Mexico MainStreet program by the Bureau of Business and Economic Research at the University of New Mexico were very valuable in the preparation of this report.

In every instance the selection, evaluation and application of data was conducted by the authors of this report. Any errors of fact or judgment are solely the responsibility of the authors and not the suppliers of data, BBER, the New Mexico MainStreet program, or the New Mexico Economic Development Department.



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Visioning workshop, Tucumcari, 2007



2014 NMMS Map of Communities

(As of January 2014)



- State-Certified NM MainStreet Communities
- Start-Up NM MainStreet Communities
- Emerging NM MainStreet Communities



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