

Testimony In Favor of Funding for Montana's Main Street Program

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Patty Dean

Good morning Mr. Chairman & members of the committee. I'm Patty Dean [spell out], Director of Community Preservation for the Montana Preservation Alliance & a Partner in the Field for the National Trust for Historic Preservation. The Trust's Main Street program is over 40 years old & has provided effective strategies & resources to over 2000 communities wishing to revitalize their downtown business districts. I am here this morning to offer my vigorous support for the renewal of funding for Montana's Main Street Program, an entity that successfully delivers expertise & inspiration to sixteen Montana communities, from Glasgow to Red Lodge & Hardin to Libby.

Here in Big Sky Country, Main Street *is* our community center, our version of a New England village green or Midwestern courthouse square. The buildings lining our Main Streets embody the hopes & dreams of early capitalists, entrepreneurs & settlers.

But Main Street is much more than a historic landmark or of mere historic interest. This morning I'd like to speak briefly about "bricks & dollars"--the economic advantages of Montana's Main Street program, a community-driven approach to economically revitalize historic commercial districts in a sensible, comprehensive way.

Let's begin with a circumstance that afflicts many Montana towns—a single vacant small building on Main Street & its immediate financial impact to its owner, business people & other community stakeholders. First, the building's owner loses \$15,000 as no rent is paid to her or him. There are no businesses in a vacant building so no employees are required & the community loses \$16,250 in payroll income. There's no net profit--\$24,750—for the small business' owner. Local banks lose \$51,000 in loan demand. And finally, there is a quarter of a million dollars of gross sales that will never be realized. In the end, the community has lost

\$350,000 in potential revenue. Main Street Montana has a proven record of filling vacant storefronts by working with the community.

Some might say, tear down the vacant building & build a glitzy new one in its place. But does this make financial sense? New construction costs are split evenly between materials & labor, 50-50. In contrast, material costs for rehabbing a historic building are thirty to forty percent & sixty to seventy percent labor. Why is rehabilitation economically preferable? As economist Donovan Rypkema has observed, the workers' paychecks recycle throughout the community. He further notes "...since most building components have a life of between 25 & 40 years, a community could rehabilitate two to three percent of their building stock per year & have perpetual employment in the building trades. And these jobs can't be shipped overseas."

[Rypkema, Alexandria, VA keynote]

Clearly, rehabbing & revitalizing the businesses of Montana's Main Streets is a complex yet critical piece of the community's economy & identity. Our state's Main Street program offers Montana communities the tools & encouragement to address the issues and problems traditional business districts face. I urge you to continue funding for Montana's Main Street program.

Thank you.