

# **Strategies for Revitalizing Our Downtowns and Neighborhoods: Evaluating California Main Street Programs**

## **Task 2. Reasons Communities Leave the State Program**

A Study for the Local Government Commission.  
Funding Provided by The James Irvine Foundation.

Eichenfield & Associates  
July 2002

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## Purpose of the Study

**I**n December 2001, the Local Government Commission, a private non-profit organization working to build livable communities throughout California, secured the services of Eichenfield & Associates to conduct a study – funded by the Irvine Foundation – to assist the California Main Street Program in evaluating and maximizing its effectiveness as an economic development tool.

The study's four major tasks provide California Main Street with:

- 1 An analysis of historical data on participating communities to help promote the state program.
- 2 An analysis of data regarding the reasons why participating communities leave the state program.**
- 3 An analysis of the capacity of the state program to serve California communities.
- 4 A marketing brochure, which can be periodically amended by California Main Street, to better promote the program.

## Background and Context: California Main Street

**C**alifornia Main Street is a program of the California Technology, Trade and Commerce Agency. Since 1985, California Main Street has provided commercial district revitalization training and technical assistance to communities using the Four-Point Main Street Approach to Revitalization™ – Organization, Promotion, Design and Economic Restructuring – as developed by the National Main Street Center, a subsidiary of the National Trust for Historic Preservation.

California Main Street provides training, technical assistance and information services to communities statewide in subject areas such as organizing local stakeholders, promoting districts through special events, rehabilitating older and historic buildings, capitalizing on the marketable appeal of historic commercial buildings, and strengthening each district's economy through business retention and recruitment.

Some training and technical assistance services are available to all communities in the state. Intensive services and on-site

assistance are available only to communities that have been accepted into the CMS Network of Communities through the program's rigorous application process.

Since 1985, 72 communities have participated in the formal network program. These 72 participated either as Demonstration Communities (highest level of technical assistance) or Independent Communities (lower level of assistance).

Demonstration Communities were those that showed the highest level of readiness to participate in and benefit from the Main Street program.

Independent Communities were either communities that had high need but low readiness, so they were allowed to attend trainings and network meetings in hopes of raising their readiness, or they were communities that were already on the path to success and had less of a need for CMS services.

Thousands of local revitalization supporters have attended statewide trainings or received telephone assistance from the state staff. CMS no longer uses the terms Demonstration and Independent.

All local programs accepted into and participating in the CMS Network are called simply “Certified Districts.” There are currently 37 Certified Districts.

The California Technology, Trade and Commerce Agency is the State’s lead agency for promoting economic development, job creation, and business retention. To improve California’s economic climate, the Agency works closely with domestic and international businesses, economic development corporations, cities, counties, and chambers of commerce, among other state and local organizations.

California Main Street is housed within the Agency’s Division of Economic Development, which oversees many programs that provide a variety of services and assistance to local communities and small businesses. The majority of these programs are aimed at improving the overall community capacity for economic development resulting in an environment where businesses can grow and develop.

## Methodology

The study sought to determine why some local Main Street programs leave the state network by compiling the following information:

- Average age of local program when it leaves the state network.
- When in cycle is the demise? (catalyst, growth or maintenance phase)
- Reasons for demise of the local program, including primary and secondary factors.
- Were there early indicators of problems?
- What could the state program have done to prevent them from leaving?

Eichenfield & Associates used the data sample that is all 35 local programs that have left the state network. Current and former staff of the California Main Street Program were interviewed to get their impressions and opinions on the above questions. Those interviewed included

Pat Murphy, the program’s director from 1985 until 1992 and who held other Agency positions until June 2002; Keith Kjelstrom, who worked for CMS from 1989 until 2001; Barbara Mason, CMS director since 2001; and Dinorah Hall, who has worked for the program since 1992.

Eichenfield & Associates then conducted phone surveys to collect the same data from representatives from the 35 communities themselves. Names of former local program directors, board members and city staff members were obtained from the current and former CMS staff. Eichenfield & Associates was only able to reach representatives from 12 communities.

The results of all the interviews were posted onto a spreadsheet. Raw results from each community are shown in Exhibit A. A summary of those results are shown in Exhibit B. Data was split between Demonstration and Independent communities to see whether this status was a factor.

## Results

The results show a marked difference between when the 14 Demonstration and 21 Independent Communities left the program, why they left the program, and what the State could have done to keep them in the network.

### ■ Average length of local program when it left the state program

The Demonstration Communities stayed in the program for a longer period of time, a median of seven years, while the Independent Communities stayed in five years.

### ■ When in cycle is the demise? (Catalyst, growth or maintenance phase)

California Main Street marks the life cycle of a local Main Street Program with the following stages:

- **Catalyst:** The early stage when the program is just getting going, typically years 1-3.
- **Growth:** The period of rapid successes and program expansion, typically years 3-7.
- **Maintenance:** A period of program stability, typically years 7-10.

More of the Demonstration Communities (7) left the program in the maintenance

phase than any other phase. More of the Independents (14) left the program in the catalyst phase.

### ■ Reasons for demise of the local program, including primary and secondary factors

According to those interviewed, the Demonstration towns all experienced a loss of focus and of their support base as the programs aged. This happened even though the programs reported being very successful over a period of some years.

This loss was mostly characterized by the loss of city funding, usually due to changing priorities of city officials or different priorities from newly hired city officials, or by the loss of a key or founding Main Street staff person who had held the program together.

Personality conflicts between Main Street board and staff members, and external conflicts with key city staff people, key politicians and chambers of commerce who had different views on how revitalization should be managed also led to program downfalls

In just a few cases did the local program feel they had outgrown the Main Street Approach™ or that the downtown had become so healthy they did not need to do Main Street anymore.

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**The Demonstration Communities stayed in the program for a longer period of time, a median of seven years, while the Independent Communities stayed in five years.**

**The Demonstration towns all experienced a loss of focus and of their support base as the programs aged.**

The reasons Independent Communities left the program were quite different. Seven left the network because they didn't have a strong or broad enough base of community support to get the program up and running.

These programs typically lasted just a few years and participated minimally in the CMS network meetings and data reporting. Usually just a handful of community members were actively involved. CMS eventually dropped these programs from the network due to non-participation.

Nine of the Independent towns tried Main Street for a number of years, then switched to a different type of revitalization program or another source of networking or technical assistance.

For example, some towns became merchant led business improvement district organizations, some turned to government redevelopment agencies to do the work, others turned to organizations such as the International Downtown Association that provide training, networking and assistance to larger cities.

This indicates that these towns may not have had a very firm understanding or commitment to Main Street coming into

the program, or that once in the program they didn't retain a strong commitment to Main Street.

#### ■ What were the early indicators of problems?

No early indicators for the Demonstration towns stand out from the interviews. Since these programs were basically successful and stayed in the state program for quite a few years, the lack of early indicators is not unexpected.

However, this study's results can provide indicators that CMS can use in the future to anticipate possible problems. Local programs need to have a broad base of community support so that the actions of a few will not lead to the downfall of a program. Main Street staff need to be team-players who build strong volunteer-based organizations and hold the program together. Local Main Street organizations should not rely on any one individual to carry the program.

Many of the Independent programs did not fit California Main Street's model of a potentially successful Main Street district:

- They were very city-driven or driven by one particular person in the community, rather than being an equal partnership of business, government and the community.
- They had non-traditional boundary areas (multiple districts, auto strips, very small towns) rather than identifiable districts with critical masses of buildings and businesses.
- They had overly complex organizational structures, such as being within a Chamber of Commerce or an organization trying to effect change in multiple districts, instead of being an independent nonprofit.

These factors were cited by CMS staff as reasons these districts did not receive Demonstration status and were early indicators the programs might experience problems following or implementing the Main Street Approach™.

■ **What could have the state program done to prevent local programs from leaving the network?**

Most Demonstration communities did not or could not answer this question, and CMS staff often did not think anything could have been done to prevent the Demonstration towns from leaving. From the rest of the data collected for this report, it is clear to us that CMS needs to provide on-site education and conflict resolution when a local program starts to break down. But more importantly, CMS needs to always be working closely with the local programs to build consistent, widespread community support for the program.

In this way, programs might not close down when difficulties arise from just a few key people. This could mean that CMS needs to provide additional, highly visible on-site education and technical assistance, and help programs to annually promote their successes to city councils and community residents by sending CMS representatives to more community meetings.

Community members need to fully understand the Main Street Approach™

and know what they will miss if they drop out of the CMS Network. The CMS package of services needs to be highly desirable. CMS could consider giving grants to small rural communities that have a very hard time raising money.

Again, most Independent communities did not or could not answer this question and CMS staff often did not think anything could have been done to prevent the Independent towns from leaving.

If the Independent towns were not a good fit for Main Street, then there truly might not have been anything CMS could have done to prevent them from leaving the state program. CMS could have decided to offer more customized technical assistance to these kinds of “nontraditional” communities, but this would have taken time and technical assistance away from the Demonstration towns – CMS’ top priority at the time.

CMS also commented that the fact that these towns left the state program is not necessarily a negative. They tried revitalization using Main Street and learned lessons they carried into the future.

Further suggestions for service delivery are discussed in the Task 3 report.

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