

**DECEMBER 8, 2011**

**FREDERICKSBURG MAIN STREET EXPLORATORY COMMITTEE  
FINAL REPORT TO THE ECONOMIC DEVELOPMENT AUTHORITY**

A. Committee Assignment

- EDA has identified the lack of a unifying organizational structure and common vision for downtown as factors that are deterring its full economic potential.
- Main Street is a proven best practice for improving historic downtowns, including investment, preservation, business creation and expansion, sales volumes and street appeal.
- The committee was appointed by the EDA in May, 2011 to study the Main Street program, evaluate the level of downtown business community support for a Fredericksburg Main Street and to identify a sustainable funding strategy.
- The six members of the committee are: Marc Ast, Co-Chairman (Frenchman's Corner), Wilson Greenlaw, Co-Chairman (Thalhimer Real Estate), Mona Albertine (Jabberwocky and Mock Turtle), Linda Arnold (Monkey's), Sue Bridi (Union First Market Bank) and Tom Crimmins (EDA representative).

B. Main Street Overview

- Established by the National Trust for Historic Preservation.
- Network of over 1,600 certified cities and towns, including 24 in Virginia, with a wide variety of support resources at the national and state levels.
- Each community follows the Four Point Approach: Organization, Promotion, Design and Economic Restructuring.
- There are Eight Principals: Comprehensive, Self-Help, Capitalize on Existing Assets, Quality, Incremental, Partnership, Change and Implementation.
- Each Main Street program has an independent, not-for-profit board of directors employing a professional executive director. It is non-governmental.
- In Virginia, the application process to become a certified community takes approximately three years. A Fredericksburg Main Street can operate effectively as an affiliate member from the start with most, but not all, of the benefits of full certification.

C. Summary of the Committee's Work

- Held four well-publicized public meetings at City Hall and the Marriott Courtyard, with 220 total attendees, 140 different people.
- Visited the Culpeper Main Street office and spoke with several downtown merchants.
- Developed a page on the Department of Economic Development and Tourism web page to disseminate Committee and Main Street information.
- Met with most merchants and many other businesses door-to-door.
- Met with business owners and property owners in several small groups.

D. Findings

- A strong majority support was voiced amongst the downtown merchants, property owners, other businesses and citizens for establishing a Fredericksburg Main Street.
- Main Street is recognized as a proven best practice. No other program offers the resources and network of Main Street.
- No consensus emerged on how to fund the program, which is expected to cost approximately \$225,000 per year.
- With regard to the establishment of a business improvement district (special tax district) to help fund the program, 24 property owners and 50 businesses signed a petition in support and four large property owners signed a petition in opposition.
- It is widely recognized that Downtown Retail Merchants Incorporated is not a viable model for achieving the objectives envisioned by Main Street.
- The success of Main Street depends on broad-based sustainable funding support from merchants, other businesses, property owners and the city. A heavy reliance on fundraising, as the primary source of funding, will detract from the mission.
- The success of Main Street depends on a large number (scores) of volunteers. While interest is strong, the committee did not quantify the likely availability of volunteers.

E. Recommendations

- A Fredericksburg Main Street formation committee should recruit a broad-based board of directors with the goal of getting organized by mid-March, 2012 in time to present a request to City Council for funding support. The method of formation of this Board will likely be the first test of the community's continued support for Main Street in Fredericksburg.
- The City Manager should earmark approximately \$45,000 in the FY 2013 budget for Main Street.
- A \$225,000 budget is recommended with funding coming from: Business Improvement District (7 cent levy) – 60%, City – 20%, EDA grants – 7% (EDA funding would be greater for the first couple of years to allow for gradual introduction of the Business Improvement District) and memberships/fund raising – 13%.
- The BID is a fair and stable base of funding. While it received broad acceptance from a long list of businesses and many property owners, it has substantial opposition from major property owners. It is the only mechanism allowed in Virginia to universally spread the cost over the entire district. Assuming that the 7-cent BID special assessment tax is passed along to the merchants, the cost per business would range from \$20 to \$40 per month.
- A 37-block district is proposed which contains approximately 270 parcels (approximately \$200 million total assessed value) and approximately 235 businesses with the following mix: retail – 70%, professional/financial/service – 27% and not-for-profit – 3%.
- The committee is very pleased that Scarlett Pons and Paul Cymrot have volunteered to start the Main Street Formation Committee to create the MS Board and establish the organization structure and governing documents. We recommend that the EDA follow and support their effort in every way possible.
- The committee believes the EDA objective of substantially improving the knowledge and support of Main Street for Fredericksburg has been well achieved.

F. Acknowledgement

- The members of the Exploratory Committee wish to thank the EDA for instigation of this Main Street idea for Fredericksburg, for the opportunity provided to us to pursue this much-needed improvement for Fredericksburg and for the financial support and encouragement during the Committee's work.

- The committee also wishes to thank all those who were involved in the meetings, regardless of their point of view, since all contributed to a much refined understanding and a better focus on what Main Street could provide to Downtown Fredericksburg.