TEXAS HISTORICAL COMMISSION

Main Street Matters

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Goodbye 2020. (Can't say we'll miss ya.) As we catapult ourselves toward 2021, we invite you to pause just for a moment and check out the transformative things happening in our Texas Main Street communities: a new Art Alley in Tyler; a moveable, adaptable, gathering space for McKinney; a smart, forward-looking e-commerce grant that is boosting economic activity in Denison. And for managers eager to learn a little more about historic preservation tax credits, we've included a primer on those. (Happy, Happy New Year.)

A IS FOR ACTIVATION:
TYLER AND MCKINNEY BREATHE NEW LIFE INTO PUBLIC SPACES

TYLER'S ART ALLEY

It's getting cold in East Texas, but artists in Tyler are braving the elements to paint a massive outdoor "canvas" on the edge of downtown. Main Street Manager Amber Verona has walked past the wall-turned-canvas hundreds of times. "It's a great connective alley, but it's a blighted one," Verona said. That's about to change, as 40 artists transform this 280-foot span of concrete and picket fence into "Tyler Art Alley."

Inspired by San Marcos' Kissing Alley, Verona envisions the Alley as an effective way to reactivate a public space and a "visual billboard" for local talent. "We've got so many artists here and this will be so helpful to them, especially during COVID," she said.

Call for Artists

When Main Street Tyler and the Downtown Tyler Arts Coalition issued its Call for Artists in September, Verona hoped that 30 or 40 artists would apply; she was blown away when 70 artists responded to the call. (See the Call for Artists here.) Most of those selected are locals; a few are from the Dallas Metroplex.

A blighted alley in Tyler comes to life!

Once selected, each artist is given a "panel" roughly 5 feet x 8 feet. Several of the panels are concrete, but most are plywood that has been tacked on to existing picket fencing via a wood frame. Partnering organization Keep Tyler Beautiful is supplying an anti-graffiti coating to protect the artwork.

When asked if she's concerned about how well the different murals will comingle, Verona said, "At the gallery, I've found that when you put pieces up side by side there's a natural way of being cohesive."

Boosting the Impact

Tyler's Art Alley includes some strategically planned elements to multiply engagement: 1) An empty white space will remain in the center of the alley for the public to freely create artwork. 2) A metal sculpture (created by a local artist) will hold a QR code that visitors can scan to link to artists' profiles. 3) A selfie station will be built in front of the Tyler Art Alley sign; and 4) in the future, Verona hopes that hearts or arrows can be painted on the streets surrounding the alley to direct pedestrians to it.

Just as with any public improvement project, the Alley has faced some challenges: college volunteers that dropped out due to COVID, and the doubling of plywood costs thanks to Hurricane Laura. But Verona and her volunteers have persevered–and are confident that the Art Alley will be complete by the end of January.

Results

The project is already stirring interest among private property owners who are contemplating hiring some of the artists to create artwork on their buildings. And, so far, local workers, shoppers, and residents are enthusiastic. Verona says, "They love it! They can't believe that Tyler is creating something like this. I really enjoy watching pedestrians stumble onto it and take a detour to watch the murals come alive."

Design by Dace Kidd and Zoey Howell

MCKINNEY TESTS THE WATERS WITH BETTER BLOCK IN A BOX

For all of its charms, Downtown McKinney is short on outdoor gathering spaces. Main Street Manager Amy Rosenthal notes that neighboring communities like Denton and Rockwall—and even "lifestyle centers" such as Legacy Center in Plano—have gathering spaces that lend themselves to music events, outdoor movies, and other forms of pedestrian activity.

"We want McKinney to be relevant and hip and fresh. We want to make sure our historic downtown has some of the same amenities," Rosenthal said.

Creating Better Blocks

McKinney Main Street has found a way to "test the waters" of outdoor gathering spaces by tapping into the genius of Dallas-based company Better Block. Founded by award-winning urbanist/entrepreneur Jason Roberts, Better Block partners with communities across the globe, helping them activate their spaces in quick and transformative ways.

"We saw Better Block experimenting in different cities around the country and posing the question, 'What if we put PEOPLE first?' People over cars," said Rosenthal.

With a grant from McKinney Community Development Corporation, Downtown McKinney took the leap and purchased Better Block's signature product: Better Block in a Box. The "box" is a shipping container that can be used as a kiosk, ticket booth, art gallery, and concession stand. Packed inside the box are lots of space-animating goodies.

"Over the past few years, we've found there are a few elements needed to make an event successful: places for people to sit, string lights to add romance, shade for the hot days or rainy ones, and places for people of all ages to play" (Better Box website)

How is McKinney Using the "Block"?

- **Iteration 1**: In its McKinney debut, the "Block" served as the anchor for an outdoor fundraising dinner; the "box" functioned as a makeshift bar.
- **Iteration 2**: At the request of downtown merchants, the Block was moved to a parking lot in a shopping area. On the weekends, downtown merchants sold coffee and packaged foods from the container. Patrons lingered. "It was a huge hit," said Rosenthal. "It really became a destination."
- **Iteration 3**: Through the holidays, The Box is standing in as a kids' crafts station adjacent to the city's carousel on the Square.

Recipe for a good gathering space, courtesy of Better Block: A place to sit, a place to play, and a little shade.

How Can Other Cities Use This Idea?

With its $66K price tag, few cities can afford to buy a Block in a Box. But Better Block also rents the Boxes—and Rosenthal believes creating similar spaces is very doable. "Absolutely there's an ability for smaller communities to replicate this idea."

For DIYers, The Better Block website features an open-source design library with step-by-step instructions for creating benches, chairs, kiosks, etc. AND its online "Recipe Library" gives step-by-step instructions in how to create temporary bike lanes, bocci courts, and parklets.

What's the endgame for McKinney?

"Maybe we can demonstrate to stakeholders the value of a pedestrian-oriented gathering space downtown," Rosenthal says. She hopes that as people interact with the Block, city leaders will decide to invest in a more permanent gathering space. Until then, the Box will keep moving around, animating city spaces in new and inventive ways.

McKinney's "Box" becomes a crafts hut for the holidays before it moves to its next destination.

DENISON'S E-COMMERCE GRANT:
LESSONS FOR *EVERY* MAIN STREET TOWN

In response to the potentially devastating effects of COVID, economic development entities across the state have offered e-commerce grants to help businesses survive. The Denison Development Alliance (DDA) is one such organization; in its first round of e-commerce grants, it awarded $60,000 in grants to 10 businesses (all are located downtown).

What makes the Denison grant process notable is the enthusiastic vision and the research that helped shape the grant. William Myers, VP of Business Development for the DDA, describes how the grant came into being:

"We knew we needed to get capital in people's pockets but we wanted to find something with sustaining impact. I was literally doing Google searches on "small business support" and then Donna (Dow) sent me the National Main Street blog that mentioned that e-commerce support would be helpful. And I came across an article in the *New York Times* about the impact of "highly active ventures'" … It felt like an epiphany—I felt like I had been to a pep rally!"

E-Commerce and Community Prosperity

The *Times* article referenced by Myers summarizes the research of a team of professors interested in digital participation in communities large and small. The team studied data supplied by Go Daddy, the country's largest website-hosting service.

The driving question behind the research was this: "Outside the tech hubs, does technology use lead to economic opportunity—for local brick and mortar businesses that have new ways to advertise and grow, for rural artisans selling their work, for neighborhood entrepreneurs launching their ideas in the wider world online?" The researchers'conclusion? "Yes, yes, and yes."

In fact, researchers found that for every "highly active venture" (in other words, an active website) per 100 people, the median income of a community goes up by $331. It is clear that small digital businesses, whether they are exclusively online, or are "add-ons" to a physical business, are creating significant spillover effects in their communities.

How The Denison Grant Works

These findings inspired Myers and Denison's "group thinkers" to create the E-commerce Accelerator Incentive Grant. The grant provides $6K for e-commerce projects totaling $8K or more. The timeline is six months; the idea is to get these online ventures up and running quickly.

The DDA expects grant recipients to add a full-fledged e-commerce platform to their website; not just sell items on social media. Myers explains: "We want people to establish robust e-commerce sites. What if Facebook changes its policies in a month? We want businesses to be more independent, have more control."

The grant requires applicants to have an existing brick-and-mortar business (though this requirement may be eliminated in the future). Businesses can use the grant in a number of ways—including website creation/renovation, setting up an e-commerce platform and shipping, POS system upgrades, social media ads, photography, etc.

Applicants submit monthly reports that detail things like website visits, likes and follows, and sales. The DDA reimburses monthly, based on expenses.

Results?

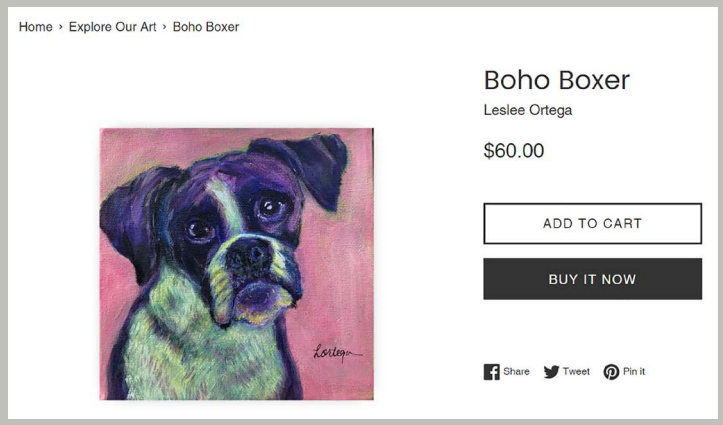
Though most recipients have hired consultants, there's still plenty of "on the ground" work for the owners: uploading inventory is not for the faint of heart. Myers said that as originally conceived, the grant required a 50/50 match. But, Myers said, "that didn't account for the enormous amount of time they are putting into this."

Though it's too soon to have conclusive numbers, anecdotal evidence is positive. Main Street business Monsters on Main used its grant funds to create a fully integrated website and cover POS and shipping packaging costs. Owner Nitia Musico says she is definitely seeing the results: "Increased traffic. On social media and foot traffic. So many more sales."

The DDA has already awarded a second round of grants, and Myers said they plan to make the e-commerce grant an ongoing program. "We feel so strongly that this is going to be a sustained program—one that we will tweak over time."

E-Commerce as Economic Development Strategy

Another Main Street business, The Hangin T, used part of the grant funds to hire a marketing team to create 30 to 40 posts per month on Facebook and Instagram. Owner Kimberlea Miller says, "That has helped free up my time to work on designs for t-shirts." Miller credits the posts, in addition to the live videos she creates, with increased traffic and an expanded customer base. "More and more people are finding me, which is bringing more people to Denison to shop," she said.



Denison's Monsters on Main (top) and Sparrows Gallery (bottom) have boosted their sales by leveling up their social media and adding selling platforms to their websites.

Miller's experience hints both at the personal challenges and community-sustaining rewards of growing the e-commerce capacities in our Main Street towns. Miller says, "I feel everyday I'm learning a little more about thinking outside the box. And building my business to reach outside the city walls of Denison helps us all grow."

5 Things You Should Know About Preservation Tax Credits

The Historic Preservation Tax Credit Program is an excellent opportunity for property owners and developers to recoup some of the costs of rehabilitating their historic buildings. However, this is NOT a grant program, and applicants should arm themselves with best-practices to successfully meet the program requirements and ultimately be certified to receive their credits.

1 Talk to a Project Reviewer Before Starting Construction

The tax credit team wants to help you make your project a success! If you are considering doing work on a historic property, reach out to a tax credit project reviewer who can guide you through the application process from the beginning and discuss the appropriateness of your proposed work.

2 You Must Apply Before Finishing the Work—Preferably Before You Even Start

In order to be eligible, the applicant must submit their application before work has *completed*. Applications submitted after construction has begun can also be problematic if there is not enough documentation of pre-rehab conditions or if inappropriate work has already been completed. Work begun prior to approval could result in denial if not appropriate. That's why it's best to take a lot of photos and submit applications well in advance of starting construction—our project reviewers can help catch problematic work and offer suggestions for appropriate changes while still meeting your desired use.

115 W. 2nd St. in Taylor, Texas. From vacant to beautifully rehabbed using the tax credits!

3 Apply for Federal or State Credits, or Both at the Same Time!

Applicants with appropriate projects are eligible for combined 45% federal and state tax credits based on their rehabilitation expenses (20% toward federal income tax, 25% toward state franchise taxes; the state credits can also be sold outright). That's a big chunk of change! Of course, property owners should talk to a tax attorney to see how they might make use of the credits themselves. Contact the tax credit program specialist to discuss your rehab plans and help you decide which programs may be right for you.

Generally speaking, eligibility for preservation tax credits is dependent on appropriately rehabilitating a historic property (i.e. a property with an individual National Register or RTHL listing, or contributes to a National Register Historic District) and meeting the minimum expenditure threshold. For the federal tax credits, the property must have an income-producing use and the rehab expenses must exceed the building's "adjusted basis" ("*adjusted basis" = how the IRS values your building* ; for a Main Street building, this would typically be a full top-to-bottom rehab).

The state tax credit program's eligibility requirements are easier to meet: appropriate historic projects must have an income-producing or non-profit use and meet the minimum $5,000 expenditure requirement. And property owners can break up their project into easier to finance pieces and do a big rehab a little at a time!

4 The Finished Project Must Meet the Secretary of the Interior's Standards for Rehabilitation

This is a *historic preservation tax credit* after all! The Standards for Rehabilitation allow for alterations to historic buildings to support modern use and functionality, while retaining historic fabric and character. Historic fabric should be retained when possible and, when in doubt, double-check with your project reviewer before removing anything. Take a lot of photographs to document the property before even lifting a hammer: inside, outside, close-ups, and room-views. These help your reviewer understand your building and confirm appropriate construction in adherence to the Standards and help you avoid pre-emptively removing character-defining features, which can cause a headache down the line.

Left: The Livery Building in Ennis was destroyed by a tornado (before, top), and subsequently restored using the tax credits (after, bottom).

Right: The Franklin Building, also in Ennis (before, top), was restored through the tax credit program to an appropriate appearance based on a historic photograph of the storefront (after, bottom).

5 Project Reviewers Review EVERYTHING, Inside and Out!

Storefronts? *Yep*. Windows? *Definitely*. Upstairs floorboards? *You bet*. Landscaping and patios? *Yes*! HVAC? *Of course*!

This is why it is so important that applicants submit their applications early and in-full. Many first-time applicants are caught off-guard by the level of detail required for their project applications. Don't be surprised if your reviewer wants to compare the cross-sections of your suggested window replacements and the originals, or wants historic precedent documentation for your suggested storefront remodel—they look at everything to ensure your project not only achieves your desired rehab use, but that the building is appropriately preserved to be enjoyed for years to come!

Special thanks to Caroline Wright, Valerie Magolan, and the Preservation Tax Credit Team for editing our helpful tips.

For more information, and to check out additional successfully completed projects, visit the THC's Preservation Tax Credit Program webpage and the recently published state impact report, or contact the Tax Credit Program Specialist at 512-475-0129.

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CONGRATULATIONS!

Congratulations to our new incoming 2021 city, Stephenville. Stephenville will be joining the Texas Main Street Program on January 1, 2021. Welcome to the program!

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REAL PLACES TELLING REAL STORIES

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