

SUSANA MARTINEZ
GOVERNOR

JON BARELA
CABINET SECRETARY



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Contact: Angela Heisel
(505) 629-5148
Angela.Heisel@state.nm.us

The New Mexico Economic Development Department Announces Research that Proves New Mexico Main Streets Experienced Above-Average Economic Gains

Santa Fe - New Mexico Economic Development Department (NMEDD) Cabinet Secretary, Jon Barela and the department's New Mexico MainStreet program hosted a presentation on the findings of its study evaluating the economic impact of the New Mexico MainStreet program over the last 28 years.

"New Mexico's MainStreet program is one of the best run in the country and that is reflected in the results of this study," Secretary Barela said. "We can track almost dollar for dollar the return on the state's investment into MainStreet, which has proven to be a truly remarkable job creation effort in our historic city centers."

"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," said Patrice Frey, president and CEO of the National Main Street Center, Inc. "New Mexico Main Street and its local programs are to be commended for creating vibrant downtown and neighborhood districts where people want to live, work shop and play."

Key Findings

- Since the beginning of the program, for every \$1 the State of New Mexico invested in the MainStreet program, MainStreet districts have seen private sector investment of \$21.89 in building rehabilitation and \$22.55 in new construction.
- Since the start of the most recent recession, the State of New Mexico has had a net reduction in employment in three of the last six years. In contrast, New Mexico MainStreet districts have had net growth in jobs every year over the same period.
- Since the beginning of the program in 1986 through July of 2013 New Mexico MainStreet communities have seen a gain of 3,200 net new businesses and nearly 11,300 net new jobs.
- In spite of the recession, in the last six years 157 buildings have been purchased in MainStreet districts for a total of more than \$22,000,000.
- Nationwide 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.

- 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 MainStreet districts.
- Capital Outlay projects are having a major catalytic effect on those downtowns. Impacts reported as a result of these projects have been:
 - o 100% reported individual building improvements and new businesses opening
 - o 82% reported higher attendance at events
 - o 73% reported reduced vacancy levels
 - o 64% reported increased pedestrian traffic
- New Mexico is well known for arts, outdoor recreation and great food. New businesses on MainStreet are responding to that reputation. Of the most recent new businesses in New Mexico MainStreet communities:
 - o 26% are restaurants, cafes, bars and brewpubs
 - o 13% are arts related
 - o 13% are recreation, sports and personal health (spas, exercise studios, etc.)
- Even though restaurants are a high risk/high failure rate business, there were twice as many new restaurants opened than closed in the last year in MainStreet districts.
- It's not just Santa Fe...When asked, "where are the gathering places downtowns?" Art Galleries were the most common place identified, even more than coffee shops.

Donovan D. Rypkema, principal of PlaceEconomics a Washington D.C.-based real estate and economic development consulting firm, conducted the study. They were in New Mexico to share the findings of the report with New Mexico MainStreet and NMEDD leaders, program partners, collaborators, local programs and legislative agencies

New Mexico MainStreet (NMMS) is a grassroots economic development program of the New Mexico Economic Development Department. The program was created by the Legislature in 1984 to assist communities revitalize their traditional commercial districts.

Currently NMMS works with 27 local MainStreet programs throughout New Mexico to create an economically viable business environment while preserving local, cultural and historic resources.

The National Main Street Center, Inc. a subsidiary of the National Trust for Historic Preservation, assesses the performance and initiatives of state Main Street programs throughout the United States. The purpose of this assessment is to track the best practices to counter challenges that are common amongst state Main Street programs.

A summary slide presentation is available from the New Mexico MainStreet website at www.nmmainstreet.org

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