



### **Talking Points for Meetings with Legislators on Increased Funding for the Keystone Communities Program**

#### **WE ARE REQUESTING \$15 MILLION FOR THE KEYSTONE COMMUNITIES PROGRAM LINE ITEM IN THE DCED BUDGET, BEFORE SUPPLEMENTAL APPROPRIATIONS.**

- The Keystone Communities Program is the funding source for the **Main Street, Elm Street, Enterprise Zone and Accessible Housing Programs**, and what used to be the Housing and Redevelopment Assistance Program.
- In 2009, these programs had \$56 million available, or roughly \$5.00 for each person in the Commonwealth.
- Today, before supplemental appropriations, the Keystone Communities Program has about \$6.4 million, or roughly \$.54 for each person in the Commonwealth – a decrease of almost 90%
- Area Development Magazine, a major national publication for site selection firms, lists “quality of life” as the fourth most important factor that corporations, developers and site selection consultants are looking for when making investment decisions. This puts quality of life before factors such as tax exemptions, corporate tax rates, low union profiles and training incentives.
- The second most important factor in the same survey is the availability of skilled talent, which is directly related to the quality of life.
- The Keystone Communities Program is the Commonwealth’s primary quality of life program.
- Pennsylvania is not investing sufficient funds in enhancing the quality of life in Pennsylvania communities, especially small town and rural communities, to make them competitive in a 21<sup>st</sup> Century knowledge-based economy.
- In the 2018-2019 Commonwealth fiscal year, the demand for funds from the Keystone Communities Program is \$20.2 Million from 103 applications, meaning requests exceed funds by almost \$14 million.
- A study conducted by Stover and Associates for the National Main Street Center, indicated that in 2016, the direct return to the Commonwealth of Pennsylvania for each dollar invested in the Main Street Program resulted \$7.87 of revenue being returned to Commonwealth coffers. (\$1 to \$7.87)
- Over a five year designation period, **the average community** could see:
  - 19 new business and 165 new employees (net)
  - 20 buildings rehabbed with total investment of \$5.2 million
  - \$ 1.3 million in public space improvements
- Since PDC began collecting data, there has been over \$1.43 BILLION invested in Main Street Communities since 1980 and almost \$40 million in Elm Street neighborhoods since 2005.
- Current funding levels are keeping the communities most in need of support from participating due to the requirement that local programs fund the local manager 100% on their own.
- Many local managers are spending 50% of their time or more just raising funds to support the program rather than doing the important work of community revitalization.
- Additional funding could come from:
  - New gambling/gaming (sports betting) revenue or medical marijuana revenue
  - A dedicated portion of hotel tax revenue
  - A slight, dedicated increase in the cigarette tax – a major litter generator in downtowns



## Questions for PA Legislators

We hope that you, your board, your stakeholders and other interested parties will take the opportunity to familiarize your legislators with the Keystone Communities Program and address the importance of increased funding. Below are a series of questions you might ask each legislator.

1. Are you aware that the Commonwealth's Main Street, Elm Street and blight remediation programs are funded through the Keystone Communities Program?
2. Are you aware that a third party study has indicated that the Commonwealth generates \$7.87 in direct revenue for every dollar put into the Main Street Program?
3. Are you aware that this funding source was cut by 90% by the previous administration, from approximately \$56 million in 2009 to about \$6.4 million today, or about \$.54 per person?
4. Would you support increasing the line item for the Keystone Communities Program from \$6.4 million before legislative supplements to \$15 million before legislative supplements?



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