# MEMORANDUM

Date:        February 13, 2023

To:          Thom Sheridan, City Manager

From:        Greg Hannan, Community Development Director, Katie Behnke, Economic
             Development Manager, Rhonda Kadish, Community Relations Manager

Re:          Downtown Organization Research

City staff researched how peer communities manage their downtown districts.  The research was pursued to compare the Hudson community's framework to peer communities, see what other framework are in use, and determine any change that may be appropriate to implement.

**Existing Hudson Stakeholder Framework**
Hudson currently has multiple organizations working to advance the downtown and additional merchant/retail areas in the community.  In recent years the organizations collaborated on establishing the DORA District, joint marketing, outdoor dining, and increased programming. The key downtown stakeholders include:

- o  ShopLocal/ShopHudson (SLSH) is a collaboration of the City, Chamber, and Destination Hudson that meets weekly to partner on events and merchant assistance across the community (not downtown specific).
- o  Hudson Area Chamber of Commerce supports the business community, facilitates B2B networking, and participates in SLSH. The Hudson Merchant Association recently dissolved with the Chamber absorbing much of those former merchants and associated services.
- o  Destination Hudson operates the visitors center, hosts events and programming, and participates in SLSH.
- o  City of Hudson performs district maintenance, merchant assistance, event management/promotion, economic development and participates in SLSH.
- o  Fairmount Properties owns and manages First and Main, recruits businesses, markets the district, and hosts events.
- o  Hudson Library and Historic Society hosts programs and events.
- o  In addition to the above, several additional key stakeholder organizations are active in the downtown including Hudson Heritage Association, Hudson Community Service Association (Lighting Committee), Hudson-Landsberg Sister City, Hudson Farmers Market and Hudson Community Foundation (Hudson Bandstand and Winter Fireworks).

**Heritage Ohio Main Street Program**
The Main Street Program, administered in Ohio by Heritage Ohio, is framework used by communities to connect downtown stakeholders to collectively enhance events, revitalization efforts, and economic development. The program, based in historic preservation, is operated on a national level by the National Trust for Historic Preservation. The Main Street approach utilizes the below four-point structure:
1. Organization: building of consensus and cooperation between stakeholders.
2. Design: improving the downtown's physical appearance
3. Promotions: marketing unique characteristics to shoppers, tourists, businesses, investors.
4. Economic Development: strengthening the economic base.

Consideration of becoming a main street community starts with hosting Heritage Ohio for a two-day DART visit focused on assessment, engagement, and visioning ($5,000 cost) with your downtown stakeholders and the general community.

Main Street Programs: Ohio has 22 communities with full Main Street Program membership ($4,450 annual fee). A full member program establishes an independent 501(c)3 with a board of directors representing stakeholders from across the community and working group sub committees (Organization, Design, Promotions, Economic Development) implementing activities the four point structure of Main Street. The membership level requires the organization to fund a full-time paid executive director. The funding for the organization varies by community; however, is typically one third city funding, one third corporate/foundation funding, and one third funding from program revenue (events/fundraisers). A Main Street program is supported by Heritage Ohio, Inc. with annual work plan assistance, technical support, peer collaboration, main street branding, and training opportunities.

Affiliate Members: Ohio has 30 communities that are part of Main Street through the reduced tier of affiliate membership ($500 annual fee). Affiliate level members are not required to have a full-time staff member. Affiliates do not receive annual work plan assistance or the same level of technical support from Heritage Ohio but do have access to networking and training opportunities. Affiliate members contain a mix of smaller towns/villages (less than 10,000 population) that could not support a full-time staff member and communities that may have a downtown partnership organization that is independent of the full Main Street model but still desires access to networking and training opportunities.

**Peer Community Research**
Staff researched several peer communities to learn how their downtown efforts are managed and what organizational framework they utilize. The communities contacted included those with long term successful Main Street Programs, those that were formerly a Main Street Community but have since dissolved, and communities that have a successful organization framework that is not through Main Street. The attached matrix contains data on each community.

1. **Successful Main Street Communities** (Piqua, Kent, Medina, Delaware).
   Positives: All of the Executive Directors noted the networking among Main Street communities is beneficial for event brainstorming, project launches like DORA, and revitalization efforts. These communities all mentioned how well they work with city staff, mayor, and city council: however, being a standalone 501(c)3 allows them to be more flexible and adaptable than a governmental agency. These included streamlined

procurement process for events and vendors, public art selection/engagement, managing the DORA, managing volunteer databases, and having engaged with their constituents.

Challenges:  There was commentary of hesitation among the pre-existing stakeholder organizations about their roles being diminished or conflicting with a new organization. In Ravenna, the Small Business Association ceased to exist as their mission was redundant to Main Street. A key takeaway was that Main Street needs to have a mission that is clear and distinct from existing organizations, and collective support for existing stakeholders, as it is unlikely redundant organizations will survive.

The Medina Executive Director discussed the challenge of managing the "Champions of Main Street" donors which are businesses outside of the Main Street boundary. It is appropriate to include them in events like restaurant week as donors; however, providing too much support to businesses outside of his district could dilute the mission of a Main Street organization. His recommendation was to maintain a strict district under the Main Street model.

2. **Former Main Street Communities** (Sandusky, Lakewood, Cuyahoga Falls, Chardon)
Positives: The Ravenna Executive Director echoed the theme of beneficial peer networking expressed by the ongoing Main Street communities. She also mentioned that the structure of the pre-established model provided a helpful framework as they started organizing downtown efforts for the first time as a community.

Challenges:  In each case, the preset model from Heritage Ohio was no longer the right fit for their community. Cuyahoga Falls is considering downgrading from Member to Affiliate in 2023 citing that the key benefits like networking and webinars are available at the Affiliate level and reduced access to revitalization grants was not a concern as they no longer have significant blight.  Main Street Sandusky was previously funded heavily by a single donor. When that donor passed away, the organization struggled to prove its value in the community and could not get funding to continue.

In Lakewood, the team identified that their lack of central green space and unified downtown did not fit into the Main Street model. Businesses outside of the designated Main Street area were frustrated with the lower level of support they received. In Chardon, the Chardon Square Association (independent 501©3) stepped up their programming when a Main Street organization was established. This left limited mission or constituents for Main Street Chardon and the program dissolved within a few years.

Common concerns expressed were that Executive Directors seem to have short tenures with high burn out, and once a community has been revitalized, there is less benefit or critical need for Main Street membership. There was a shared feeling that communities may outgrow the Main Street model once revitalization was complete.

3. **Communities utilizing Other Frameworks** (Westerville, Chagrin Falls)
Positives:  The Westerville model was particularly well-structured, with Uptown Westerville, Inc. (downtown focused nonprofit) leveraging a monthly organization meeting to bring all stakeholders together to set the district event calendar, discuss volunteer needs, and build partnerships. This meeting includes stakeholders from Uptown

Westerville, visitors bureau, the merchants association, Chamber, library, school district, City Council, City Staff and business members. Uptown Westerville is partially funded through city grant money and the 501(c)3 must submit annual KPI reporting to City Council to have their funding continued.

Challenges: Without a specific accreditation or affiliation, it can be more difficult for a 501(c)3 to earn the trust and authority needed to carry out the downtown mission. Uptown Westerville is performing at a high level, but the city has requested that they begin the Main Street member process for additional oversight to continue receiving city funding.

## Summary and Next Steps

The collective research indicates there is not one singular organizational structure to sustain a downtown district. Each community appears to have varied levels of services provided by the stakeholders within each community.

The Hudson community currently lacks a Main Street program or formal downtown organization; however, has extensive services provided by existing stakeholders. The attached matrix details the downtown services typical of a full Main Street program and what services/efforts are provided locally. Of specific note:

1. Destination Hudson is unique as it functions as a community specific visitors bureau. Peer communities may have some access to a county visitors bureau but typically not a community specific organization.
2. The City of Hudson provides services beyond many peer communities including enhanced district maintenance (flowers, snow removal), event calendar management, merchant recruitment/expansion assistant, and special event management.
3. Hudson maintains high occupancy rates and does not contain buildings in need of major revitalization.
4. The existing Shop Local Shop Hudson partnerships strives to provide services to businesses across the community rather than a specific downtown geographic boundary.

The following are three options the community could consider.

Option 1: Maintain existing framework
The current stakeholders have accomplished a lot in their partnerships particularly throughout the pandemic. The current services provided by the various stakeholders in the local community appears to capture the strong majority of the activities targeted under the Main Street model.

Option 2: Formalize a larger stakeholder framework
Expanding the current Shop Local Shop Hudson effort into a broader stakeholder network and formal organization would allow for expanded services, potential budget dedicated to efforts, and the ability to target corporate/philanthropic contributions. The organization could continue to focus on retail/shopping areas across Hudson rather than just downtown focused. The option to become a Main Street Affiliate could be considered.

Option 3: Implement Heritage Ohio Main Street Program as a new 501(c)3 Organization
This option would establish the new 501(c)3 organization focused on the downtown district with a board of directors and a full-time director. Existing stakeholder organizations (Chamber,

Destination Hudson, City, First & Main) would be represented on the Board; however, each stakeholder organization current activities and mission would need review to determine their relationship to a new organization.

Next Steps
Going forward, additional dialogue is needed with the community stakeholders to further define the desired enhancements/programs for the community, determine which organizations can best address them, and establish the organizational framework to implement such.