



# 2022 - 2023 ADVOCACY

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# We are requesting

## \$15 MILLION FOR THE KEYSTONE COMMUNITIES PROGRAM LINE ITEM IN THE DCED BUDGET, BEFORE SUPPLEMENTAL APPROPRIATIONS

*We believe that \$15 million could provide sustainable operational assistance and necessary implementation and program support to meet program demands for at least 40 Main Street and Elm Street programs during their five years of designation under the DCED Keystone Communities program - 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.*

*Back in In 2009, these programs had \$56 million available, or roughly \$5.00 for each person in the Commonwealth. In recent years, 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 and The Keystone Communities Program is the Commonwealth’s primary quality of life program. As we are recovering from the effects of the pandemic, this is as important as it has ever been.*

*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 21st Century knowledge-based economy.*

*In the 2021-2022 Commonwealth fiscal year, the demand for funds from the Keystone Communities Program was more than \$20.8 Million from 98 applications, meaning requests exceeded funds by almost \$14 million. Although this demand can fluctuate, it is an indication that the need exceeds the current level of support.*

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; and \$1.3 million in public space improvements.*

Since PDC began collecting data, *there has been over \$1.51 BILLION invested in Main Street Communities since 1980 and over \$40 million in Elm Street neighborhoods since 2005.*

*Even during the most recent year of the pandemic in 2021, Main Street and Elm Street programs have been able to deliver on the following impact: 178 Net FT Jobs & 252 Net PT Jobs; 71 Net New Businesses; 176 building rehab projects; 41 public improvement projects; and over \$64.78 million public investment, matched with over \$16.4 million in private investment, all while being the boots on the ground responsive resource their communities have come to rely on.*

*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.*



# The Economic Resiliency of Pennsylvania's Main Street Communities

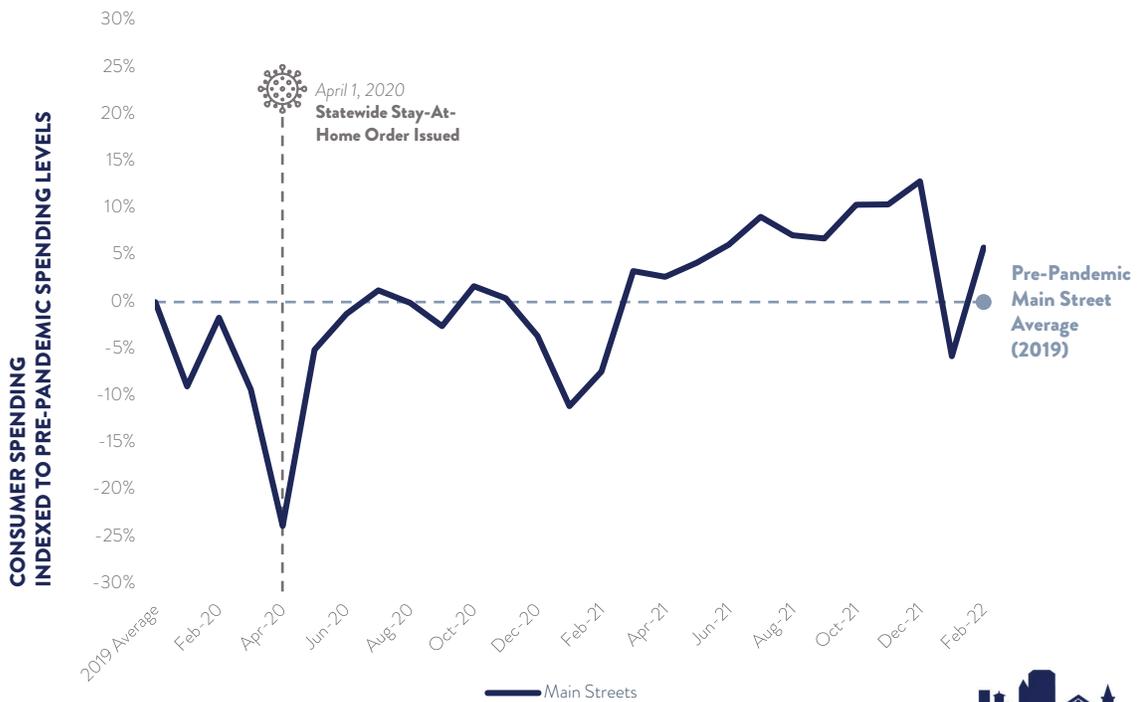
*Pennsylvania's Main Street leadership and programmatic efforts played vital roles in supporting our local economies towards resiliency during the COVID-19 pandemic.*

**In 2021, average retail spending in Main Street Communities surpassed pre-pandemic levels by 12%. This percent, higher than the statewide average, highlights the economic strength of Pennsylvania's communities with Main Street Programs.**

**At the onset of the pandemic in April 2020, retail spending in Main Street Communities dropped to around 24% below the pre-pandemic average. Most of these local economies have not only recovered but have become stronger than before the pandemic.**

**After COVID-19 caused a decline in consumer activity, Main Street Communities demonstrated strong economic resilience by bringing spending up to pre-pandemic levels by summer 2020.**

The Pennsylvania Downtown Center has been on the forefront of supporting Main Street Communities throughout the pandemic. A full report analyzing the impact of the Pennsylvania Main Street Program on local economic resiliency during the COVID-19 pandemic is underway.



The above figures are adjusted for inflation and represent consumer spending trends indexed to pre-pandemic conditions in 2019. Findings are preliminary and subject to change. Data Source: MasterCard Retail Location Insights (2021)  
Analysis conducted by Jon Stover & Associates. The full report of this study will be made available during the summer of 2022.





# Questions for PA Legislators

We hope that you, your board, your business and property owners, and other interested stakeholders 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.

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1

Are you aware that the Commonwealth's Main Street and Elm Street 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?

