CELEBRATE PRESERVATION MONTH ON MAIN STREET

May is Preservation Month, a time for communities to celebrate the historic places that are meaningful to them. The National Trust for Historic Preservation established Preservation Week in 1973 and extended the festivities to the full month of May in 2005 to allow for more time to raise awareness about the importance of preservation. The National Main Street Center took inspiration from Main Streets across the country to come up with a list of three ways your downtown can celebrate Preservation Month. From history talks and scavenger hunts to walking tours and social media campaigns, there are plenty of ways to recognize local history and preservation on Main Street all month long.

MAY 2019
Imagine the Possibilities Tours

TEXARKANA - SHOWCASE ENTIRE MONTH
SHERMAN - MAY 9
ELGIN - MAY 9 AND MAY 16
BROWNSVILLE - MAY 10
BEAUMONT - MAY 16
KINGSVILLE - MAY 16
LONGVIEW - MAY 16
CORSICANA - MAY DATE TBD
GEORGETOWN - MAY DATE TBD
LEVELLAND - MAY DATE TBD

SAN AUGUSTINE - MAY 18
KILGORE - MAY 18
AMARILLO - MAY 19
WINNSBORO - MAY 23
TEMPLE - MAY 29
HARLINGEN - MAY 31
CORPUS CHRISTI - JUNE 27

Complete schedule at DOWNTOWNX.ORG
From history talks and scavenger hunts to walking tours and social media campaigns, there are plenty of ways to recognize local history and preservation on Main Street all month long.

1. **Rethink your walking tour.**

   Historic walking tours of Main Streets are a great way to encourage community members to engage with their local history. Consider adding an unexpected twist or theme to your tour to take it to the next level.

   Downtown Washington, Missouri, hosts a haunted historic walking tour each year, where a costumed guide takes participants to haunted sites downtown. The tours take guests into historic buildings and are 70 percent history (with a preservation angle) and 30 percent ghost stories. The tour is part of Missouri Main Street Connection’s month-long Road Show for Preservation Month.

   The City of Westminster, Maryland, added a twist to their historic Main Street photo scavenger hunt by focusing on glass features on historic homes and buildings. Dubbed “History Through Rose and Other-Colored Glasses,” the hunt included photos and clues for different glass features around town. Community members who could provide the right location for the photos received a prize.

   Communities can also use technology to take their walking tour in a unique direction. New Braunfels, Texas unveiled a digital downtown walking tour of historic places, created with esri, in honor of Preservation Month.

2. **Partner with another organization or build off an existing calendar item for your engagement events.**

   Planning fun and unique engagement events doesn’t have to take up all your time. Make Preservation Month activities an easier lift by partnering with another organization or adding a historic preservation element to an existing event on your downtown’s schedule.

   May is National Bike Month, so the Cincinnati Preservation Collective organizes an annual preservation bike ride of historic neighborhoods in Cincinnati. They partnered with the local bike share program to waive fees on bikes and with a local restaurant that hosted them after the ride. Check out the National Trust for Historic Preservation’s post for more details about the ride and tips for planning your own.

   Downtown Wayland, Michigan, partnered with their local library on a digital photo collection campaign. They encouraged community members to bring in historic photos to get digitized and entered into a photo collection that documents the history of Wayland. The photo project ultimately led to a storytelling campaign.

   Downtown Boone Development Association in North Carolina, used their First Friday Art Crawl in May as a venue to share oral histories of five downtown buildings. They posted the scripts and photos of buildings on their website, as well.
3. Get creative with social media.
The National Trust for Historic Preservation has a comprehensive *This Place Matters* Toolkit with printable signage, digital shareables, and merchandise you can use to promote Preservation Month throughout May. Main Street communities can get creative to encourage their community members to share the places that matter to them using #thisplacematters.

Dahlonega Main Street Program & DDA in Georgia holds a yearly Photo Contest during Preservation Month. Contestants submit photos of historic spots in town, the Main Street program posts them to a Facebook album, and the photo that receives the most “likes” wins the People’s Choice Award.

Main Street DeLand, Florida, scattered *This Place Matters* signs on stakes around town to make it easy for residents to stop and take photos at historic sites on Main Street. They featured people’s photos on their social media pages.

Grundy Center Chamber-Main Street in Iowa encouraged their social media followers to post photos of places in town that inspire them and compiled the photos they received in a Facebook album. They even had their local paper do a write up on the campaign. They plan to put *This Place Matters* signs at each of the stops on their Historic Homes Tour this year.

For even more ideas about incorporating preservation into your work, check out The National Main Street Center’s historic preservation resources. You can read NMSC President and CEO Patrice Frey’s article in CityLab, “Why Historic Preservation Needs a New Approach,” about the need to modernize the historic preservation movement toolbox. Register for our New National Main Street Center Design Services webinar on May 7 at 1 p.m. Central (OS CST), which will offer a preview of our new design-focused technical services. In the meantime, you can take a look at our Main Street Design Handbook to get ideas about historic preservation-based design strategies. Finally, if you’re a Main Street America member, you can post tips and questions about celebrating Preservation Month on *The Point*, our member networking platform.

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**GETTING TO KNOW YOU**

**TONY GUIDROZ, LLANO MAIN STREET MANAGER**

1. What is your hometown?
   Opelousas, Louisiana – I’m Cajun born and Cajun bred. When I die I’ll be Cajun dead. If I die in Alaska or if I die in Llano, my soul will find its way back to the bayou! Aaaaayyyeeeee! Ha!

2. What Main Street city do you represent and how long have you been there?
   Llano, Texas…My first day was on March 11.

3. What is your favorite spot in your downtown and why?
   I have the beautiful Llano River running through my downtown, PEOPLE…AhhhhhMazing! Oh, and “Shakedown Street” our amazing artisan alley. Annnd…How can you pick just one!

4. What do you enjoy the most about the Main Street program?
   The Texas Main Street Program is a family! With all Main Street’s integrated components, it’s a vital tool in my position as Community Development Director for the city of Llano. Main Street comes packaged with wonderful opportunities to protect, promote, and propel our Destination Marketing Organization.

5. What is the best piece of advice you’ve ever received?
   “Your Smile is your logo. Your personality is your business card. How you leave others feeling after an experience with you becomes your trademark.” Be Positive…Thoughts Become Things!

*cont. on next page*
First, as a Texas Main Street manager from 1982-84 in Hillsboro, in downtown Dallas from 1993-95, and then as an urban residential developer, I have seen a lot of downtown residential in Texas. It is easy to see why downtown living is popular in larger cities. However, it has also caught on throughout the state in towns from 5,000 to 100,000. Just as in larger cities, throughout Texas and the U.S., the major drivers are demographics, convenience, travel, and community:

1. **Demographics**: Folks who grew up in smaller communities are moving back to their roots. Some have lived in urban centers and like the lifestyle. Others have no taste for suburban living, yard work, or having to drive anywhere they go. Some are postponing child rearing or choosing not to have children; others are empty nesters who want a change after their families have grown up and moved out, hopefully.

2. **Convenience**: In 1999, I overheard two road warriors talking in an airline lounge in New York. One was asking the other what he was going to do when he retired. His friend said, “We are thinking of selling our house and moving to one of those apartments in Midtown Houston”. (I perked up because I was developing a two-phase project in Midtown Houston). He continued. “We just aren’t the type to want to live on a golf course in a master planned community. We like the idea of being able to park our cars on Friday and not get in them again until the following Monday.” To me that was fascinating because I hadn’t really been convinced that empty nesters actually wanted some of the same amenities that urban living provided for millennials. Many downtown organizations and cities have worked hard to recruit or retain urban services such as restaurants, retail, and entertainment. Now folks also want to live near those amenities.
3. **Travel:** When I grew up, most of the places we visited, had the same kind of housing we lived in. No longer. More of us have traveled to urban centers in and out of the U.S. where urban living is common and have realized that living downtown is like traveling without leaving home.

4. **Community:** What makes downtowns successful is a feeling of community, whether through a strong alliance between property owners, office, governmental, or retail tenants, and a tradition of community events, markets, or celebrations. If that sense of community is nurtured or continued then some folks will want to also live in that neighborhood that is downtown. Not all downtowns have that sense of community that we call a neighborhood. Be aware of that distinction. The more your downtown feels like a 24-hour place, the easier it will be to have residential, and those residential uses make it even more of a 24-hour neighborhood. I remember when Robert Gibbs once told the downtown folks in Houston: “You sure do a good job of emptying downtown at 5 p.m.” Of course, he said it facetiously, because it was a ghost town after 6 p.m. That isn’t a neighborhood in which folks want to live.

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How do we make downtown livable for residents?

Beyond providing the kinds of services described above for them, (and no, a downtown grocery store is not required), think of what you would look for in any new neighborhood:

1. **Unique or various housing opportunities:** Second of third floor apartments, (with or without secure parking), townhomes or zero-lot-line homes, lock and leave mentality.

2. **Green space to make up for no yard:** Places to walk pets (with tools to clean up after pets), maybe the courthouse lawn or pocket parks.

3. **Think of amenities that are different from the suburbs:** a coffee shop with outdoor seating to have coffee or dessert with friends or to work on one’s laptop; a downtown movie theater that shows classic movies; a pharmacy with soda fountain; a hamburger stand that makes homemade malts and shakes unlike the franchises on the highway. These are the things people are longing for in that quest for community, a downtown post office, library, or church that is walkable from home. The interactions that take place around and in these amenities are part of what makes downtown living exciting, satisfying, and so different from single-family, single-use neighborhoods.

4. **Accessible, well-designed sidewalks and other high-quality public streetscape infrastructure:** especially lighting and other public utilities.

5. **After working to provide the amenities, promote them:** so existing and new residents know what they are and where, just like any large city urban housing owner or management company would do to make downtown living less exotic and more exciting.

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How do you encourage downtown residential development if you don’t have a local developer or real estate finance sources?

1. **Most real estate developers and property owners, like to stay within their knowledge base.** Make it easier for them to do something outside of the box by giving them data: Available land for ground-up development, vacant upper floors with square footages,
property owners interested in long-term leases, joint ventures, or buildings for sale. Robert Gibbs, the previously mentioned landscape architect and well-known new urbanist from Birmingham, Michigan, convinced a number of property owners to master lease their unused upper floors to him, and he redeveloped thousands of square feet for a long period of time.

2. **Source local expertise and funding first.** Local home builders have the expertise, a subcontractor base, and financial relationships. Local building owners with low basis in their assets and fewer high-return investment options are waiting for you to show them how to redevelop their unused upper floors or vacant parking lots. If they aren’t, find someone to buy them out. Local investors, property owners, and builders have an inherent interest in investing in their communities.

3. **Upper floor conversions or townhomes in downtown are just as viable as more suburban locations and many of the amenities in downtown mean they don’t have to create so many in each home.** In our urban apartment business in the late ’90s in Dallas, we used to tell financial partners that we didn’t have to provide the then-popular crown molding or mirrored backsplashes (not sure why those were ever popular), because the amenities outside our units, such as high-quality streetscape infrastructure, greenspace, retail, restaurants etc., were more valued by the kinds of residents looking downtown.

4. **Market studies are important usually, but limited if there isn’t a market.** If your rental housing market is primarily B or C class multi-family, then a market study of those assets, rents, occupancy, etc. won’t help you. It may be better to know what average housing monthly sale costs are to compare them with what conceivable rents could be for a product type that isn’t present in your community.

5. **Case Studies are invaluable. Go see, feel, and touch.** Show examples from other downtowns and communities, the closer the better. Scouting trips to see examples with your city council, local developers, and bankers are invaluable to making the sale. Urban Land Institute, the National Main Street Center, and Texas Historical Commission have examples of pro formas, developers, architects, and owner info. Use those resources. A database with lenders, developers, and design professionals who work in downtown housing in communities of your size needs to be accessed and shared. And take advantage of spreading the word on the historic property listings that can be found on DowntownTX.org.

6. **There are statewide and national resources of developers who will assess your opportunity.** The City of Abilene redeveloped the Windsor Hotel as senior housing with a national development entity and multiple layers of public and private financing. The larger the opportunity and the more public financing or infrastructure financing, the more likely you can get a larger city developer or
someone from far away. A developer, investor, or lender who has opportunities to develop or invest in downtown housing in low risk markets in higher numbers will take the lower risk options so you have to equalize that development and financial risk.

7. **Think of incentives and/or public financing sources as methods to lower risk.** Real estate finance is all about recognizing and managing development risk and financial risk. Incentives such as low-interest loans, opportunity zones, façade grants, below-market land sales, and public infrastructure funding are all examples of lowering financial risk for a developer, equity partners, or an existing property owner who self-develops his or her property. Remember that they have to obtain and then guarantee a construction loan on terms that work for them and the lender. I always enjoy bringing that up when community members say that incentives are giveaways to developers. If most communities were low-risk opportunities there would be lots of downtown housing present.

8. **Transparency is key.** If a project requires incentives or some level of public finance or support, the pro formas used to develop the financing basis of that support, then the developer should be willing to prove that need by sharing his or her pro forma with appropriate city or lender’s staff.

9. **The local, statewide, or national lending institutions in your community have statewide relationships** with housing developers, public lenders (Fannie Mae, FNMA), Freddie Mac (Federal Home Loan Mortgage Corporation), HUD loan programs, etc. They are vital allies in creating a downtown housing market where there currently isn’t one.

10. **Each community is different** so provide an honest assessment of what kinds of downtown housing is needed, financeable, and what the community is willing to invest in to make its downtown a more 24-hour environment.

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**THE INS AND OUTS OF OPPORTUNITY ZONES**

By Alan Cox, Economic Development Specialist, TSI, TMSP

Since last summer, community leaders, developers, and investors have been abuzz about a new federal incentive program which holds the potential to infuse new money into distressed neighborhoods and downtowns. As part of the larger Tax Cuts and Jobs Act of 2017 package passed and signed during the same year, the initiative was designed to attract “patient” capital investments into areas that are designated as “opportunity zones.”

**Where are Opportunity Zones?**

After the bill’s passage, the governor’s office of each state was asked to qualify areas that met specific “low income” requirements during Spring 2018. Our review of the qualified opportunity zones indicates that 40 of Texas’ Main Street districts are either wholly or partially included.

To see if your downtown district is located in a certified opportunity zone use this interactive map: https://eig.org/news/opportunity-zones-map-comes-focus
A full list all of Census Tracts designated as Qualified Opportunity Zones in Texas can be viewed here: https://gov.texas.gov/uploads/files/press/Opportunity_Zone_Designations.pdf

How does this work?
First, let’s unpack what the term “patient capital” means. This refers to people who have money that can be invested but are willing to wait on their return (or profit) from that investment. Only money that is subject to the capital gains tax (made from a previous property that was sold or exchanged) can be used. But investors aren’t the ones who are directly pouring money into the zones. Instead, they hand the money over to a Qualified Opportunity Fund (QOF) that pools the money together and makes the investments themselves.

Now, the reason why an investor would be willing to be “patient” is because the program is set up to incentivize people to wait on their return. To put it simply, the money they give to a QOF isn’t taxed by the IRS while it’s in their hands. The longer the investor keeps it in a fund, the greater their tax advantage. Currently, the maximum amount of time is until the end of 2026. The tax benefits are based on three periods: five, seven, and 10 years. Five years reduce capital gains tax payments by 10 percent, seven years yields a 15 percent reduction, and 10 years the tax is eliminated.

The reason the program is set up this way is so the investments made within an Opportunity Zone are sustained over a length of time, and theoretically provide an ample opportunity for it to begin to flourish.

How do Qualified Opportunity Funds operate?
The IRS defines a QOF as “an investment vehicle that is organized as a corporation or partnership for the purpose of investing in qualified opportunity zone property” and must hold at least 90 percent of its assets within a zone. The creation of a QOF appears to be a simple and straightforward process. According to the IRS, any “eligible corporation or partnership self-certifies by filing Form 8996, Qualified Opportunity Fund, with its federal income tax return.” Early drafts of the form and instructions are available at the following links:


The proposed regulations within the above instructions “clarify that there is no prohibition to using a pre-existing entity as a QOF or as a subsidiary entity operating a qualified opportunity business.” Because of this, many speculate that large investors are positioning themselves to take advantage of this program to make major real estate investments in some of the country’s largest cities. These cities are already undergoing gentrification and could bypass most of America’s smaller communities that are in most need of new investment. That said, existing community development entities such as Community Development Financial Institution Funds are also likely to get involved.
The importance of having a working relationship and common goals between Pittsburgh Main Street and the City of Pittsburgh Economic Development Corporation (EDC) cannot be stressed enough. Having both teams agree and set on the same path is powerful mojo! Downtown Pittsburg is in the middle of a transformation where buildings which have set empty for years are selling to new owners, renovations are being completed, and new entrepreneurs are opening businesses. Having the funds to support downtown shows the solid commitment to Main Street and the revitalization that is currently happening. When people look at downtown to open potential businesses, they comment on how they notice the connection between the city, EDC, and Main Street. It is reassuring for them to know there are people who care and want to take an active role to help them be successful.

The Pittsburg EDC has contributed over $40,000 annually for downtown historic preservation and economic growth for over 15 years. These funds are used to preserve our historic buildings while sustaining economic growth for the downtown district through a local matching grant program. Throughout the 15 years of the program, several million dollars of private investment have been spurred from this program for the district. New grant programs have been added by the Pittsburg EDC recently, including a structural integrity grant that encourages property owners to bring buildings up to code, and a rent subsidy program which focuses on relief for business owners during their first year in business. The Pittsburg EDC also funded the Pittsburg Innovative Entrepreneur (PIE) contest, an innovative program championed by the Pittsburg EDC resulting in a new brewery and restaurant in Pittsburg and supported business expansion. This contest encouraged entrepreneurs to submit a new and/or expanding business plan for judging before a panel. The winner for the new business is awarded $20,000 and the existing business is awarded $10,000. In addition to local grant opportunities for the downtown district, the Pittsburg EDC provides assistance with marketing and attracting business downtown, as well as participating in downtown festivals and events.

The Pittsburgh EDC continues to enable the improvement of current businesses and the creation of future destinations in downtown for visitors to come and see, walk around, and spend time and money on Main Street. The Pittsburg EDC is a true partner to Main Street. Their continued support of knowledge, leadership, and funding opportunities will enable Pittsburg’s Main Street to thrive for many years to come. It is a partnership any community would reap big rewards for nurturing. Pittsburg Main Street appreciates the partnership and is proud the City of Pittsburgh EDC was honored as the Texas Downtown Association President’s Award Downtown Partner of the Year in 2018!
QOF investments must meet the following requirements:

- Located in an Opportunity Zone,
- Must be tangible used in a trade or business,
- Purchased after December 31, 2017, and
- Must be either new construction or “substantially improved” after purchase with construction costs meeting certain minimum requirements.

A note of caution, however, should be advised. The legislation that enabled this program appears to offer very little in terms of oversight and, as a result, there are concerns that only negligible tracking of investments will be made at the federal level. This obviously causes concerns about whether the funds will be allocated to its intended targets.

**How can my Main Street benefit from Opportunity Zones?**

Right now, any answer to this question is merely hypothetical speculation since there are no examples of its implementation (and the IRS regulations haven’t even been released yet). But it appears there are essentially two options:

1. Market your local Opportunity Zone to attract investment from outside QOFs that act as “blind pools” in hopes that your downtown can compete with the potential return on investment that other zones around the country.
2. Work with individuals or entities that have experience in raising capital and making real estate investments to set up a local QOF that focuses specifically on properties in your downtown.

The second option is an intriguing, albeit risky, one but the advantages seem to be substantial for several reasons:

- Your community can finally have a dedicated pool of cash invested available for downtown investment;
- Your Main Street board can potentially influence how those investments are made;
- Locals with “patient capital” might achieve substantial returns on their investments which would benefit the wider economy.

Through careful guidance and implementation, the Opportunity Zone program could have the potential to be a “game changer” for revitalization and redevelopment efforts across the country. Unfortunately, no existing case studies exist for our Main Street programs. That said, best practices have been learned through trial and error in the broader planning world and should have equal relevance to Opportunity Zones.

- **Coordinate investments with the broader economic development framework of your community in mind.** Investment decisions shouldn’t be made in a vacuum. In your
Continuing a long-time tradition of the Texas Main Street Program, the First Lady of Texas will welcome two of the newest programs into the network on Thursday, May 16, with a set of public ceremonies and receptions.

**Emancipation Avenue Main Street Program, Houston**
(just south of downtown Houston)
10:30 – 11:30 am:
Public Ceremony and Reception in Emancipation Park Culture Center, 3018 Emancipation Avenue.

**Mesquite Main Street Program**
2 – 3 PM Public Ceremony and Reception will be held in the center of downtown outside around the Gazebo at the intersections of Broad, W. Davis and Hwy 352.

(Note: Granger, near Austin, is also a new Main Street community. Their event will be held later this year.)

Clearly, the Opportunity Zone program holds great promise in communities where a zone exists as it has the potential to provide a pipeline of investment dollars that can be directly poured into many of our downtowns. But it remains to be seen how the program will be implemented and eventually pan out. Because of the relative lack of oversight, zones where strategic decision making is closely coordinated at the local level are those that will likely have the greatest success in the coming years.
CELINA’S AWARD-WINNING SMALL BUSINESS SMOKEHOUSE

By Rebecca Barton, Downtown Development Manager, Celina

People come to downtown Celina because they are going to Tender Smokehouse. Our downtown is not on a major corridor or a convenient stop from point A to point B. Since Tender Smokehouse opened in downtown Celina in September 2017, a once-spacious downtown is now perceived to have a “parking problem” on Pecan Street where the restaurant is located. Tender Smokehouse was built on the fundamental principles of food, service, and atmosphere. Tender Smokehouse pitmaster and part owner, Dante Ramirez implements these principles in his actions daily at the restaurant and instills them in his staff. This recipe works because in less than two years, the family-owned barbeque restaurant has made a dramatic impact not only on the revitalization of the downtown where it is located, but also on the community as a whole. In 2018, Tender Smokehouse won The Greater Celina Chamber of Commerce’s New Business of the Year Award and Texas Downtown Association’s Best New Business under 50K Population, and it has been featured in Texas Monthly on several occasions. At the turn of the new year, Tender Smokehouse was surprised with a new influx of patrons due to its ranking as #2 on Yelp’s Top 100 Places Places to Eat in the U.S. 2019.

When asked about the success of the small business and awards they receive, Ramirez is always humble saying, “We have been blessed beyond belief.” He is quick to give all the credit to his hardworking staff and his faith. The appeal of local barbecue may bring people to Tender Smokehouse for the first time, but the customer service and atmosphere keep people coming back for more. As the manager of the Celina Main Street Program, I can say the impact to the community is immeasurable. Yes, we have increased sales tax, traffic in downtown, and media awareness. The success has allowed the owners to open a second location in neighboring Frisco this month, as well as create new projects in downtown Celina including a joint venture restaurant and store, Toasted Walnut Table and Market slated to open summer of 2019. However, we cannot measure the benefit of having such a community-focused small business in our downtown. Tender Smokehouse and its staff are a part of the community and are committed to the bigger picture of Celina and its future.
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