Building on the Past for a PROSPEROUS FUTURE

The Impacts of Historic Preservation in Arkansas
Prepared by PlaceEconomics

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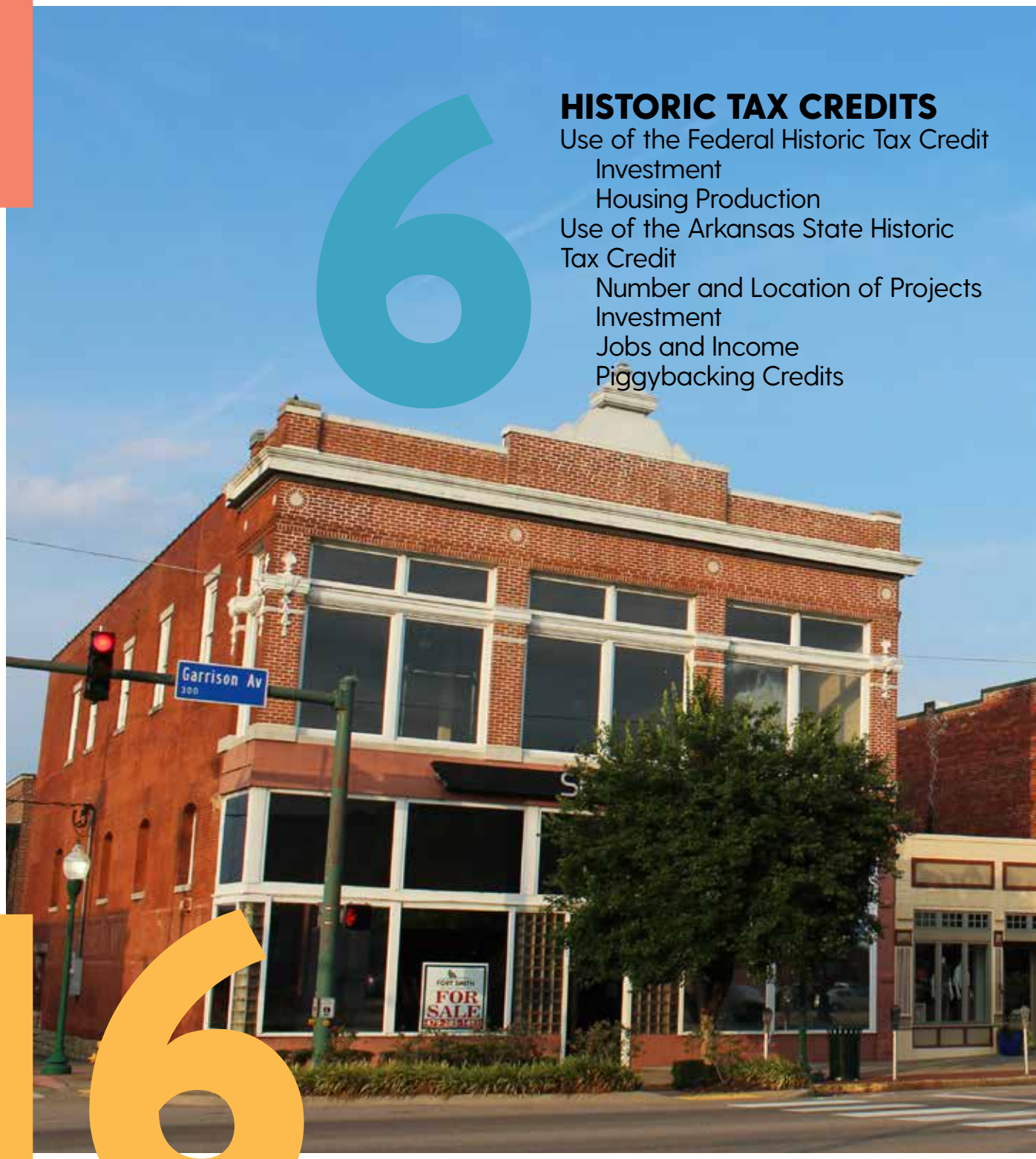

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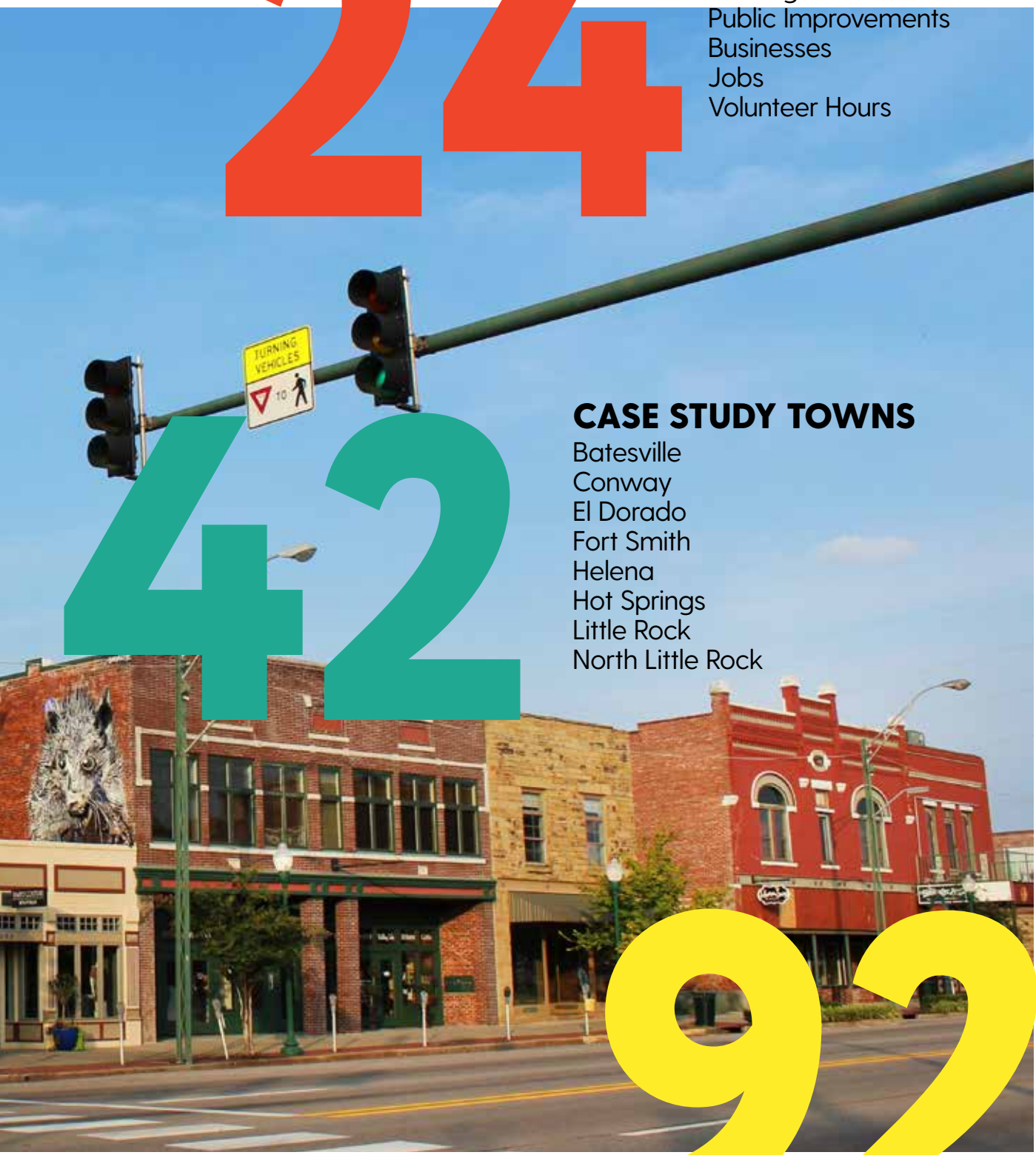

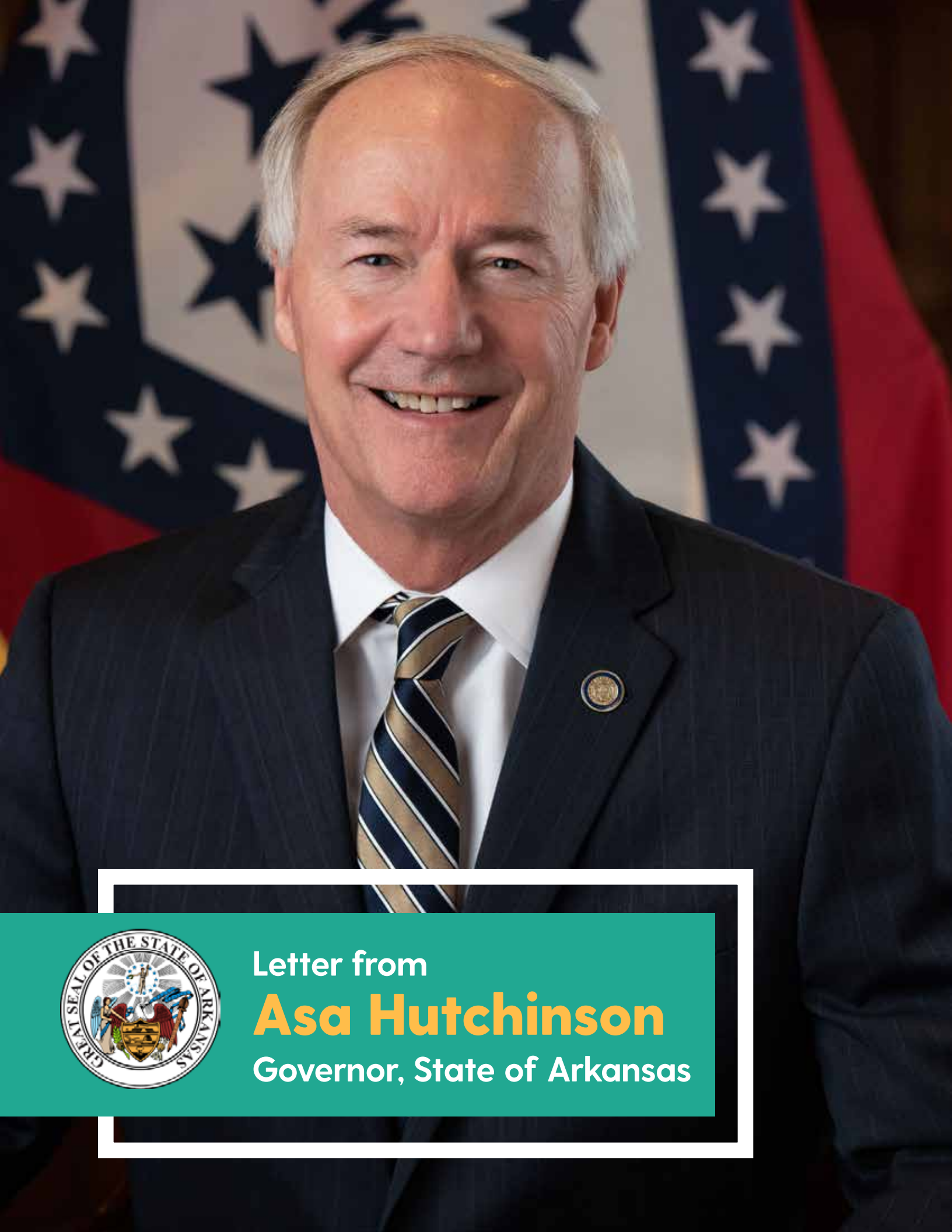

Letter from

Asa Hutchinson

Governor, State of Arkansas

Arkansans are proud of our heritage.

It's not so much nostalgia for a lost past, but rather a recognition that what we as a State are today is built upon the work, the commitment, and the values of our predecessors. That history and those values are incorporated in our historic towns and cities – not as relics of the past, but as buildings and sites created in the 19th and 20th centuries serving the needs of 21st century Arkansas.

A priority in our state is economic development. What we have known all along, but is documented in this study, is the important role that our historic preservation programs play as engines of economic growth. For 35 years Arkansas has had a Main Street program. Main Street is economic development in the context of historic preservation and its success has been remarkable. Over the life of the program Main Street communities have seen more than $230 million invested in building rehabilitation, 95% of which came from the private sector. These same communities have seen the opening of 1400 net new businesses employing more than 3900 people – that's real economic development. Another 800 Main Street businesses have expanded adding nearly 1000 workers to their payrolls. But some measures go beyond dollars. More than 70% of survey respondents saw Main Street as particularly effective in increasing community pride and support for local businesses.

For decades, Arkansas has had a unique funding source for historic preservation activities – a share of the real estate transfer tax goes to help preserve our history. This has been supplemented by funds provided by the National Park Service. The funds – often modest in size, but indispensable for local projects – have been used throughout the State, with 170 communities in 74 of our 75 counties receiving assistance. One of the most important and visible of these has been the Courthouse Grant program. Sixty-four of these local landmarks have received funding to maintain and restore these local symbols of democracy. Other historic preservation financial assistance has been used for repairs and stabilization of historic buildings, accessibility investments, public improvements, educational programs and others.

Another historic preservation tool firmly in the economic development category is the tax credit for the rehabilitation of historic buildings. In the decade since Arkansas enacted our State historic tax credit, 324 projects representing private sector investment of more than $223 million have been completed. This has done more than just put historic buildings back into productive use. Over the last decade these projects have generated an average of 175 jobs per year directly and another 133 jobs indirectly. These jobs generate paychecks averaging a total of nearly $12 million each year, putting money into the pockets of Arkansans. While the big, multi-million-dollar projects are important and get the headlines, seventy-five percent of projects had investment of $500,000 or less. This is an economic development tool that is used by large developers but also small property owners and businesses on Main Streets throughout Arkansas. When asked about the biggest impact of these projects, the most frequent response was, "It spurred additional private investment". The common denominator of Main Street, the preservation grants programs, and the state historic tax credit, is that each uses a modest amount of public money to leverage millions in private investment. That's the appropriate role for government. Through these programs we are spurring the economy of Arkansas today, and utilizing assets built by our grandparents while being good stewards for our grandchildren. That's an Arkansas value.

Sincerely,

Asa Hutchinson

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Executive Summary

Historic preservation in Arkansas in general, and the programs of the Arkansas Historic Preservation Program in particular, are revitalizing communities across the state.

The pages that follow demonstrate the contributions that historic preservation, specifically the work undertaken through the Arkansas Historic Tax Credit, Arkansas Historic Preservation grant programs, and the Main Street Arkansas program, make to the economic, physical, and social life in Arkansas. Through quantitative analysis and qualitative story gathering, it is clear that preservation in Arkansas is focused on protecting and celebrating not only a community's buildings, but also the community itself.

The numbers below reflect the activity in three separate, but mutually reinforcing, preservation-based programs: Arkansas Historic Rehabilitation Income Tax Credit, the Arkansas Historic Preservation Program's grant programs, and Main Street Arkansas. While there is some overlap in activities (a Main Street community may have received a historic tax credit and an AHPP grant for one or more projects) the numbers themselves are largely independent and, for the most part, are measured using distinct metrics and sets of reporting data. These three programs and their corresponding data are therefore independent of each other and speak to each program's individual success.

The use of the Arkansas Historic Rehabilitation Income Tax Credit has:

- Granted $21.5 million in state historic tax credits total which attracted nearly $224 million in private investment
- Resulted in the rehabilitation of 342 buildings in 24 cities
- Seen the state historic tax credit used in conjunction with the federal historic tax credit in nearly 44% of projects
- Created an average of more than 175 direct jobs and another 133 indirect jobs each year for the last decade
- Generated more than $11.8 million household income for Arkansas workers in the last ten years

Since 1971, the Arkansas Historic Preservation Program grants have:

- Given out nearly 2,400 grants in 170 cities in 74 of Arkansas' 75 counties
- Awarded nearly $55.5 million in total, nearly 45% of which was used for the rehabilitation, repair, and stabilization of historic resources
- Helped keep courthouses in 64 counties in working order, with an average award of $51,000. The Courthouse Grant has been AHPP's most widely distributed grant

Main Street Arkansas communities have:

- Invested over $377 million in the buildings, infrastructure, and public improvements on their Main Street districts, 78% of which has come from the private sector
- Created over 3,900 net new jobs in Main Street districts
- Established 1,181 net new businesses
- Opened more new businesses than they closed, even through the Great Recession, far outperforming the pattern of both the state and national average

Justin Simmons, Fort Smith

Introduction

Historic preservation, as Arkansans well know, is important work because it is work done together.

Arkansas is a state with rich cultural and natural resources, but perhaps more importantly, it is rich with passionate advocates who work every day to protect, enhance, and celebrate the places that are meaningful to their communities. Historic preservation, as Arkansans well know, is important work because it is work done together. Through that work, strong ties are formed to both the place and to one another. Whether that is the work of sustaining a vibrant Main Street, creating a public space where community members can gather, supporting a new business, or bringing an important community symbol back to life, historic preservation is an activity that strengthens a community.

The Division of Arkansas Heritage has played no small role in this work. The programs and services administered by the Arkansas Historic Preservation Program, a division of the Division of Arkansas Heritage, reach every corner of the state, supporting small businesses and promoting quality of life for residents in cities of all sizes. Within the AHPP grants program alone, funding has been provided to 170 cities and towns across the state, representing important investments in local symbols of community pride.

This report was commissioned by the Arkansas Historic Preservation Program to measure the economic impacts of historic preservation in Arkansas. As the pages that follow will demonstrate, the contributions of preservation to the state's economy are many and impressive. But the impact of this work goes far beyond that. The stories told within this report detail the sense of pride that Arkansans feel for their heritage, demonstrating the contributions that historic preservation has made to the social and cultural health of residents.

History of the Arkansas Historic Preservation Program

For over 50 years, the Arkansas historic preservation program has worked to protect and celebrate the spaces important to Arkansas' communities.

The Arkansas Historic Preservation Program (AHPP) was created in 1969 to fulfil the objectives of the 1966 National Historic Preservation Act. It is responsible for managing the state's historic and cultural resources with the primary purpose of identifying, recording, evaluating, and registering the state's historic structures, sites, buildings, districts, and objects.

In 1975, AHPP was brought together with four existing state agencies to form the Division of Arkansas Heritage (DAH). Subsequently, three more agencies joined DAH, making it an eight division department tasked with overseeing the preservation and protection of Arkansas's cultural heritage. AHPP also serves as the State Historic Preservation Office (SHPO), administering a number of grant and incentive programs. In 1984, AHPP also became the operating agency for the state's Main Street program, providing resources and expertise for downtown revitalization and business development to participating communities.

In 2019, DAH merged with the Department of Parks and Tourism to form the newly established Arkansas Department of Parks, Heritage, and Tourism. The dedicated AHPP staff continues to be the state's most valued preservation resource, being "called upon daily as historians, advocates, technical experts, educators, archeologists, small business consultants, economic development experts, designers, and data managers."[1]

Goals and Objectives laid out in the 2018-2022 Arkansas Historic Preservation Plan:

- Educate Arkansans about the importance of preserving our heritage and our myriad historic resources;
- Provide leadership, assistance, and guidance for Arkansans involved in historic preservation activities on all levels; and
- Support a variety of preservation approaches to enhance the lives of Arkansans.

1 "Planning for Preservation: The Arkansas Historic Preservation Plan 2018-2022," Division of Arkansas Heritage, pg. 9.

Approach to this Report

This report analyses, quantitatively and qualitatively, the impacts of three AHPP programs: the State Historic Tax Credit, the AHPP Grants program, and Main Street Arkansas.

The three prongs of this report–Historic Tax Credits, AHPP Grants, and the Main Street program–are administered independent of one another yet are compatible and complementary. Together they form a holistic approach to the preservation of buildings and community. The tax credits exist to encourage the investment of private capital into historic buildings. Grants assist local communities in meeting their own preservation goals. Main Street is "economic development" in the context of historic preservation. All three are administered by the AHPP and have the goal of ensuring that Arkansas's built heritage is put to productive use.

Therefore, it certainly makes sense to look at all three within a single report. At the same time, the focus, scale, and specific desired outcomes of each is different. This necessitated three different approaches to measuring each program's impact. For the Historic Tax Credits, the amounts invested have to be submitted to the State Historic Preservation Office. It is these project costs that were used to measure the impact of the tax credit. For the Grant programs, the numbers and amounts of grants awarded by AHPP were reviewed, as well as their geographic distribution. For Main Street, the data that has been collected over the past fifteen years was used as the basis of the analysis, while also supplementing that data by putting those numbers in a statewide and national context.

Nine communities were visited as part of this analysis. Most of them represented all three of the components of the study: they had examples of successfully rehabilitated buildings that used the historic tax credit, they had received grants from AHPP, and they had a participating Main Street program. First, the goal of these visits was to see, first-hand, what the tax credit, the grants program, and Main Street had accomplished. But, the second and more important purpose was to get the qualitative attributes to supplement the quantitative analysis. The numbers are both impressive and necessary, but so, too, are the human stories– the people who opened a new business, restored a local landmark, and surveyed a historic neighborhood.

This research approach forms the structure of this report: Tax Credits, AHPP Grants, Main Street, and the vignettes of nine Arkansas communities. The pages that follow present what was learned, and what was learned was nothing short of impressive.

Historic Tax Credits

The tax credits exist to encourage the investment of private capital into historic buildings.

Incentives are but one tool in a wider range of approaches used to conserve our built heritage, but they deserve particular attention. Without incentives, public policy that imposes regulation and property limitations might have the negative effect of discouraging necessary investment. Moreover, preservation incentives are often the linchpin that makes a preservation project financially viable.

In real estate terms, "Cost" is the sum that will have to be spent from the conception to the completion of the project. "Value," in financial terms, is what the marketplace is willing to pay in rent or purchase price for that restored building. Where Value exceeds Cost, the marketplace will support the project, and incentives may not be necessary. Yet when Cost exceeds Value, as is often the case with historic buildings, a gap exists. The primary purpose of incentives is to close this gap—to make an irrational economic act rational.

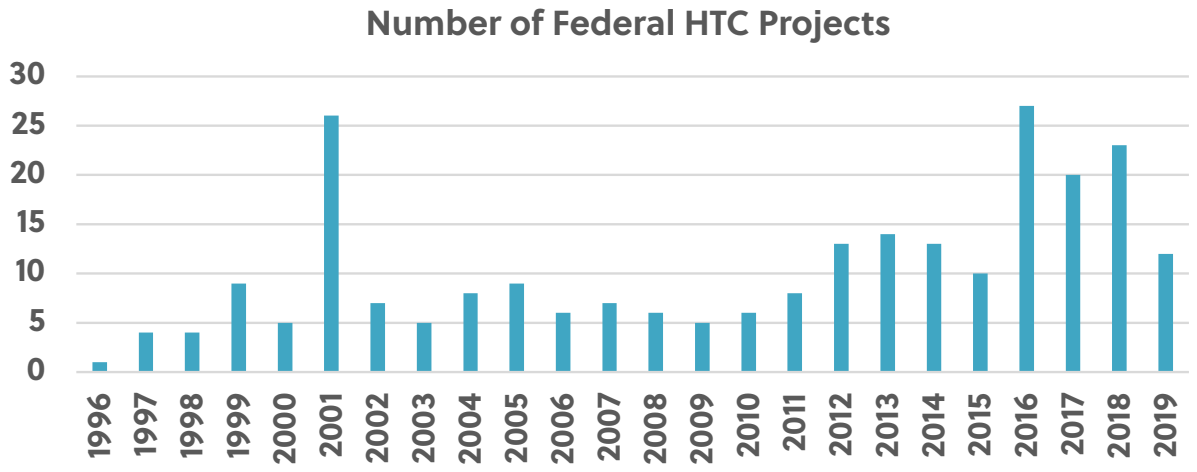
Beyond the purely financial argument, preservation incentives are good public policy because they promote a public good. Historic buildings have values beyond just financial. These values can be aesthetic, social, environmental, educational, cultural, etc., and they are enjoyed by a larger group of beneficiaries than just the property owner. Therefore, preservation incentives can be considered not only the provision of a public good, but also as partial payment for the values that the public, not the property owner, receives as a result of the property owner's investment.

While the National Park Service (NPS) oversees the federal historic tax credit alongside AHPP, the statewide agency is responsible for administering the state historic tax credit. When administering the program, both NPS and AHPP work in tandem to fulfill the following goals:

- Determining if the structure in question is a "qualified historic property,"
- Providing technical review based on the Secretary of the Interior's Standards for Rehabilitation on the proposed work planned for the historic structure, and
- Approving the final work by the owner to the historic property.

Use of the Federal Historic Tax Credits

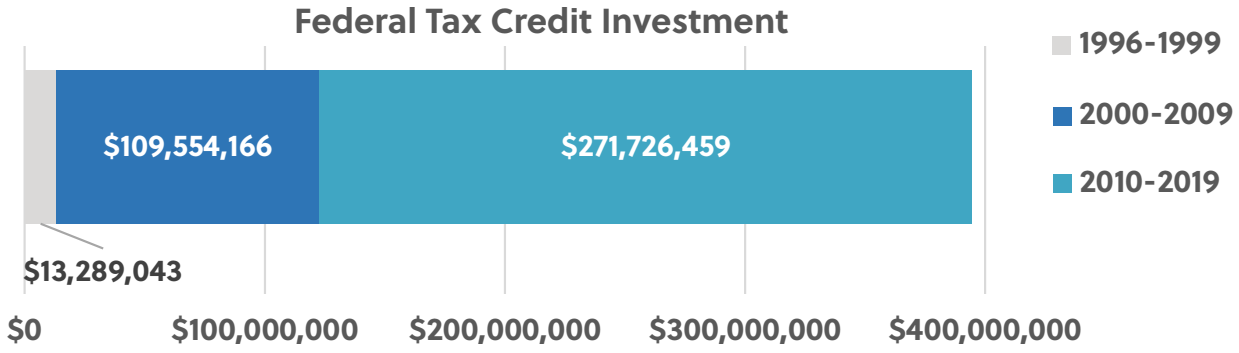
The Federal government has offered an historic preservation tax credit (Investment Tax Credit for Rehabilitation) since 1981 to attract investment for the reuse of historic buildings. As revised in 1986, it provides a 20% tax credit[2] to qualified investors who do certified rehabilitations on designated historic buildings. Twenty percent of qualifying rehabilitation expenditures[3] (QREs) can be packaged as a tax credit and used by developers or transferred to an entity with tax liability, thus generating equity that may be used to complete a project.



Investment

In Arkansas, more than $4 in private investment is made for every $1 of foregone revenues generated by the Federal Historic Tax Credit. The amount of investment in Arkansas' historic resources has grown substantially in the past 10 years, as more and more people discover this tool.

1996-2019	QRE Costs	Total Project Costs
Total	$340,127,872	$393,569,704
Average per project	$1,371,483	$1,591,007



2 For several years Hot Springs projects qualified for a 25% rather than 20% federal tax credit. This was part of the legislation encouraging the development of the bath houses in that city. That increased amount has now expired, and Hot Springs projects are eligible for the 20% federal credit

3 QREs are costs that are connected with the rehabilitation or restoration of the qualifying structure. For the Federal Historic Tax Credit, examples of qualified rehabilitation expenditures (QREs) include: construction costs, construction interest and taxes, architectural and engineering fees, legal costs, developer's fees, general and administrative fees and other construction-related expenditures if such costs are added to the basis of the property and are determined to be reasonable and related to the services performed. New construction, additions, acquisition, and landscaping are not considered qualified rehabilitation expenditures. https://www.novoco.com/resource-centers/historic-tax-credits/htc-basics/historic-tax-credit-lexicon

Fort Smith, Tax Credit Projects in Belle Grove Historic District

Housing Unit Production

Often, the Federal HTC is used in conjunction with the Low Income Housing Tax Credit. The use of these credits together achieves two things: 1) the rehabilitation of an historic building, and 2) the creation or preservation of subsidized affordable housing. Nationally, while new construction is often the dominant path to achieve affordable housing goals, housing projects completed through rehabilitation cost much less per unit.[4] Put simply, one cannot build new and rent or sell cheap.

Thirty-eight percent of the housing units created or rehabilitated through the Federal HTC in Arkansas have been for low-income residents, or stated differently, two out of every five housing units created by the federal HTC in Arkansas are for low-income residents.

	Housing Units Created	Units serving Low-Income Residents
Total	1,331	505
Average per project	5	2

4 A recent study of new construction costs for Low Income Housing Tax Credit (LIHTC) projects across the U.S. found costs were approximately $40,000 to $71,000 (25 to 45%) higher per unit than those of acquisition-rehab projects. https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf Another study found that the mean Total Development Cost per new construction LIHTC unit between 2011 and 2016, inclusive of soft costs and land costs, was $182,498, adjusted for construction cost inflation. https://www.ncsha.org/wp-content/uploads/2018/09/Final-LIHTC-Costs-Analysis_2018_08_31.pdf

Arkansas Historic Rehabilitation Income Tax Credit

Another crucial tool for rehabilitation is the state historic tax credit. State historic tax credit programs across the U.S. have proven to be a vital key that unlocks the potential of underutilized historic buildings, making complex historic rehabilitation projects feasible. The Arkansas Historic Rehabilitation Income Tax Credit was authorized in 2009 and has since become one of the state's most important tools in the rehabilitation of historic resources. The program provides a state income tax credit equal to 25% of the project's qualified rehabilitation expenditures for owners of income-producing or owner-occupied properties. The state historic tax credit has an annual program cap of $4 million and a project cap of $25,000 for residential projects and $400,000 for commercial projects.[5] In order to qualify, the project's minimum expenditures must reach at least $25,000 and $5,000 for income-producing and non-income producing properties respectively.[6] To qualify, the property must be listed or eligible for listing in the National Register of Historic Places or a contributing building in a National Register historic district, and the work must meet guidelines ensuring the historic character of the property is respected.[7]

In order to allocate funds to projects that support community needs, applications are ranked based on their ability to meet five program goals. Projects that rank highest are awarded funds through the Arkansas Historic Rehabilitation Income Tax Credit Program. The following is the list of priorities that are used as criteria for this ranking system (in order of importance):

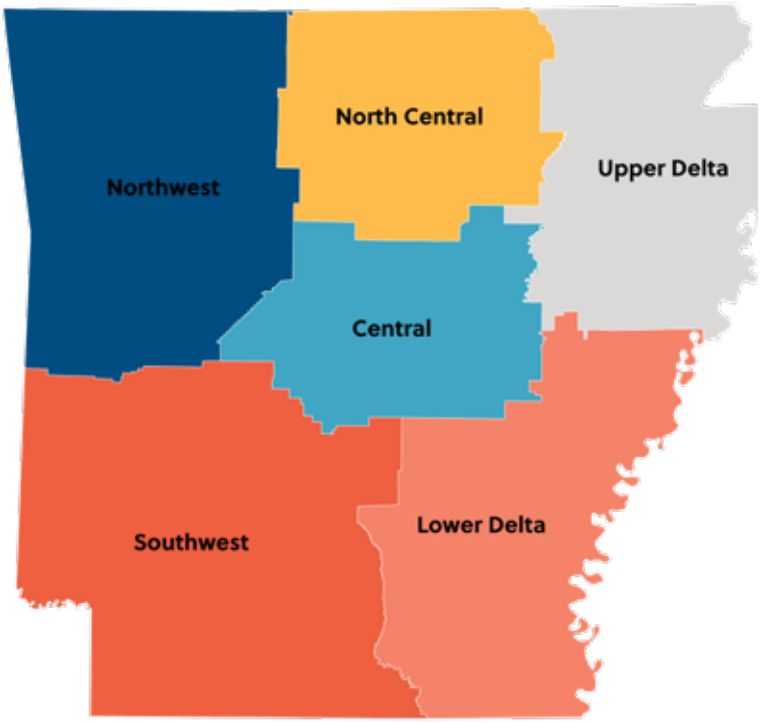
- Creation of new business
- Expansion of existing business
- Tourism
- Business revitalization
- Neighborhood revitalization

Little Rock, Three Fold Noodle Co.

5 Prior to 2017, the project cap for commercial properties was $125,000. Prior to 2019, the minimum investment for residential projects was $25,000.
6 Act 470.
7 During the 92nd General Assembly in 2019, the Arkansas state legislature passed Act 855, which created the Major Historic Rehabilitation Income Tax Credit for projects with at least $1.5 million in QREs. This new program was not part of the following analysis.

Number and Location of Projects

To date, the Arkansas Historic Rehabilitation Income Tax Credit has helped facilitate the rehabilitation of 324 income-producing projects in 24 cities and 21 counties throughout the state.

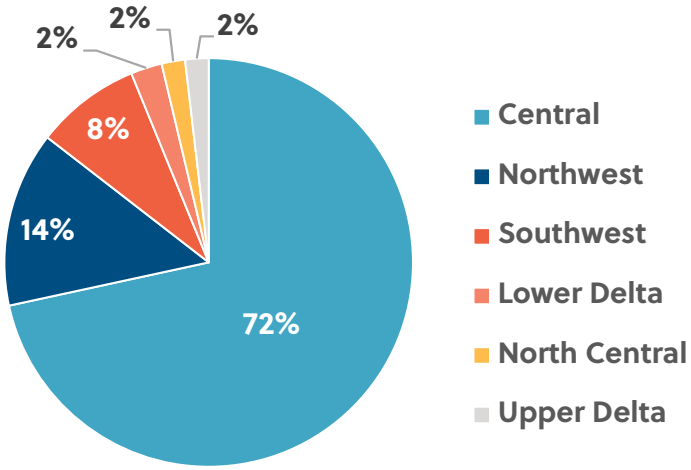


Arkansas Regions
developed by the Arkansas Department of Parks, Heritage, and Tourism.

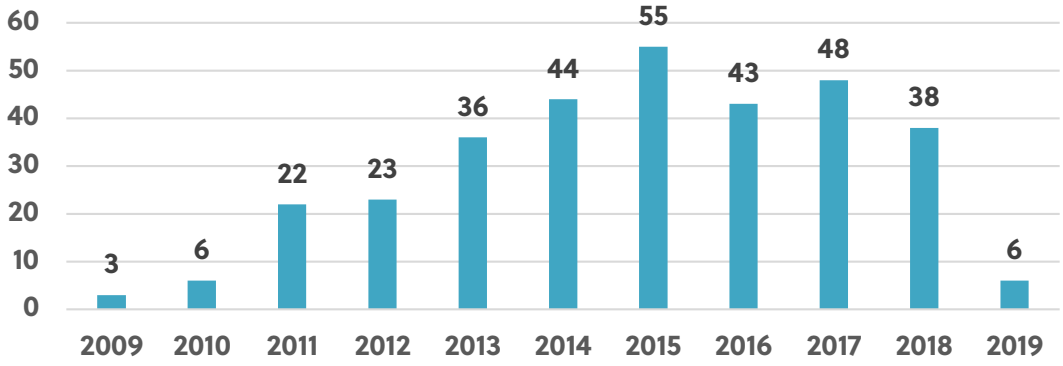
Perhaps not surprisingly, the Central Region, which includes cities such as Little Rock, North Little Rock, Hot Springs, and Conway, has received nearly three-quarters of state historic tax credits.

The number of income-producing state HTC projects experienced a steady increase since its inception in 2009 through 2015. However, the number of projects per year has fluctuated over the history of the program.[8]

Share of Projects by Region



Number of State HTC Projects



8 2019 data only reflects activity through mid-year.

Investment

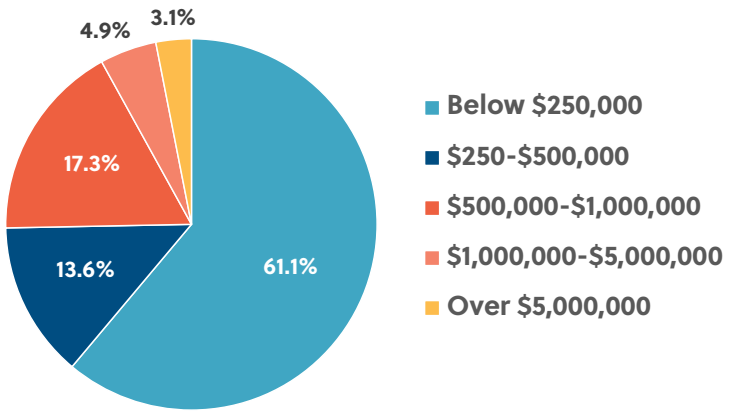
While large-scale projects often garner much attention, nearly 75% of all state HTC projects have taken place on income-producing projects with project costs below $500,000, with 61% being under $250,000. This means that smaller projects, often undertaken by small business and building owners or community minded developers, make up three-quarters of the projects receiving state tax credits.

Understandably, there have been more tax credit projects in the Central region. However, across the state, property owners have utilized the tax credit to reinvest in their buildings.

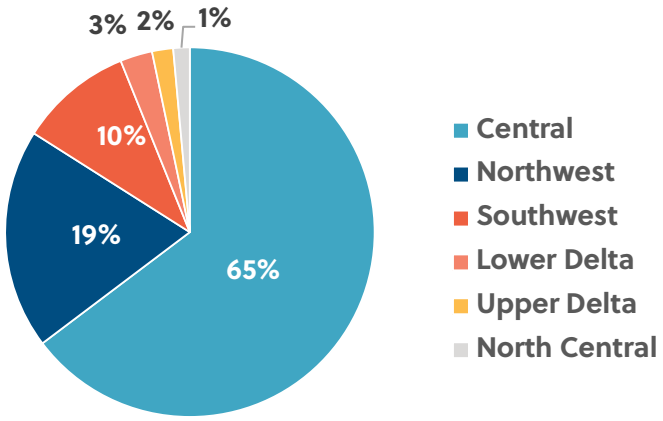
Overall, for every $1 of foregone revenue to the state, roughly $10.40 in private investment is made in historic buildings. After experiencing a dip in 2014, the state's leverage has steadily increased over the past 5 years, with the 2019 rate being roughly $18 in private investment for every $1 awarded in tax credits.

Overall, for every **$1 of foregone revenue** to the state, roughly **$10.40 in private investment** is made in historic buildings.

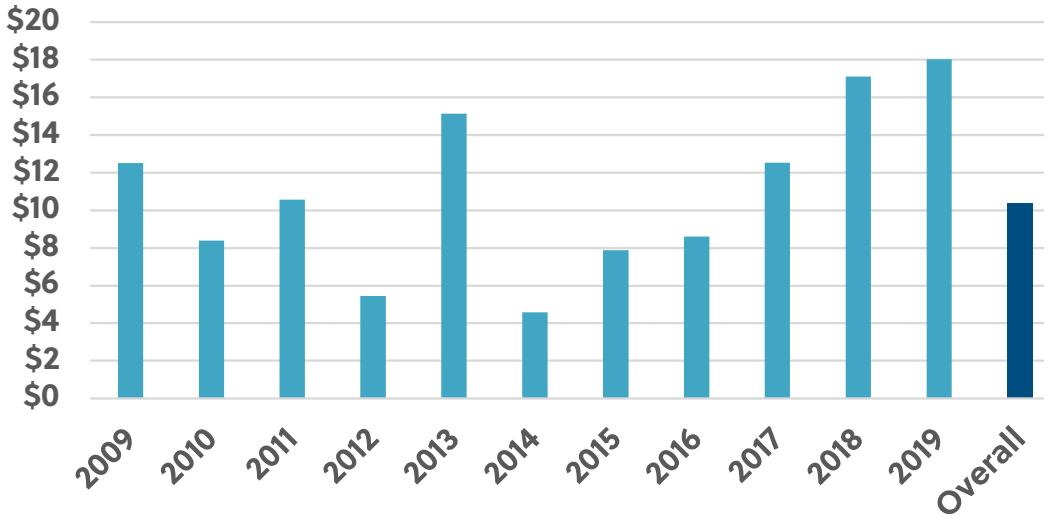
Project Size



Use of State Tax Credit by Region ($)



Leverage of State Tax Credit



Jobs and Income Generated through the Historic Tax Credit

Based on the amount of investment, it is possible to calculate the number of jobs and the amount of labor income each year.[9] This was done using the IMPLAN[10] Input-Output model. On average, each year since the tax credit was implemented these projects have generated:

175.6
DIRECT JOBS

$7,141,694
DIRECT INCOME

133.7
INDIRECT JOBS

$4,709,586
INDIRECT AND INDUCED INCOME

Every $1,000,000 invested in a historic rehabilitation project generated $708,700 in additional economic activity within Arkansas.

Fort SMith, Propak Building

9 It is important to note that these jobs and income numbers are from the construction phase of the projects only and do not include permanent jobs within these buildings after construction is completed.
10 IMPLAN is the industry standard for Input-Output modeling. Based on user data the model generates numbers of direct, indirect, and induced jobs, the labor income those jobs represent, proprietor's income and other measures. A "job" is one full time equivalent job for one year.

Piggybacking Credits

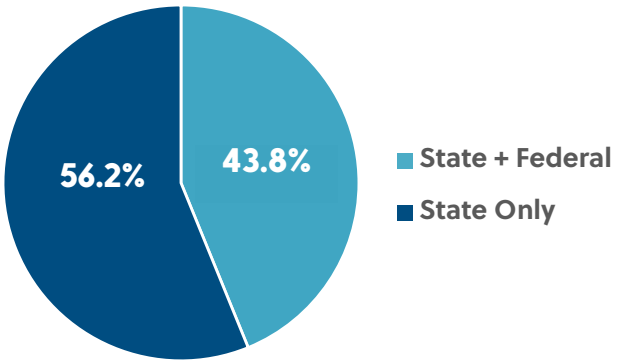
As can be seen in the table below, for many types of projects the criteria and the requirements are the same for the federal and state historic tax credits. While the federal credit may be an adequate inducement for some projects, it is clear that others would not take place were it not for the ability to utilize both the state and federal credits.

According to National Park Service data on the use of the federal historic tax credit, in the 10 years before Arkansas adopted its own tax credit (1999-2008), the average amount of investment in historic tax credit projects was $8,457,000. In the ten years subsequent to the enactment of the Arkansas Historic Tax Credit the average annual amount has been $23,091,000.

Overall nationally, the amount of activity between those two decades about doubled. In Arkansas the increase was more than 175%. In other words, the existence of an effective state historic tax credit appears responsible for an increase in the use of the federal credit by nearly 58% or an extra $8,450,000 each year. Using a state tax credit to enhance a federal tax program not only keeps money in Arkansas that would otherwise have gone to Washington D.C., but adds jobs and income for Arkansas workers.

Of the 324 state historic tax credit projects, 142, or nearly 44%, have used the program in conjunction with the federal historic tax credit.

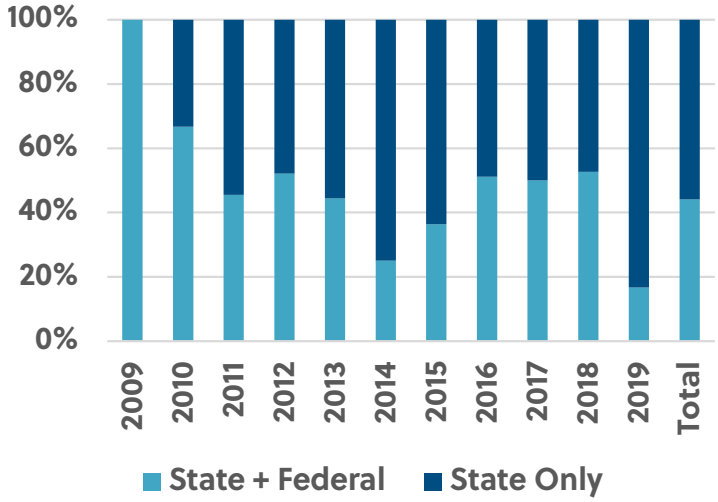
Piggybacking Historic Tax Credits



The existence of an
effective state historic tax credit
appears responsible for an increase in the use of the federal credit
by nearly 58% or an extra $8,450,000 each year.

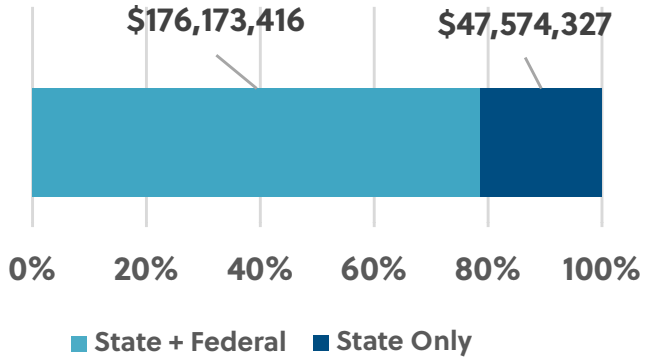
Looking at the activity, the first few years the credit was available it grew in popularity. In 2019, after major changes to the federal historic tax credit and the U.S. tax code, the majority of projects utilized the state credit only.

Historic Tax Credit Activities



Overall, projects that piggyback the state and federal historic tax credit have an average project cost that is over 4x higher than projects that only use the state historic tax credit.

Investment Using State and Federal HTC



Federal Historic Tax Credit vs. Arkansas State Historic Tax Credit

	FEDERAL HISTORIC TAX CREDIT	STATE HISTORIC TAX CREDIT
Eligibility	Listed individually on the National Register of Historic Places; A contributing building within a National Register-listed historic district	Listed individually on the National Register of Historic Places; A contributing building within a National Register-listed historic district; Properties that will become eligible for listing following rehabilitation are also considered.
Project Type	Income-producing	Income-producing and non-income producing
Amount of Credit	20% of qualified rehabilitation expenditures (QREs)	25% of QREs up to $400,000 for income producing projects or $25,000 for non-income producing projects, with a $4 million annual cap
Rehabilitation Standards	Must meet the Secretary of Interior Standards for Rehabilitation	Must meet the Secretary of Interior Standards for Rehabilitation
Review of Work	Arkansas Historic Preservation Program; National Park Service	Arkansas Historic Preservation Program
Minimum Investment	The greater of $5,000 or the basis of the building	$25,000 on income-producing properties; $5,000 on non-income producing properties
Qualifying Rehabilitation Expenditures	Rehabilitation, but not acquisition, site improvements or additions	Rehabilitation, but not acquisition, site improvements or additions
Carry Back; Carry Forward	Carry back 1 year; Carry forward up to 20 years	State tax credits cannot be carried back, but may be carried forward up to 5 years.
Transferability	Complicated; User of credit must be in "ownership" position for at least 5 years	Freely transferable; Owner of tax credit can transfer, sell, or assign all or part of the tax credit

Arkansas Historic Preservation Program Grants

Grants assist local communities in meeting their own preservation goals.

Throughout its history, AHPP has administered a wide variety of grant programs. These grants provide financial assistance to local governments, organizations, and individuals that help preserve the state's historic resources, expanding the understanding and appreciation of Arkansas's history for both residents and visitors.

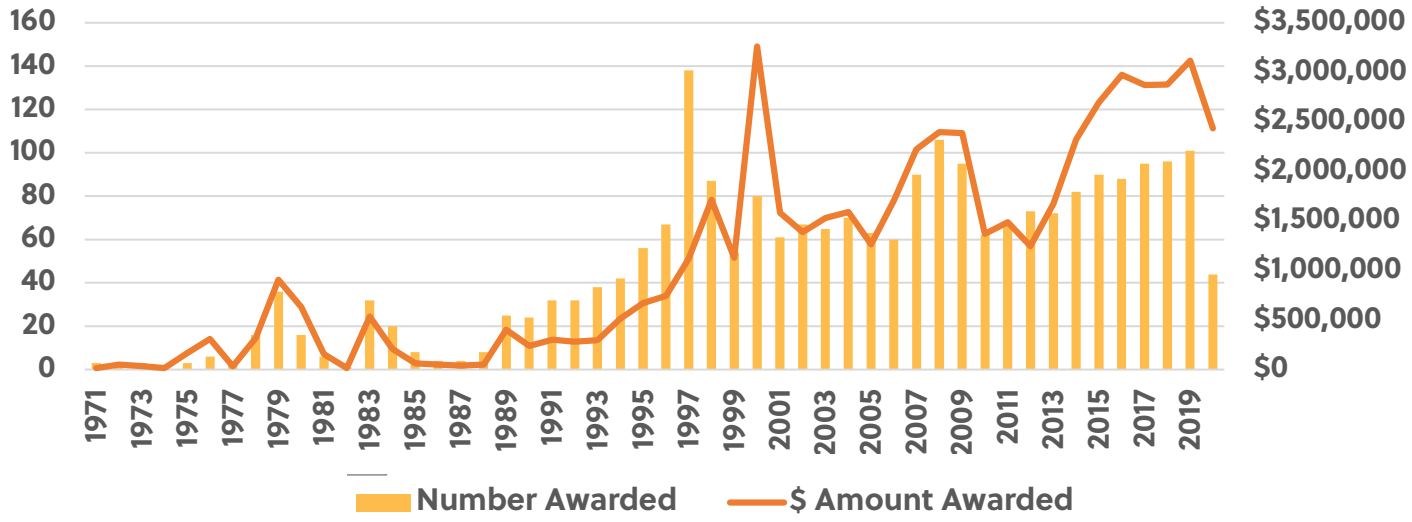
While a portion of the funds for these programs come from the National Park Service and the Department of the Interior, Arkansas is unique in that many of these critical programs also receive funding from the proceeds of the Real Property Transfer Tax.[11]

11 The Real Property Transfer Tax is levied on each deed, instrument, or writing by which any lands, tenements, or other realty sold shall be conveyed. After two rate increases, one in 1987 and 1993, the current Real Property Transfer Tax rate is $3.30 per $1,000 of actual consideration on transactions that exceed $100. https://www.dfa.arkansas.gov/excise-tax/miscellaneous-tax/real-estate and https://www.arkansasonline.com/news/2018/oct/28/governor-s-mansion-looking-spiffy-20181/

"The AHPP tries to **bridge funding gaps** by offering assistance with the cost of repairs and rehabilitation to historic courthouses and historic buildings **owned by cities and non-profit organizations** through our County Courthouse and Historic Preservation Restoration Grant Programs."[12]

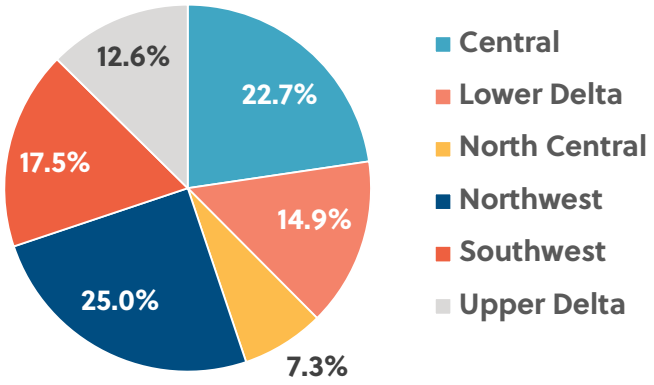
12 "Planning for Preservation: The Arkansas Historic Preservation Plan 2018-2022," Division of Arkansas Heritage, pg. 5-6.

Grants by Year

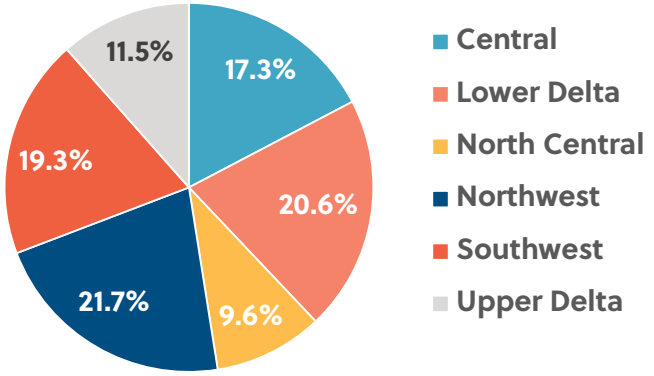


Since 1971, the Arkansas Historic Preservation Program has awarded nearly 2,400 grants, amounting to almost $55.5 million in funds awarded. In the history of the program, there have been twelve different grant types, though only four are still active today. The recipients of the grants reach every corner of the state, with a fairly even distribution across the various regions. Similarly, the share of funding distributed is spread across the state.

Share of Grants by Region (by #)

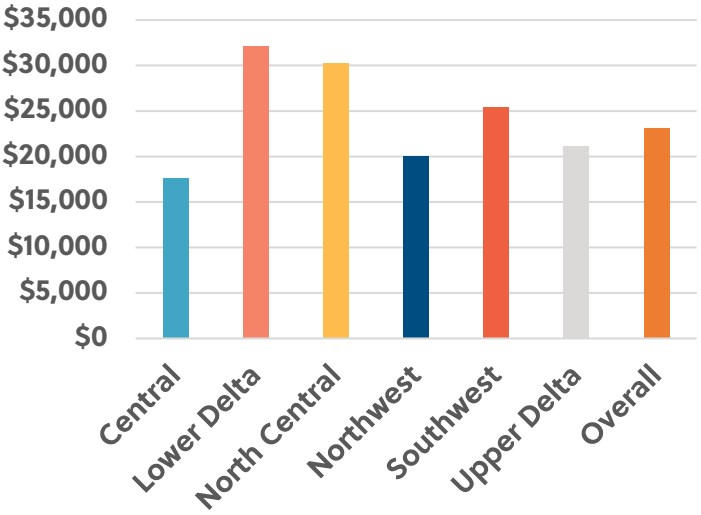


Share of Grants by Region (by $)



Overall, the average project funds awarded per region range from $17,000 to $32,000.

Average Award Per Project by Region



Grants by Location

Over the last 48 years, 170 different Arkansas cities have received grant funding from AHPP. Additionally, these cities are located in 74 out of the state's 75 counties.[13]

13 A full listing of grant awarded per city is listed in Appendix 1.

Grants by Type

While there have been 12 different grant programs in AHPP history, the four that are currently offered include the following:

Certified Local Government Grant (CLG)

Twenty-one cities are currently eligible to receive CLG grants through this state-federal-local partnership program established by the National Park Service. CLG grants have helped pay for National Register of Historic Places nominations, historic district design guidelines, rehabilitation work on historic structures, websites, GIS projects, and a wide variety of other preservation-related projects. While cities are not required to match funds in order to receive CLG grants, the awarding of funds is competitive. Cities who are able to match funds demonstrate a stronger community commitment and are therefore more likely to be awarded CLG funds. Funding for CLG grants comes from the federal Historic Preservation Fund (HPF).

County Courthouse Restoration Grant (CH)

The County Courthouse Grant program, officially started in 1988, provides grants for repair and rehabilitation work on historic county courthouses listed on the National Register. Participating counties donate façade easements on their historic county courthouses in return for financial assistance in rehabilitating the buildings. Since the program was established, it has helped restore courthouses and courthouse annexes in 64 counties. The annual program cap has ranged from $150,000 to over $1 million. The Courthouse Grant program is funded primarily by an annual grant to the AHPP by the Arkansas Natural and Cultural Resources Council (ANCRC) using Real Property Transfer Tax funds.

Historic Preservation Restoration Grant (HPRG)

AHPP provides three types of Historic Preservation Restoration grants. Option 1 provides up to $10,000 to owners of Arkansas Register listed properties or those identified as a non-contributing structure in a National Register District to correct alterations that prevent properties from being listed on the NRHP. These grants pave the way for eligibility for other incentive programs, like historic tax credits. Option 2 provides larger grants (over $10,000) for general rehabilitation and restoration work to properties owned by non-profits and local units of government.[14] Option 3 provides grants from $5,000 to $9,999 to non-profit or local government applicants for cemetery restoration work.[15] To be eligible for Option 2 and 3 grants, properties must be listed on the National Register. The HPRG program is funded by the AHPP's dedicated funding from the Real Property Transfer Tax.

Downtown Revitalization Grants (DTR)

Every year, AHPP awards Downtown Revitalization grants to both Main Street and Downtown Network communities participating in the Main Street Arkansas program. Once awarded, these funds can be used for a wide range of projects, including building rehabilitation, parks, streetscape improvements, or any other project that will have a positive long-term impact in the community's Main Street area.

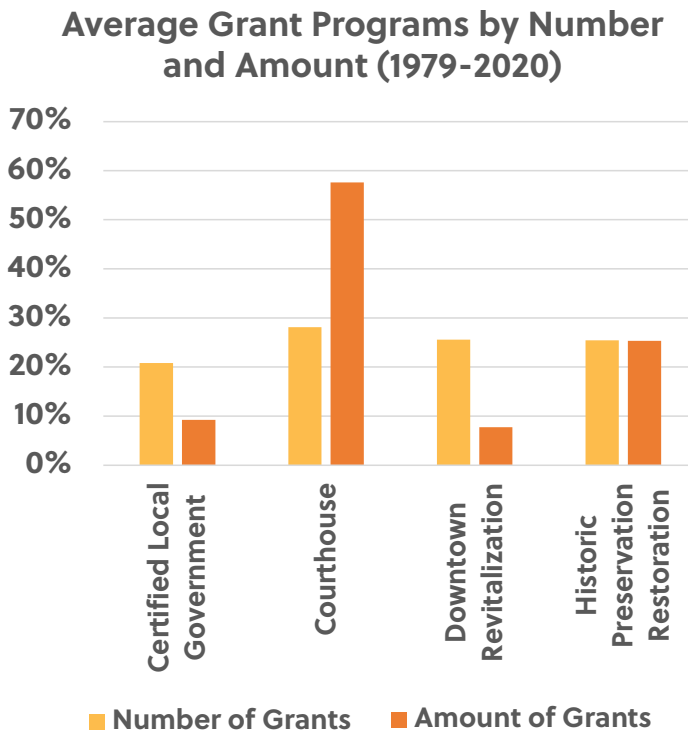
	Start Year	End Year*	Number Awarded	Amount Awarded
Acquisition/ Development*	1971	1986	49	$1,568,221
Courthouse	1988	Present	514	$26,303,592
Certified Local Government	1983	Present	381	$4,228,645
Civil War*	2011	2016	82	$147,443
Documentary Media*	2007	2009	7	$145,325
Downtown Revitalization	1997	Present	468	$3,549,088
Education Preservation*	1987	2001	195	$3,031,106
Historic Preservation Restoration	1996	Present	465	$11,573,635
Jobs Bill*	1983	1984	17	$452,170
Model Business*	1991	2008	73	$1,492,842
Other	1971	2016	35	$1,345,487
Slipcover*	2006	2015	50	$524,860
Survey & Planning*	1972	1988	60	$1,047,746
TOTAL			2,396	$55,410,157

*Inactive grant programs.

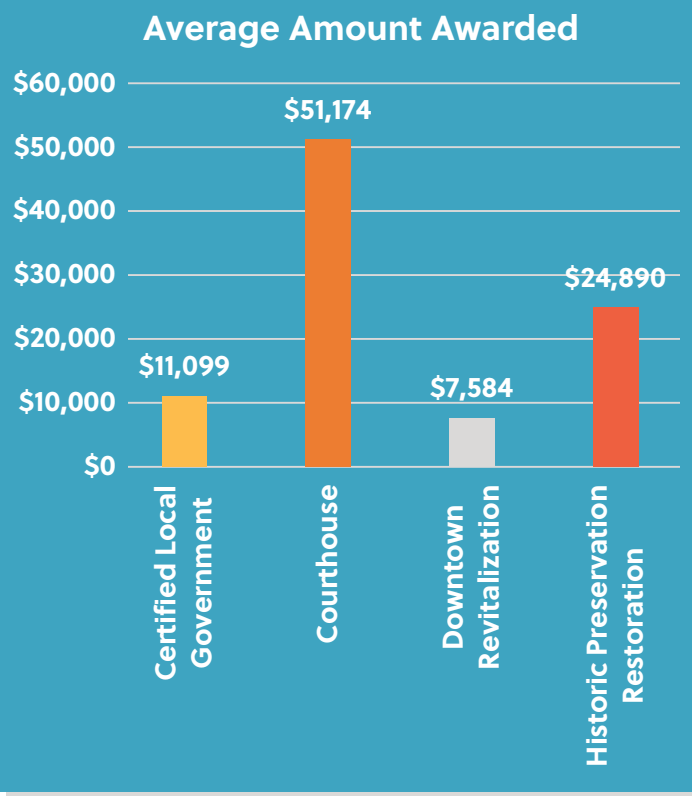
14 Recipients of Option 2 grants must donate a conservation easement on the property for which the grant is awarded. Option 1 and 2 grants require a 50% cash match.

15 Option 3 recipients must provide a 20% cash match of the total project cost.

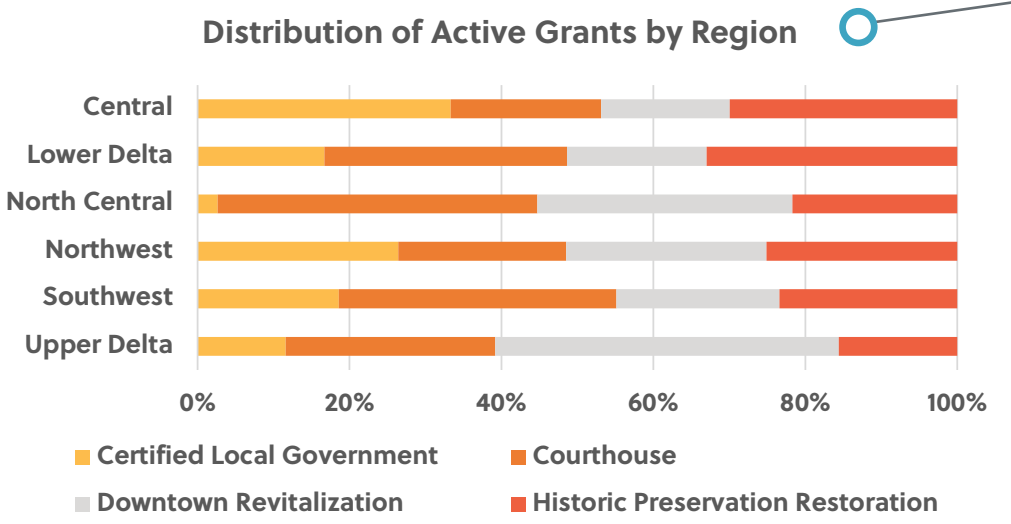
Grants for capital projects (rehabilitation, infrastructure, etc) represent the largest amount of funds awarded, particularly towards the Courthouse Grant program.



The average amount awarded varies from $7,500 for Downtown Revitalization projects to just over $50,000 for Courthouse Grants.



The number awarded for each of the four active grants varies depending on the region. Overall, the North Central region has received the most Courthouse grants, while the Upper Delta relies heavily on Downtown Revitalization grants.



AHPP grants have touched every region of the state. Over the last 48 years, 170 different Arkansas cities have received grant funding from AHPP. Additionally, these cities are located in **74 out of the state's 75 counties.**

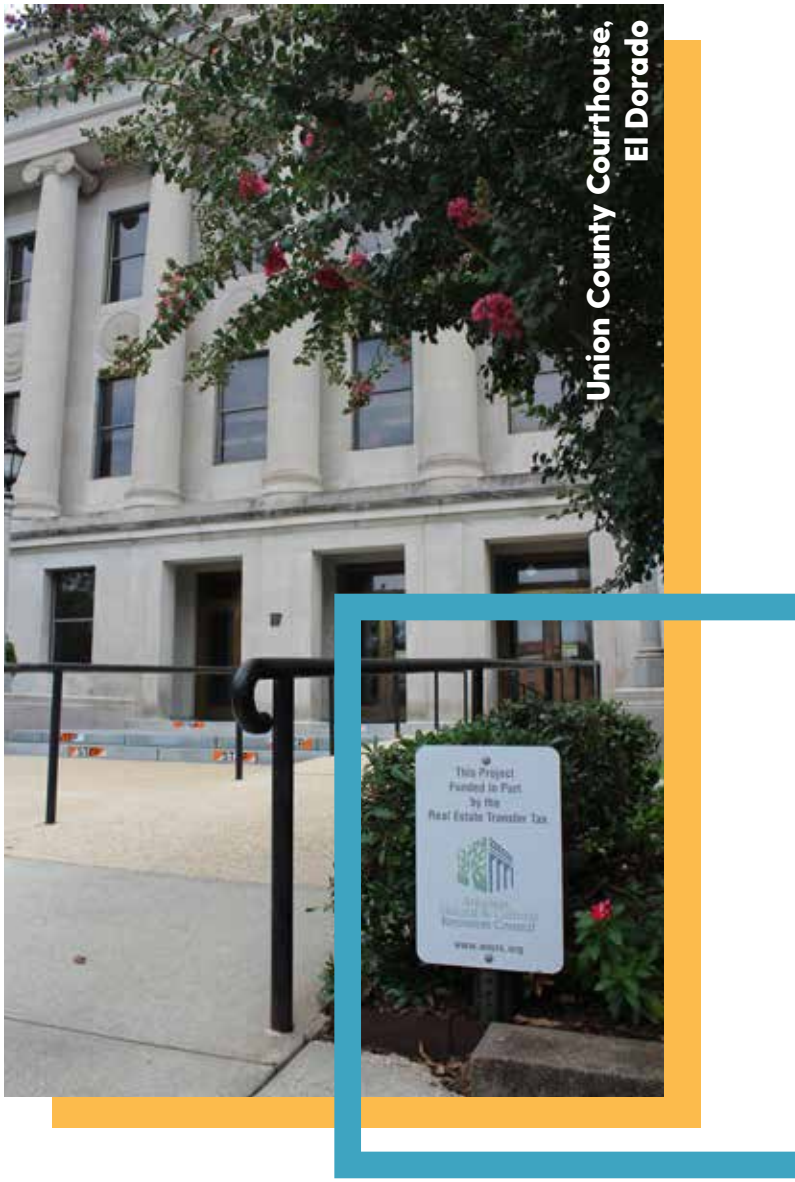
County Courthouse Restoration Grant

As a structural symbol of American Democracy, courthouses are often the most prominent buildings in our communities. They are figuratively (and sometimes literally) the centerpiece of local political activity, and on occasion serve as the backdrop to events that have shaped our nation's history. While these impressive structures serve as assets and points of community pride, officials and staff must protect the public's investment in this important piece of infrastructure by ensuring that the building is properly maintained. However, courthouses often get caught in the crosshairs of political and budgetary constraints.

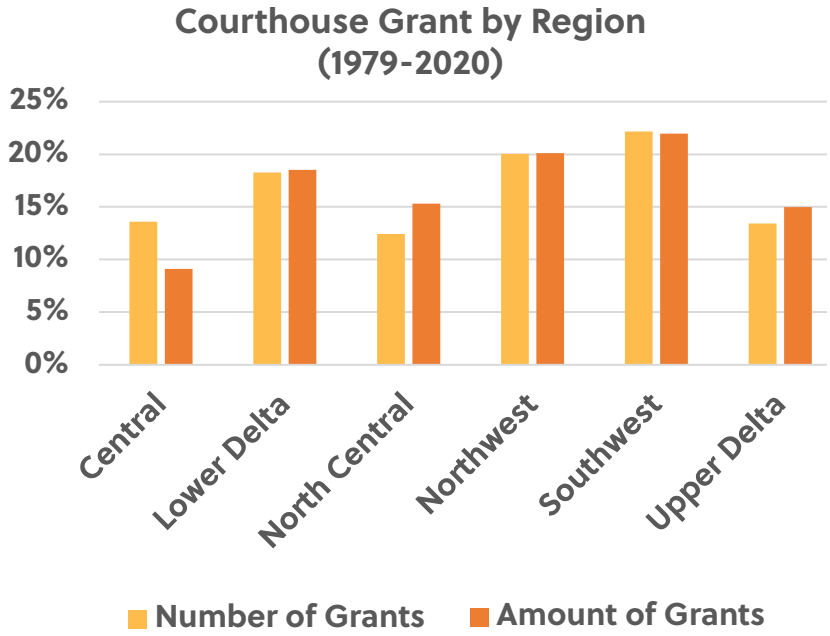
For some counties, budgets and resources for maintenance are plentiful, but for many, funding is a challenge. This results in necessary maintenance being deferred, leaving these buildings vulnerable to deterioration, shuttering, and eventually demolition. However, one of AHPP's most successful grant programs has helped ease the burden that these mammoth buildings place on local government. Historically designated or eligible courthouses in Arkansas qualify to receive vital funding for selected maintenance and rehabilitation. According to Scott Kaufman, Director of AHPP, "We have seen dramatic improvements in these historic structures thanks to the Courthouse Grants and the feedback from the communities is overwhelmingly positive."

Key Numbers:

- 514 Courthouse Grants have been awarded, amounting to over $26.3 million in grants.
- 64 courthouse buildings have benefitted from the program in its 31-year history.
- The Courthouse Grant has served all regions in both number awarded and amount awarded.



Union County Courthouse, El Dorado



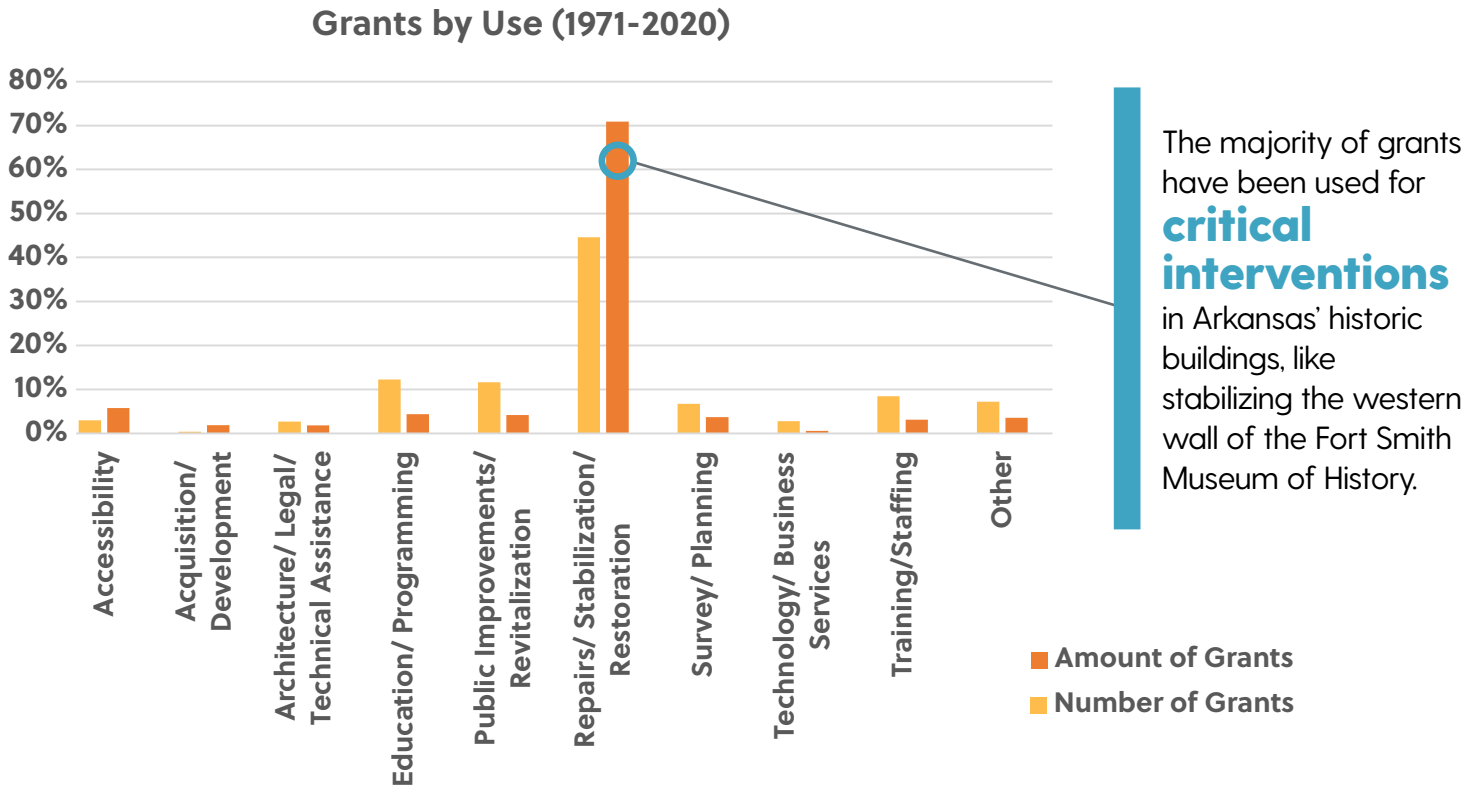
Grants by Use

Using keywords found in the project descriptions for each grant, the team devised 10 broad categories that represent how grants have been used by their recipients. These categories include:

- Accessibility (wheelchair lifts, ramps, inclusive design implementation, etc.)
- Acquisition/Development (purchase, clear title/ tax incumbrance, etc.)
- Architectural/Legal/Technical Assistance (architects fees, historic structures reports, documentation, etc.)
- Education/Programming (public workshops, lectures, brochures, etc.)
- Public Improvements/Revitalization (streetscape, public safety, clean-up, etc.)
- Repairs/Stabilization/Restoration (facade improvements, construction, labor, and material costs, etc.)
- Survey/Planning (resources surveys, preservation plan development, drafting legislation, etc.)
- Technology/Business Services (data management, computer/software tools, website maintenance, etc.)
- Training/Staffing (commission training, conference attendance, staff salary, quarterly meetings, etc.)
- Other

Not surprisingly, the AHPP grants have been used for Repair/Stabilization/Restoration most often by their recipients. In nearly 45% of the projects, grant recipients used the funds for this category of undertakings.

As the state puts together its annual budget, competition for funding is always high–but the competition is even higher for those applying for grants. The continued funding of the AHPP grant programs is a worthy investment.



Fort Smith Museum of History

Main Street Arkansas

Main Street is economic development in the context of historic preservation.

Main Street Arkansas is part of a larger nonprofit program under the auspices of the National Main Street Center, a subsidiary of the National Trust for Historic Preservation. The registered Main Street Four-Point Approach is a proven method for the economic development of downtowns in the context of historic preservation. The value and power of this approach as a vehicle for downtown revitalization has been proven in 40 states and more than 1,600 active communities.

Since 1984, Main Street Arkansas has assisted communities throughout the state by providing the resources, education, and professional assistance necessary to promote the cultural heritage of the state's built environment and to stimulate the economic vitality of Arkansas's downtowns. Main Street staff provides assistance with exterior design, interior design, merchandising, small business start-up, management, promotions, and organizational training.[16]

Main Street Arkansas is part of the Main Street America network and follows the organization's accreditation structure. This structure currently consists of two tiers: Affiliated and Accredited. In Arkansas, Affiliate programs are called "Downtown Network" communities and Accredited programs are called "Main Street" communities.

Affiliate, or Downtown Network, programs are organizations that have demonstrated commitment to comprehensive community revitalization. This level of membership allows communities that are interested in learning about the Main Street model to access the national network's resources, and it allows those organizations that do not yet have the capacity for full designation to begin their revitalization efforts. Currently, Arkansas has 17 active Downtown Network member cities. An Accredited, or Main Street, program signifies a commitment to comprehensive revitalization, community engagement, and rigorous outcome measurement. This tier describes communities that have fully implemented a Main Street program and meet all 10 criteria of achievement as established by the National Main Street Center. Accreditation standards are slightly more rigorous, requiring an active board of directors, committees, an operating budget, and a program manager. Arkansas has 20 active Main Street communities,[17] three of which–Batesville, Helena, and Osceola–date back to the beginning of the state's program.

> The value and power of this approach as a vehicle for downtown revitalization has been proven in 40 states and more than **1,600 active communities across the country.**

16 "Planning for Preservation: The Arkansas Historic Preservation Plan 2018-2022," Division of Arkansas Heritage, pg. 18.

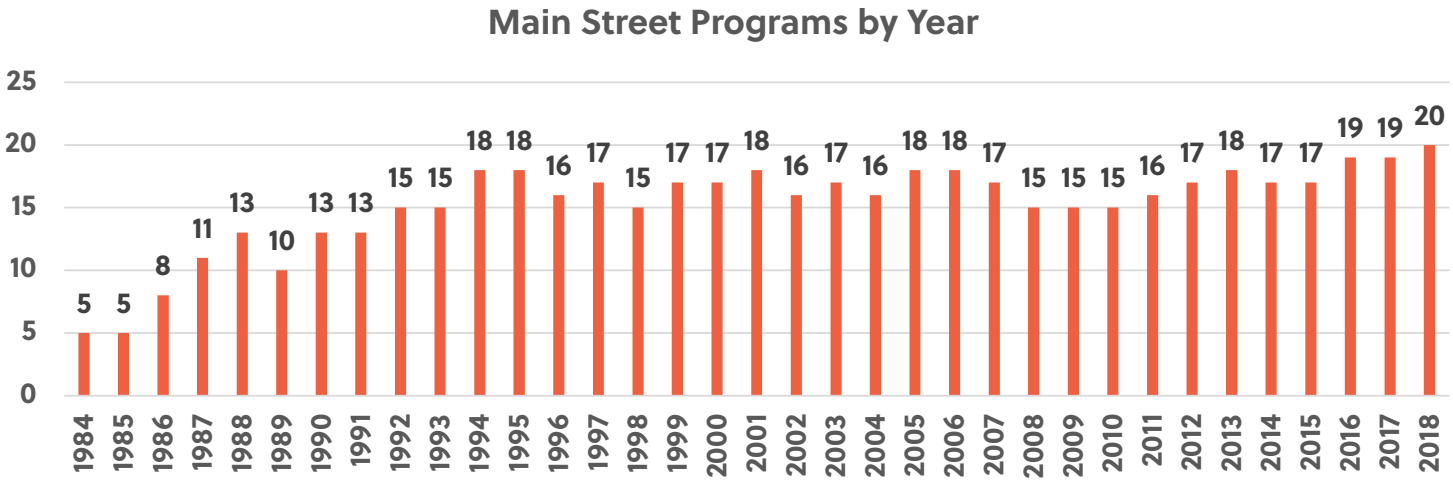
17 In 2020, Fort Smith transitioned from being an Affiliated community to an Accredited community, bringing the current Accredited program total to 21. However, data was only available through 2018. For this reason, data from Fort Smith is not included in the analysis of this report.

Moxy, Soma Little Rock

Location of Programs

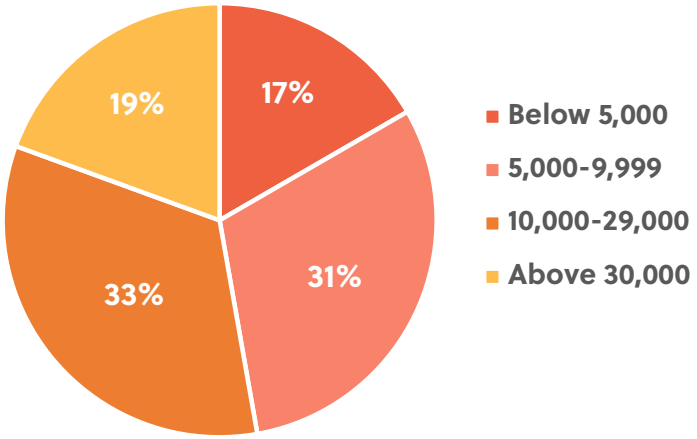
There are Main Street and Downtown Network program communities in every region of the state. In total, 34 out of the state's 75 counties have at least one participating program.

Though the number of programs has ebbed and flowed over the last 35 years, overall Main Street Arkansas has grown.



Main Street serves a wide range of communities, from large cities to small towns. Forty-eight percent of all Accredited Main Street programs are in towns that have a population below 10,000.

Nearly half of all Accredited Main Street Arkansas programs are in towns that have a **population below 10,000.**



In Arkansas, only Accredited Main Street programs are required to submit annual reports to the state. These reports help Main Street Arkansas track a wide range of metrics that indicate the overall health of the city's downtown. Some of the metrics tracked by the state include:

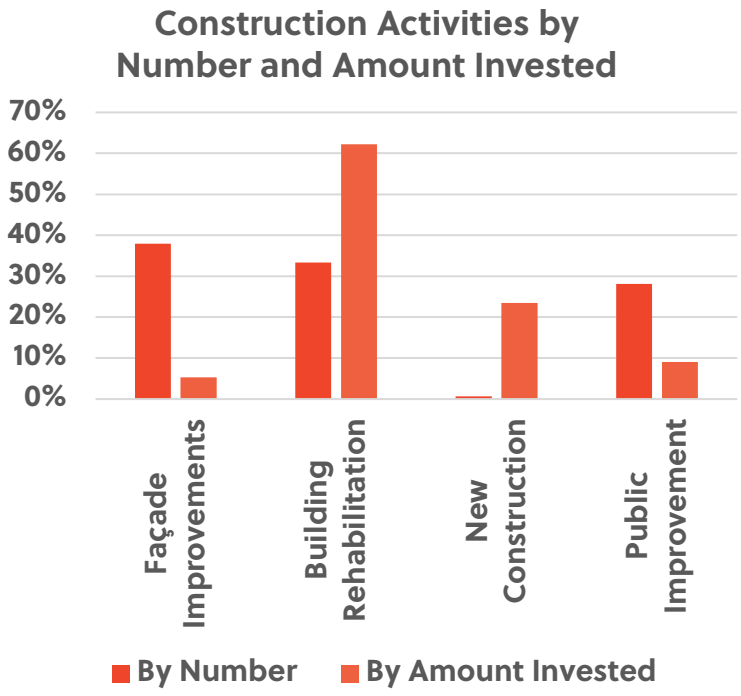
- Facade Improvements
- Rehabilitations
- New Construction
- Buildings Sold
- Public Improvement Projects
- Business Openings, Expansions, and Closings
- Volunteer Hours

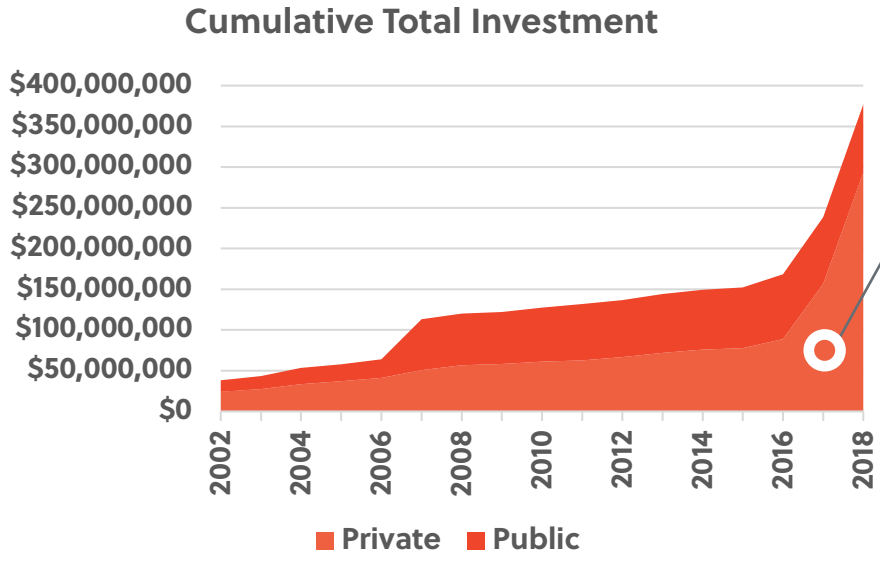
Cumulative Totals

Since 1984, just over 3,600 construction projects have taken place in Main Street Arkansas communities. This includes projects from four categories: Facade Renovations, Rehabilitations, New Construction, and Public Improvements.

Within Main Street commercial districts, there have been more facade renovation projects than any other construction activity. However, building rehabilitation represents the largest share of investment of the four types of construction activities.

To date, over $377 million has been invested in the buildings, infrastructure, and public improvements of Main Street communities.[18] Seventy-eight percent of this investment has come from the private sector, which amounts to more than $293 million private dollars invested in these downtowns. These investments represent improvements in everything from streetlamps and new sidewalks, to facade improvements and full building renovations.



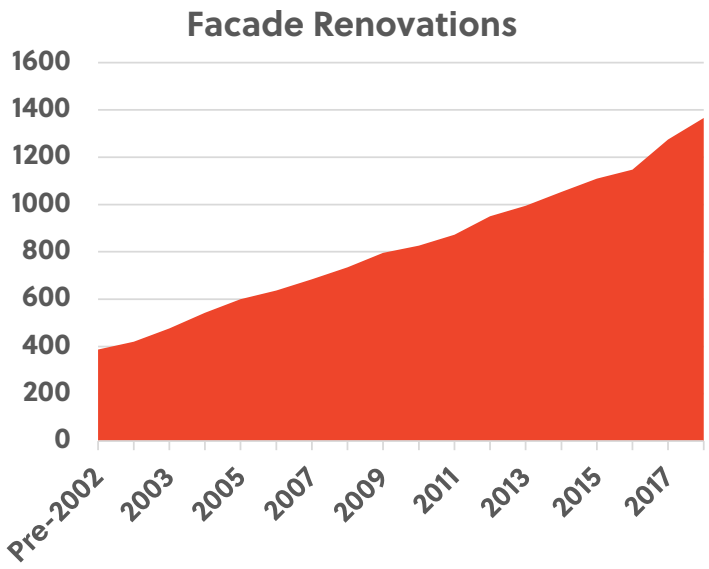


18 This includes investments from the following categories: facade improvements, rehabilitations, new construction, and public improvement projects.

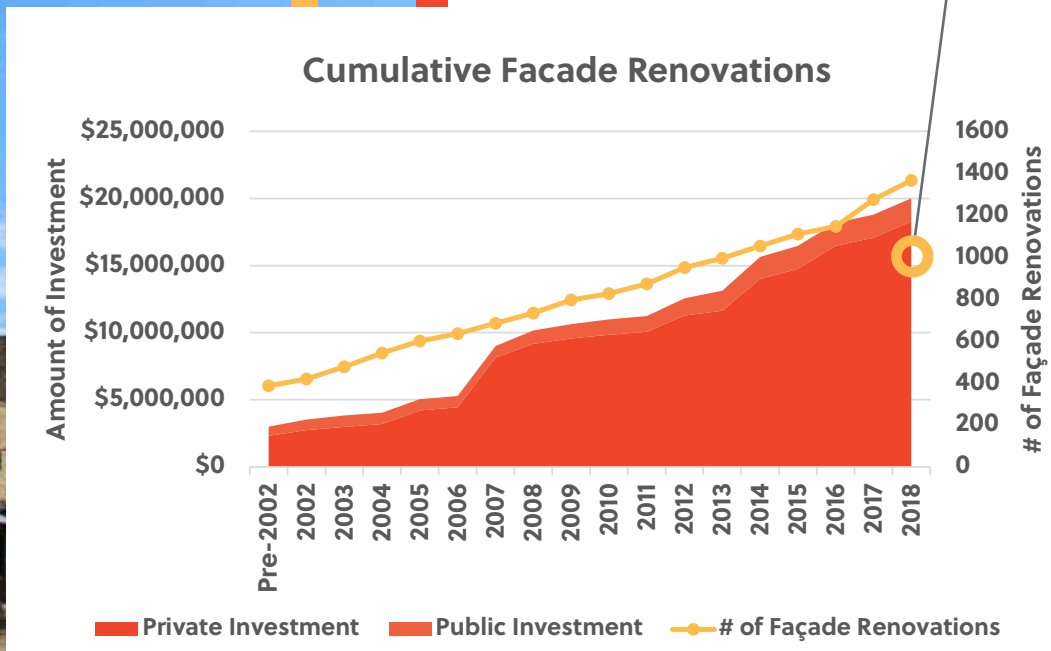
Facade Renovations

Perhaps the most visible indicator of Main Street health is the condition of building facades. This building feature serves as an important interface between the public and the activities located within. For this reason, making sure that facades are properly maintained and thoughtfully restored is a vital aspect in the overall composition and feel of Main Street. In Arkansas, facade improvements make up approximately 38% of all construction activity and 5% of all investment in Main Street communities. In total, 1,366 buildings have undertaken work to improve or rehabilitate their facades.

Overall, 91% of the funds to perform facade improvements have come from private investment, as opposed to just 9% from public sources. Considering the crucial role that building facades play in communicating the health of downtowns, Main Street communities are taking on an active role in providing support for private building owners to address facade enhancement needs.

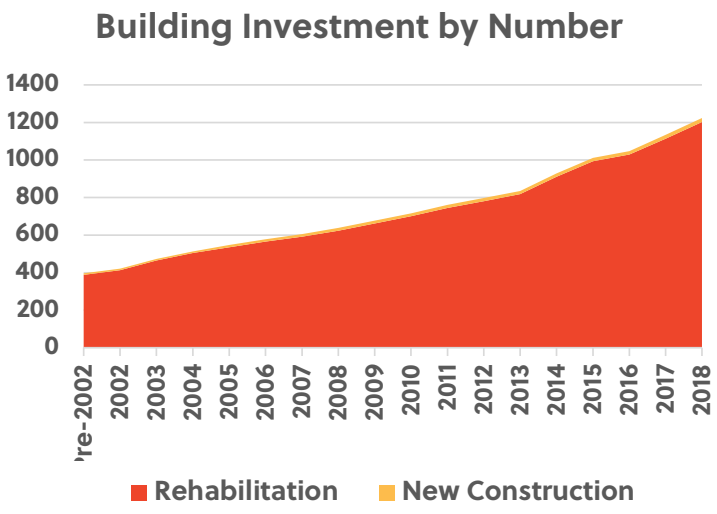


91% of the total funds to perform facade improvements have come from **the private sector.**

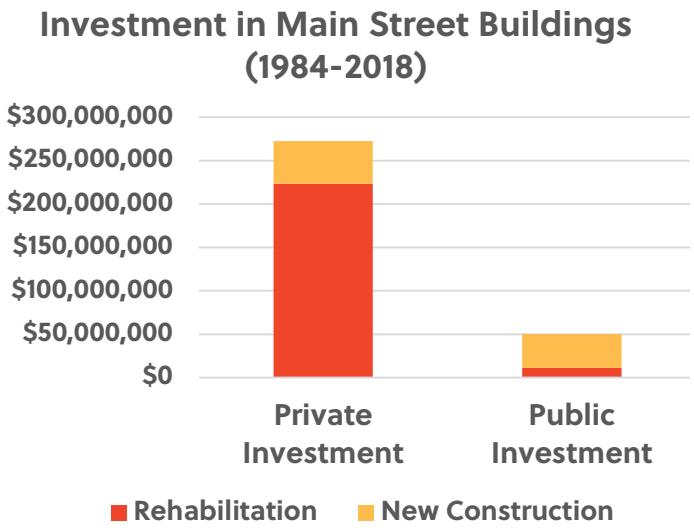


Building Investment

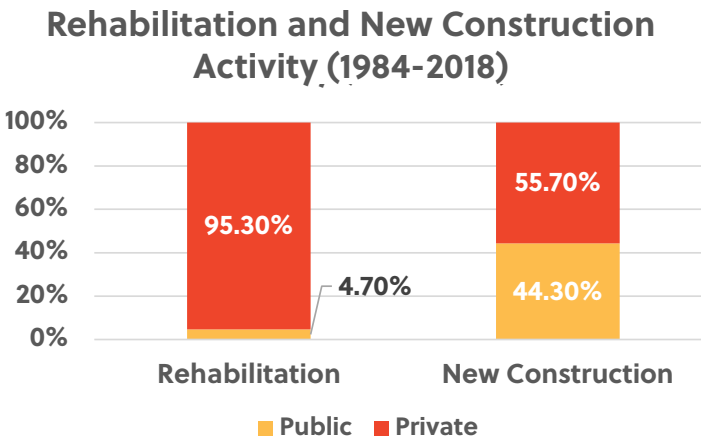
Main Street Arkansas has always been an important economic development tool for historic preservation. Yet, this does not mean that it freezes downtowns in time, as the key to a successful Main Street is vibrancy and evolution. 1,224, or 34% of all construction activities[19] on Main Street buildings have been in the form of rehabilitation or new construction. Of these two categories, 98% of the projects have been for rehabilitation, rather than new construction.



In total, over $322.9 million has been invested in either rehabilitation or new construction. Of this $322.9 million, 84% of all investment has been undertaken by the private sector. When only considering rehabilitations and new construction, rehabilitation projects comprise an overwhelming 98% of all projects and nearly 73% of all investment. Conversely, while new construction makes up about 2% of this type of construction activity, it represents 27% of all investment.



In the 22 new construction projects that have taken place in Main Streets Arkansas districts since 1984, 56% of all investment has originated from the private sector. This is in stark contrast with the private sector's investment in rehabilitation projects, which amounts to over 95%. This indicates that the private sector sees the value in rehabilitation over new construction.

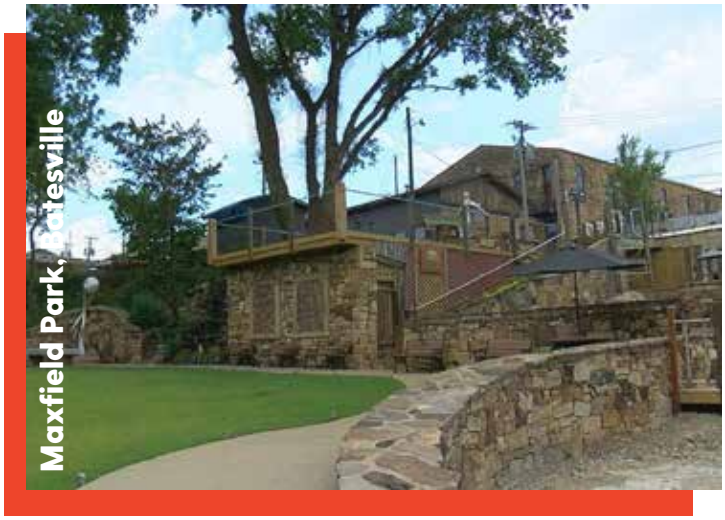


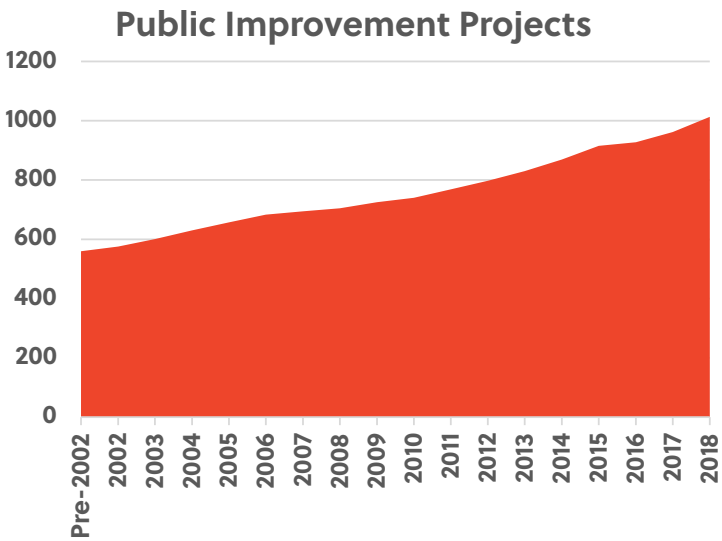
19 For the purposes of this report, "construction activities" include façade renovation, rehabilitation, new construction, and public improvement.

The Pinto, Batesville

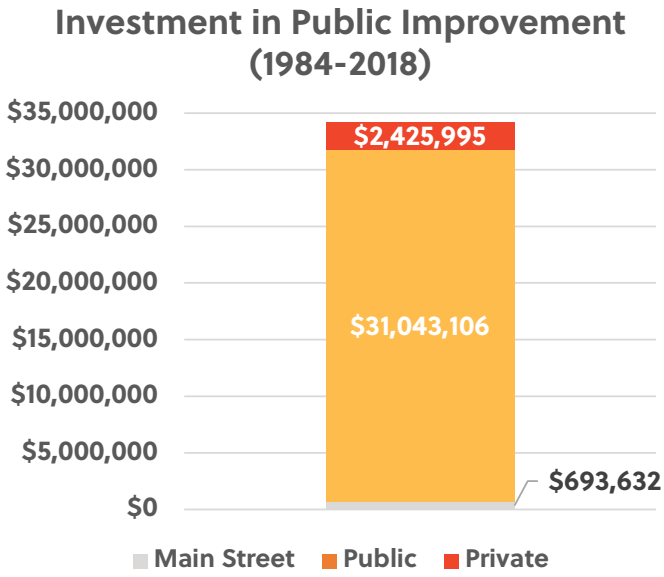
Public Improvement on Main Street

Public improvement projects benefit the entire community by helping to provide safe, clean, accessible, and aesthetically pleasing spaces for all to enjoy. Examples of such undertakings include streetscape improvements, receptacle installation, pedestrian safety measures, bike lanes, accessibility ramps, water main improvements, etc. In total, public improvement projects make up about 28% of all construction activities and 9% of all investment in Main Street Arkansas communities. To date, there have been 1,013 public improvement projects that have taken place in Main Street districts.





While local Main Street organizations contribute a relatively small share – approximately 2% – of the overall investment in public improvement projects in their downtowns, this contribution helps ensure that Main Street is a welcoming and pleasant environment for residents and visitors.

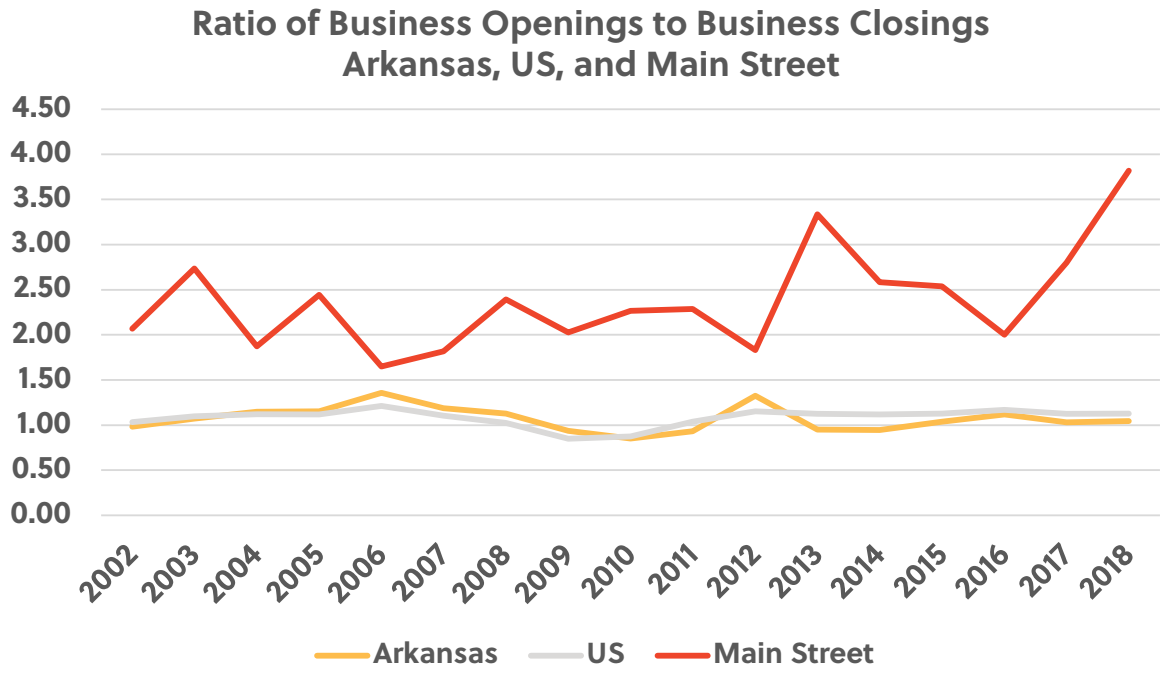


Fort Smith Pocket Park

Businesses

A useful test of local economic health is the relationship between the number of businesses that open vs. those that close. Fortunately, Main Street communities are required to report not only when new businesses open, but also when businesses in their districts go out of business. During the last ten years, many communities struggled under the Great Recession—nationally, for every 100 businesses that opened, 93 closed.[20] But, every single year since 2002, Arkansas Main Street communities, as a whole, have far outperformed both the national and statewide patterns.

The relationship between business openings and business closings can be expressed as a ratio. If, for example, over the course of a year one town saw 11 new businesses but 10 businesses shut their doors, the ratio would be 1.1. The entire US economy was hit hard in the recession, which began in 2007 and officially lasted for 18 months but, because the recovery was so weak, it negatively affected many parts of the country for years. That economic downturn was reflected in the open-to-close ratio in both the US and in Arkansas. In 2006, the national open/close ratio was 1.24, meaning 124 business opened for every 100 that closed. By 2009, the ratio was down to .84, meaning only 84 businesses opened for every 100 that closed. The state of Arkansas did slightly better but for three consecutive years saw more businesses close than open. But Main Street Arkansas districts? Even in the depths of the recession, more businesses were opening than closing. At the recession's height in 2009, Main Street Arkansas communities had an open/close ratio of 2.03, meaning for every 203 businesses that opened, 100 closed. For every year over the past decade, Main Street Arkansas communities outperformed both the state and the country on that measure.[21]

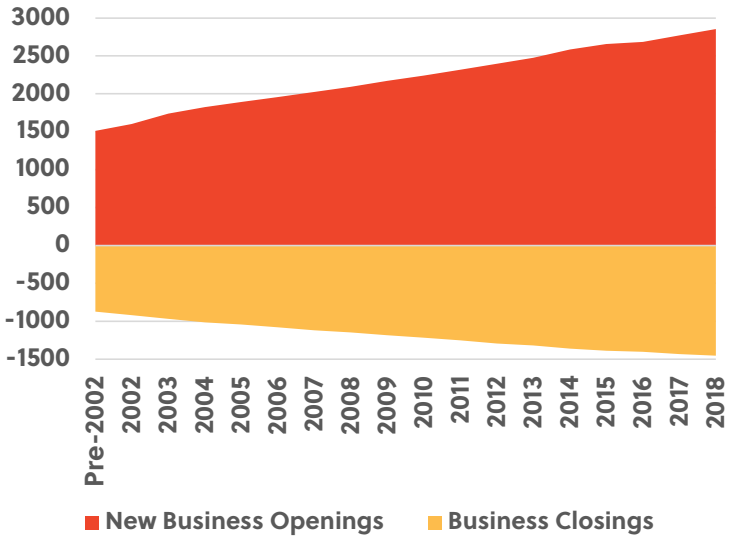


20 2006-2014.

21 See Appendix 3 for a full listing of open/close ratios over the last 15 years.

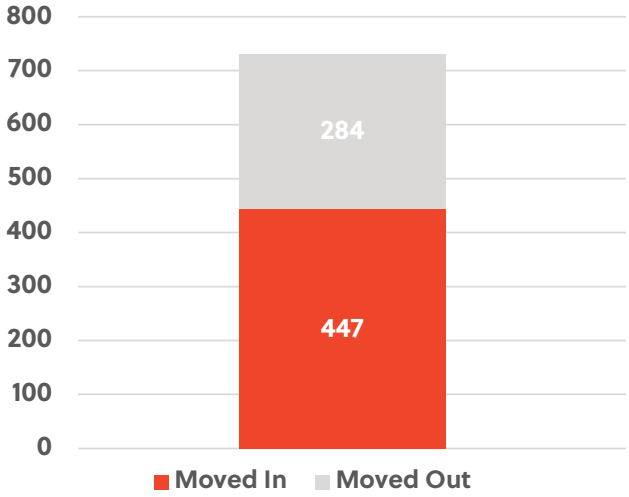
The goal of Main Street is not only to create an environment that encourages business to open, but also to assist existing businesses to stay open. Main Street Arkansas communities have been measurably successful in that effort, far outperforming the pattern both nationally and statewide.

Cumulative New Business Openings and Closings (1984-2018)



While net new businesses is an important metric, Main Street Arkansas also measures the number of existing businesses that move in and out of downtown. Again, this ratio is important, as it demonstrates the attractiveness of downtown. Overall, for every 100 businesses that move out, 157 move in.

Existing Businesses - Moved in and out of Downtown (1984-2018)



Mugs Cafe, Argenta

Raduno, SoMa Little Rock

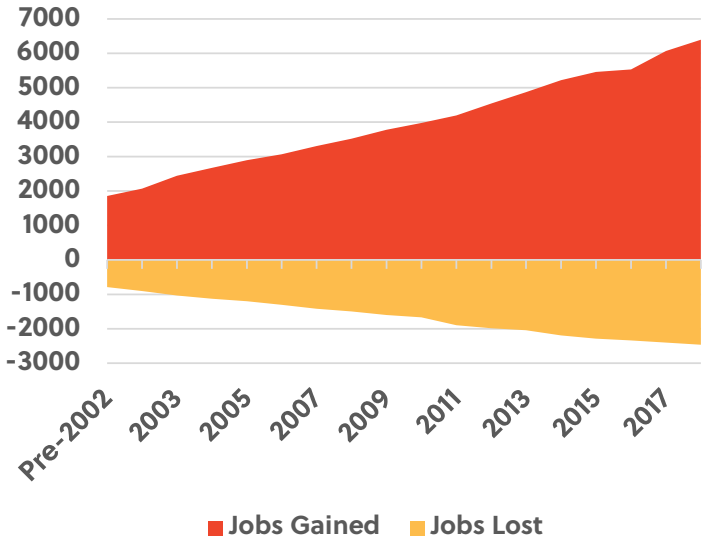
Handworks, Helena

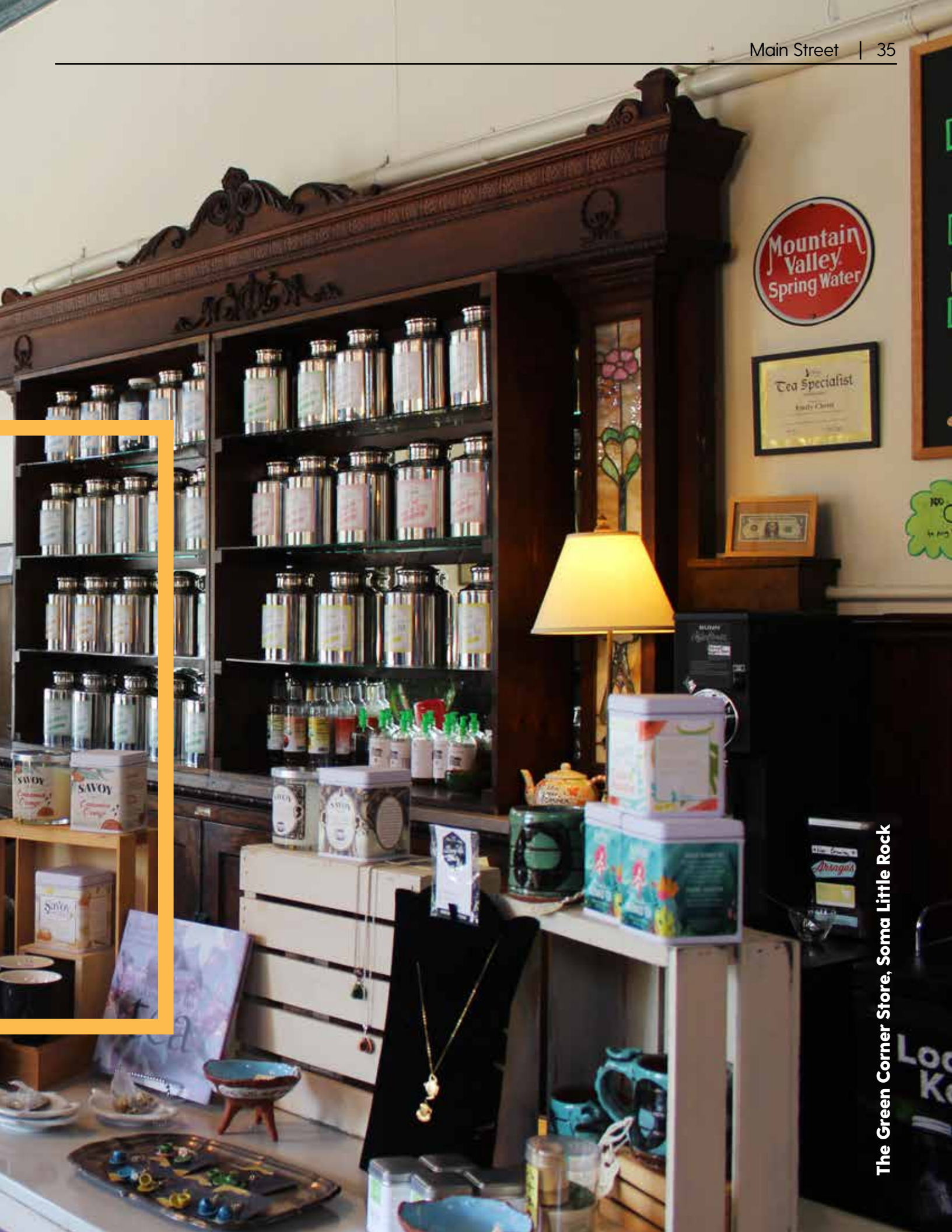
Old Towne Store, El Dorado

Jobs

New businesses also mean new jobs. Since 1984, Main Street Arkansas communities have seen more than 3,900 net new jobs.

Cumulative Jobs Gained from New Businesses and Lost in Business Closings (1984-2018)





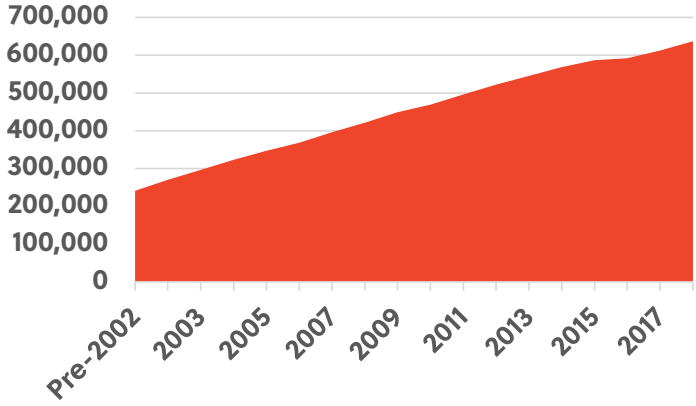
The Green Corner Store, Soma Little Rock

Volunteer Hours

In the white paper, "Measuring the Economic Value of a City Park System," the Trust for Public Land writes about "Community Cohesion," citing numerous studies that show that the more webs of human relationships a neighborhood has, the stronger, safer, and more successful it is. Any institution that promotes this kind of community cohesion—whether a club, a school, a political campaign, a religious institution, a co-op—adds value to a neighborhood and, by extension, to the whole city.[22]

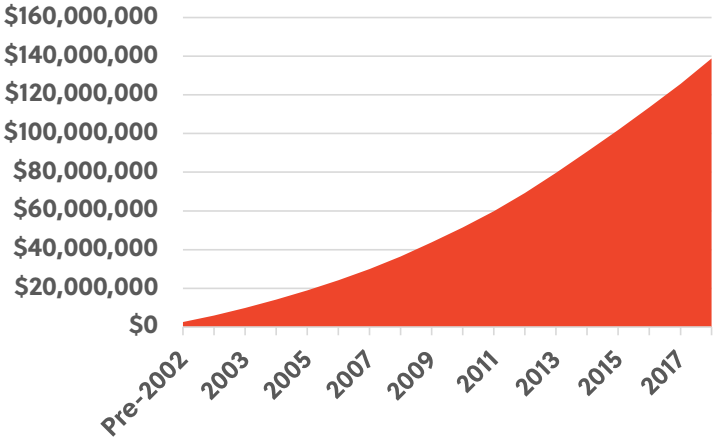
Programs like Main Street rely heavily on the commitment of dedicated volunteers. This provides opportunities for residents to forge connections with one another and invest their time, services, and talents back into their community. Every Main Street Arkansas town keeps detailed records of the number of hours volunteers spend helping the Main Street program. Between 1984 and 2018, Main Street volunteers have logged over 630,000 hours.

Cumulative Volunteer Hours (1984-2018)



Independent Sector, a national membership organization focused on nonprofits, projects the dollar value of volunteer time nationally and by state. They note that, for 2018, the estimated value of each volunteer hour in Arkansas was $20.49.[23] After adjusting for inflation, Main Street Arkansas volunteers have contributed a cumulative value of nearly $140 million dollars in time and services to Main Street Arkansas communities.

Value of Volunteer Hours (1984-2018)



Community volunteers helped restore the Melba Theater in Batesville.

22 Trust for Public Land, "Measuring the Economic Value of a City Park System", http://cloud.tpl.org/pubs/ccpe-econvalueparks-rpt.pdf

23 Arkansas specific, Independent Sector, https://independentsector.org/value-of-volunteer-time-2018/

The Melba, Batesville

Handworks, Helena

And the survey says…

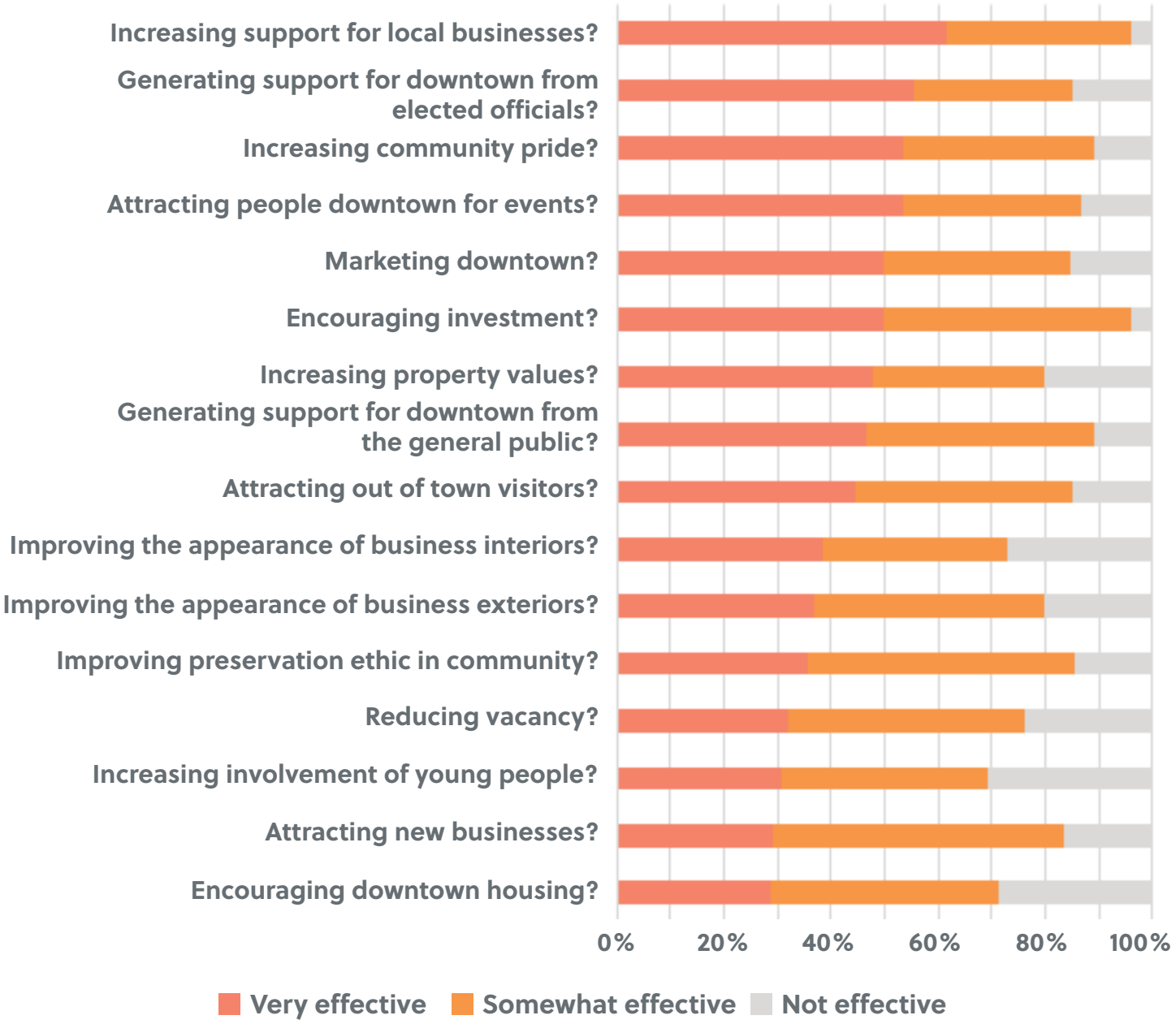
As part of this study, an online survey was conducted among Arkansas Main Street Managers and local individuals who served as the point person for various grants from the Arkansas Historic Preservation Program. The responses reinforce the importance of historic preservation in general and the various programs of the AHPP in particular to the vibrancy and success of local communities.

Respondents were asked if their community had a local Main Street program, and if so, how effective has it been in various activities. The top three responses for "very effective" were::

- Increasing support for local businesses
- Generating support for downtown from elected officials
- Increasing community pride.

Importantly, for almost every activity, two-thirds or more of the respondents felt that Main Street was either very effective or somewhat effective.

How effective has the Main Street Program been in...



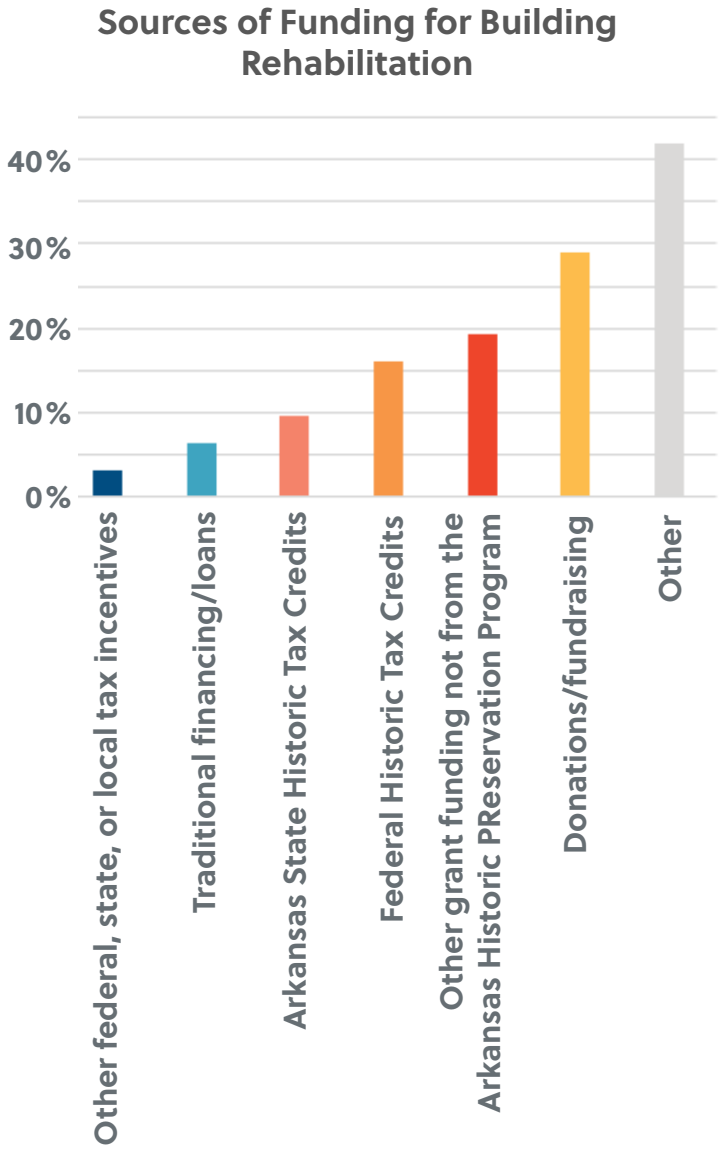
Main Streets are always evolving, and often play the role of informal incubation space for new entrepreneurs. When asked what the most recent business openings downtown were, the most common responses were:

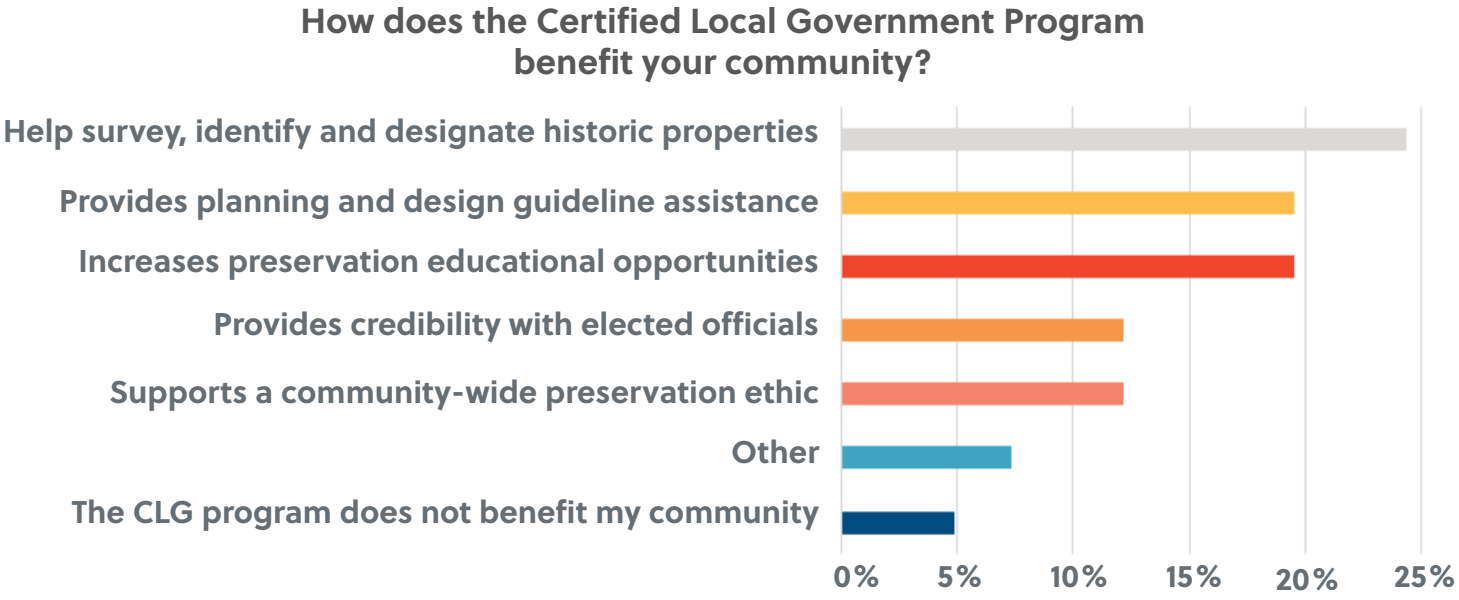
- Coffee Shops, Cafes, and Restaurants
- Book, Gift, Music stores and Art Dealers
- Antiques/Collectables/Decorators
- Clothing stores

Which businesses were closing downtown?

- Clothing stores
- Financial institutions
- Drugstores & Pharmacies
- Coffee Shops, Cafes, and Restaurants

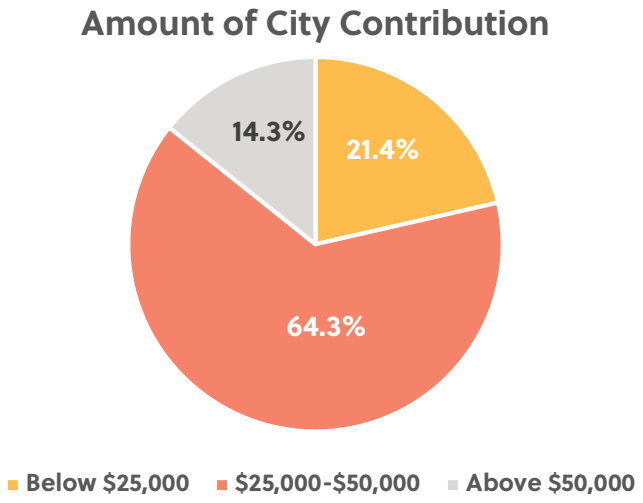
The grant programs of the Arkansas Historic Preservation Program have proven vital to achieving local preservation goals. More than 95% of respondents reported that their community had received some type of grant. Half used grant monies for historic building repairs, stabilization or restoration. But these communities also leveraged the grant money by securing funding from other sources as well. Around two-thirds of respondents reported that their community was a Certified Local Government. While there were a variety of ways that a community benefited, the most common response was help in surveying, identifying, and designating historic properties.





Seventy-eight percent of respondents who knew about the local CLG program said it was "very important" to historic preservation efforts in their community; another 22% called the CLG program "somewhat important." None responded that it was "not important."

In 2019, Main Street Arkansas surveyed their active programs to gauge the level of financial support, if any, that their respective cities provided to their Main Street program. Fourteen Main Street communities responded to a survey, disclosing the amount of financial contributions from the local municipality.

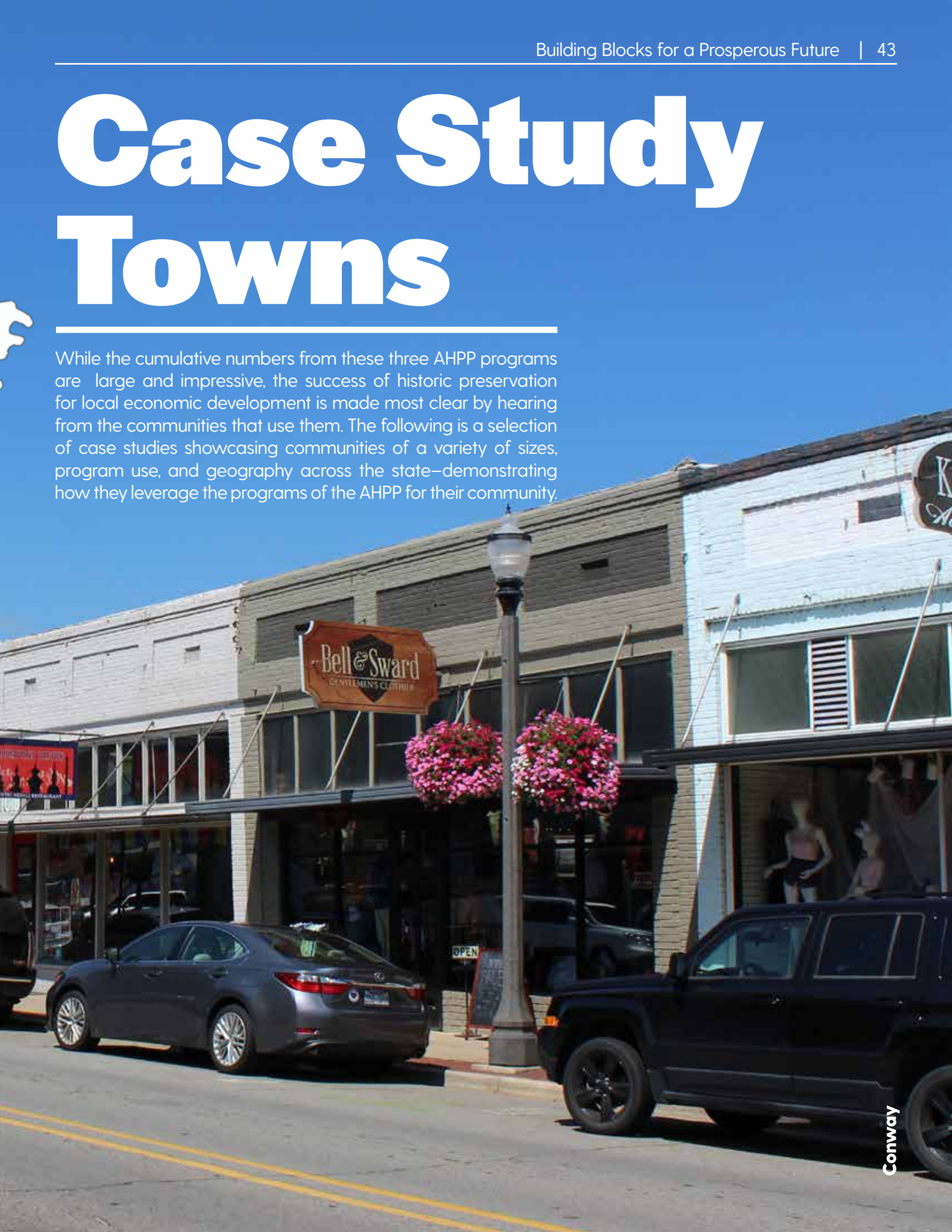


Apart from contributions from their local municipalities, the Main Street Arkansas survey found that funding also comes in the form of in-kind donations and funds from the city's Advertising & Promotions Commission. The commission, which oversees the allocation of a portion of the funds levied by the Hotel and Motel Tax, has the goal of improving the overall cultural, recreational and economic environment of the community, as well as promoting and encouraging tourism. While amounts vary, many of the respondents indicated that they receive funding from their city's A & P Fund. These monies have gone towards anything from Main Street events and festivals to promotional campaigns.

Batesville
Fort Smith
Conway
North Little Rock
Helena-West Helena
Hot Springs
Little Rock (SoMa and DLRP)
El Dorado

Case Study Towns

While the cumulative numbers from these three AHPP programs are large and impressive, the success of historic preservation for local economic development is made most clear by hearing from the communities that use them. The following is a selection of case studies showcasing communities of a variety of sizes, program use, and geography across the state–demonstrating how they leverage the programs of the AHPP for their community.



Conway

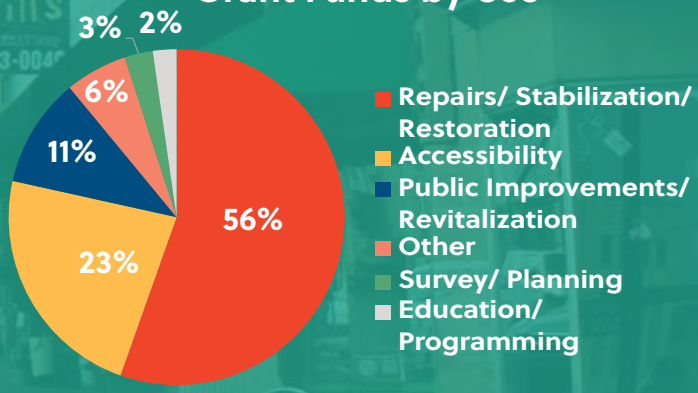
BATES VILLE

- **Population: 10,568 (2017)**
- **Main Street Program Since 1984**
- **266 Net New Jobs**
- **75 Net New Businesses**

USE OF GRANTS

$1,320,122
in AHPP Grant Awards
since 1979

Grant Funds by Use



TAX CREDIT INVESTMENT

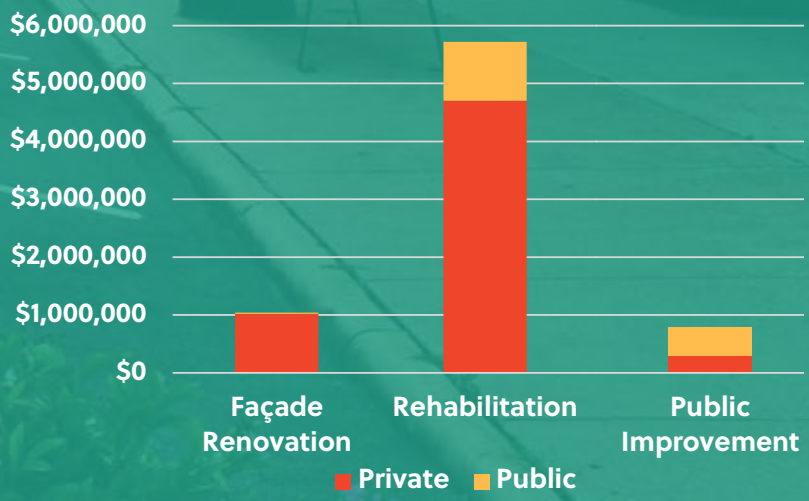
State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	3	$336,458
State+Federal	3	$905,239
Total Projects:	6	$1,241,696

MAIN STREET ACTIVITY

$7,564,238
in Main Street Investment
since 1984

Investment in Downtown



While Batesville was one of Main Street Arkansas's founding programs, the city had lost its downtown focus coming out of the 2008 economic recession. "A few years ago, you could take a nap in the middle of Main Street," said Main Street Manager Mandi Cartwright, but with an infusion of energy and leadership, that has completely changed, and today, Batesville is a star in the Main Street Arkansas constellation. "If Batesville were a theme park, downtown would be our best ride," said Kyle Christopher, the Director of Tourism with the Chamber of Commerce. Many credit Rear Admiral Bob Carius, who returned to the Main Street board as chair in 2013, for guiding the program through a necessary restructuring.

One of the board's first major projects with Carius at the helm was to undertake a streetscape plan for three blocks in downtown. Executed in multiple phases, this project introduced new traffic patterns, plants, and flowers, giving the street a fresh new appearance. This public and private investment has reinforced the important role downtown plays in the community, and has led to additional private investment. Other recent projects that proved impactful include The Melba Theater (see sidebar), the Barnett Building (now houses the Independence County Library), the Royal on Main hotel, and Maxfield Park.

Maxfield Park is possible due to the gift of land and a maintenance endowment from Anne Maxfield Strahl to Main Street Batesville. Danny Dozier, a well-known Arkansas musician, has led the development of this half acre park, set to open in the Fall of 2019. Mr. Dozier also did the work that was needed for the Maxfield-Wycough Building to become eligible for listing in the National Register of Historic Places. Using a Main Street Arkansas grant, he was able to repair the windows in a historically sensitive manner—a critical consideration for National Register designation. Having completed that work, he sold the building to the developers of The Royal on Main hotel, who were able to utilize the historic tax credits, making their project financially feasible.

Another major contributor to Batesville's Main Street rejuvenation is Citizens Bank. In addition to their financial support for the streetscape project and other downtown initiatives, they set aside $10 million for a low interest loan pool and $100,000 for a grant program, both specifically for downtown projects. Their continued investment in Main Street Batesville was a major factor in their being recognized by the American Bankers Association with the 2018 Community Commitment Award.

"If Batesville were a theme park, downtown would be our best ride."

Main Street Nutrition

The Melba Theater

The Melba Theater first opened in 1940 and has since been a prominent visual anchor at the west end of Batesville's Main Street. Working at the Melba was Adam Curtwright's first job in high school, and he can still remember going to the movies there for less than $5. It was always his dream to see the Melba come back to life and be a space for Batesville's youth again.

In 2015, Adam bought the Melba Theater with his wife and local Main Street Manager, Mandi Curtwright and their friends, Joe and Janelle Shell. They initially worked with a contractor, but quickly realized that the high cost of renovation would prohibit them from selling tickets and concessions at a low price–they wanted the Melba to be a place where the whole family could go without breaking the bank. So they decided to do the work themselves and make it a community project. There was a lot of work to be done: the building's electrical needed to be replaced, the wall sconces and marquee sign needed to be restored, the seats needed to be refurbished. Restoring the theater seats became a labor of love that the community came out in full force to support--one local material company donated the fabric, another local company rehabbed the seats. Community members were able to "sponsor" seats--in exchange for donations to help offset the cost of seat restoration, people received a name plaque on the back of their seats. The state historic tax credit also played a large role in the success of this project: "We might not have done it otherwise," said the two couples.

Known for their seasonal special movies, especially at Christmas, and for their community and family focus, this project has not only anchored one end of Main Street, but also introduced a whole new generation of Arkansans to downtown Batesville. "Parents can let their kids walk downtown and don't have to worry about them," Adam said. The Melba catalyzed the revitalization of downtown Batesville, not just because it created a cool space to gather, but because it brought as many community members into the process as possible. It is a community theater and a community story.

MELBA
MELBA
NOW SHOWING
Jeep

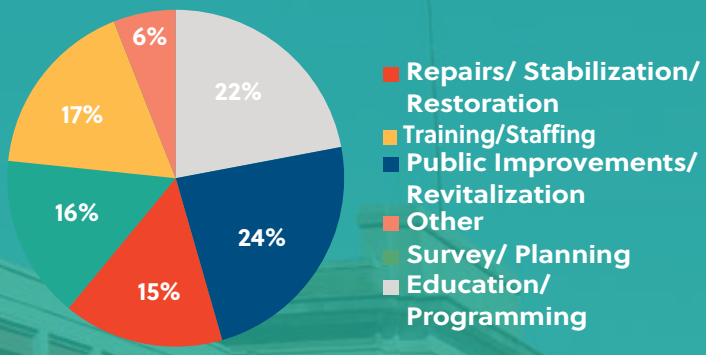
CONWAY

- **Population: 64,481 (2017)**
- **Main Street Program Since 1987; inactive 1998; readmitted 2016**
- **356 Net New Jobs**
- **73 Net New Businesses**

USE OF GRANTS

$267,296
in AHPP Grant Awards
since 1979

Grant Funds by Use



TAX CREDIT INVESTMENT

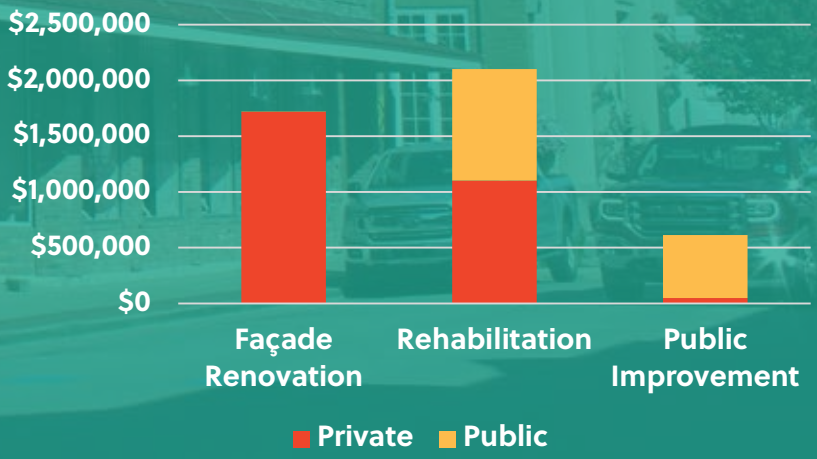
State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	5	$403,184
State+Federal	6	$2,594,182
Total Projects:	11	$2,997,366

MAIN STREET ACTIVITY

$58,656,688
in Main Street Investment
since 1987

Investment in Downtown



Hanging Baskets

Photo: Conway Facebook

Upon entering Conway, one cannot help but be impressed with the hanging flower baskets. They line every street downtown, complement the architecture, and create a welcoming atmosphere for pedestrians. As Mayor Bart Castlebury says, "Everybody loves the hanging baskets." These lovely additions have proved to be the perfect accent to a downtown that has become the city's entertainment district, catering to a wide-range of audiences.

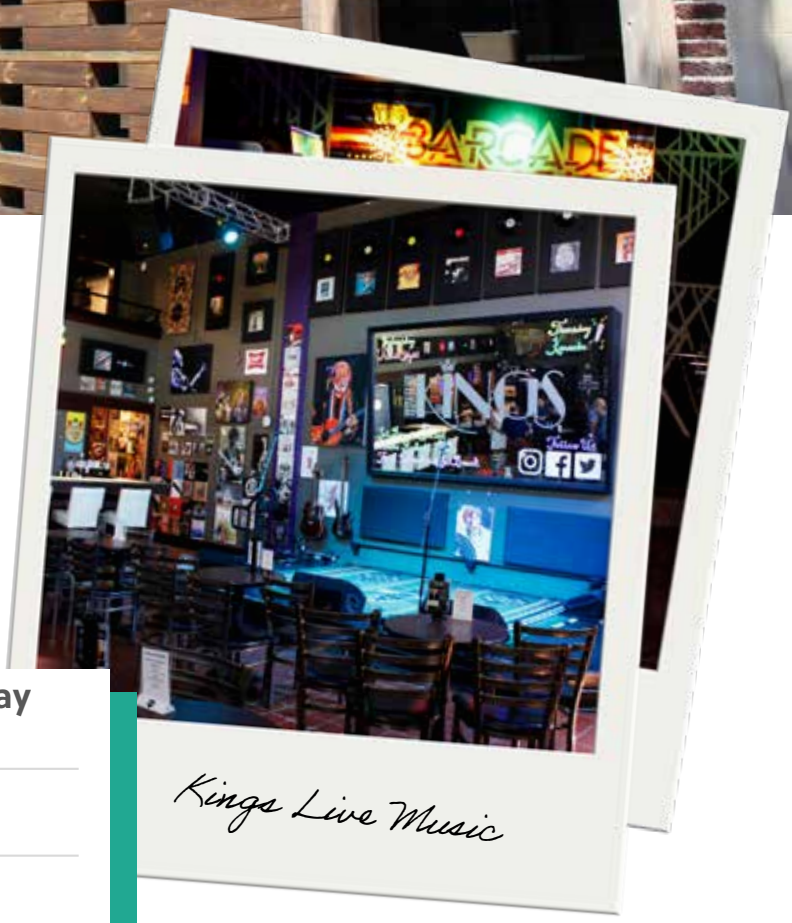
After a period of inactivity, Conway was readmitted as a Certified Main Street program in 2016, adding value to the efforts downtown. Chamber of Commerce CEO Brad Lacy praised Main Street Arkansas and the Division of Arkansas Heritage, saying, "After the Department of Commerce, this is the State agency we work with the most. It is an economic development program and a community development program." Beyond beautification efforts, the Conway Downtown Partnership works with property and business owners to provide them with information, support, and advice relevant to Main Street.

The jewel of Downtown Conway is the Smith Ford Showroom Building, an Art Deco influenced two-story building that is now the home of King's Live Music and the Brick Room. Brent Salter grew up in Conway, working for his family's construction company. When his father acquired the building back in 2004, Brent was excited to make it a downtown destination. "Back then, there was nothing to bring you downtown, no bars, no live music, despite this being a town with three colleges," said Brent. Salter Construction rehabilitated the building using state and federal historic tax credits in 2012. Its completion made downtown an indisputable entertainment district.

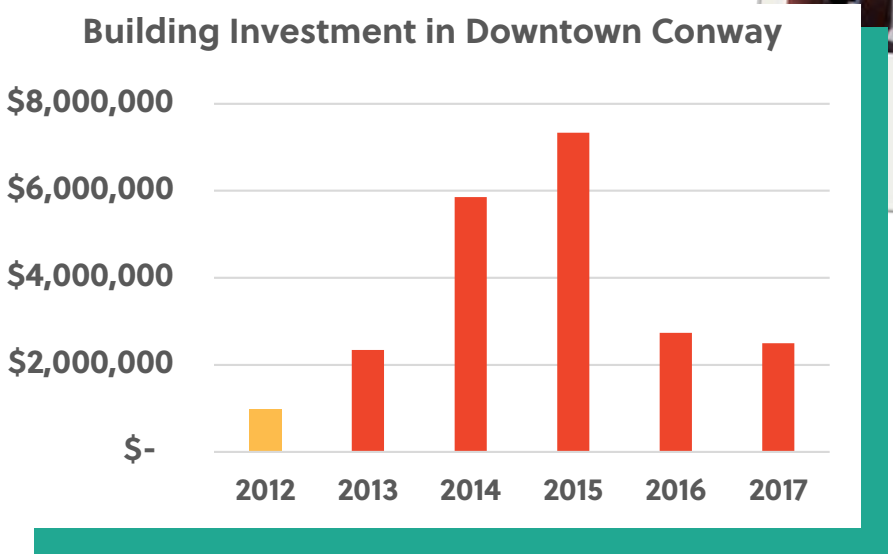
"We believed in downtown," said the co-owner of King's Live Music. "We went to college here and wanted to stay, so this seemed like a good idea." Today, King's hosts live music almost every night Wednesday-Saturday. "This project brought the energy to downtown, it saved us," said Kim Williams, Executive Director of the Conway Downtown Partnership.

Smith Ford Showroom Building

Directly following the rehabilitation of the Smith Ford Showroom, building investment boomed in Conway's downtown district. Salter finished the rehabilitation in 2012--only the second state tax credit project to happen in Conway. The very next year, four more state tax credit projects were undertaken in Conway for a total of $732,742 in building investment. While peaking in 2016, building investment has continued to be significant in downtown Conway.



Kings Live Music



EL DORADO

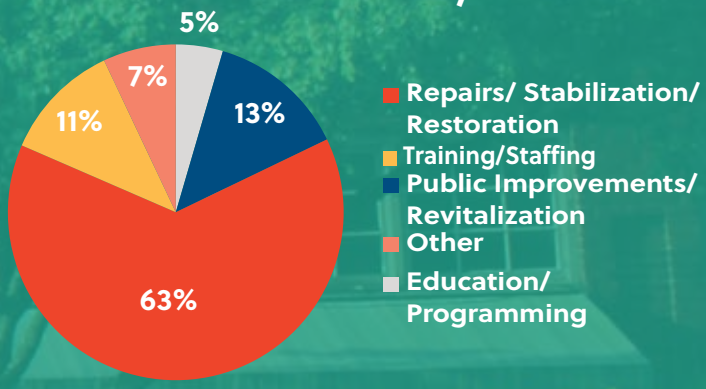
- **Population: 18,201 (2017)**
- **Main Street Program Since 1988**
- **893 Net New Jobs**
- **106 Net New Businesses**

USE OF GRANTS

$1,158,138

in AHPP Grant Awards since 1979

Grant Funds by Use



TAX CREDIT INVESTMENT

State and Federal Tax Credit Activity

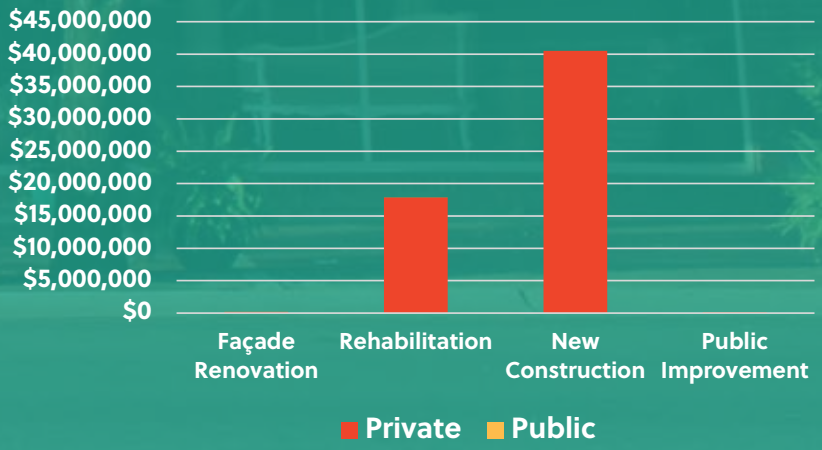
Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	4	$2,123,481
State+Federal	3	$31,812,334
Total Projects:	7	$33,935,815

MAIN STREET ACTIVITY

$58,543,477

in Main Street Investment since 1988

Investment in Downtown



As an early twentieth century oil boom town, El Dorado's history has often been tied to oil. Today, Murphy Oil and Murphy USA are the leaders in civic, business, and education investment in El Dorado. In addition to oil, Union County has significant chemical and timber industries as well. The strong business climate has allowed downtown El Dorado to benefit from on-going corporate support and leadership.

El Dorado first became a Main Street Arkansas community in 1988. While there have been many ups and downs in the program's 32-year history, the perseverance of the community's efforts led to El Dorado being named a Great American Main Street Award winner in 2009. El Dorado's downtown, which is anchored by the historic 1927-28 Union County Courthouse, continues to evolve. Main Street has historically played an active role in cultivating a vibrant arts, music, and culture scene, having operated a successful music festival for 30 years. [24]The success of this undertaking paved the way for the establishment of the Murphy Arts Districts (MAD), a philanthropic endeavor established by Murphy Oil and Murphy USA. As arts and culture increasingly take center stage in downtown El Dorado, there has been an uptick in demand for residential and hospitality accommodations, leading to adaptive reuse projects and the construction of a new hotel and convention center. The Murphy Arts District represents a major financial commitment as well as a statement about the importance of the arts in this community's future.

Much like the City's reinvigorated efforts to become a world-class destination for arts and culture, Main Street El Dorado has also evolved, transitioning from a program focused primarily on promotions to one that is now stressing business development. The program has utilized Main Street Arkansas staff, AHPP grants, and services to help local businesses with business planning and interior and exterior design. Main Street started First Thursdays to bring people into downtown and expand business exposure. They have also used Main Street grants to replace and clean storefront awnings, install WiFi throughout downtown, and upgrade their website. Main Street grants have also helped pay for streetscape improvements.

By partnering with homegrown corporations that are committed to increasing the quality of life for their employees and working to develop businesses downtown, Main Street El Dorado continues to have an eye toward the future as they promote the past.

24 Though MusicFest is still an annual event, it is now run by the Murphy Arts District.

Photo: Doing More Today

Richard and Vertis Mason, Property Owners

Richard and Vertis Mason are credited with being instrumental in the start of Main Street El Dorado. When they moved back to the city in 1975, the downtown and its businesses were struggling because of the new nearby shopping center. They bought three small vacant stores and used the federal historic preservation tax credit to rehabilitate one of them. They began recruiting tenants and continued buying property. Today they have 23 tenants in various buildings downtown.

They have used the historic preservation tax credits on other properties downtown. One especially significant project was the Myrtelle's House-Union Square Guest Quarters, which was the first residential renovation in downtown. It has 34 rooms, most of which are used as corporate housing. In addition to improving buildings, the Masons also brought trees and landscaping to downtown, and Richard was instrumental in developing the Oil Heritage Park.

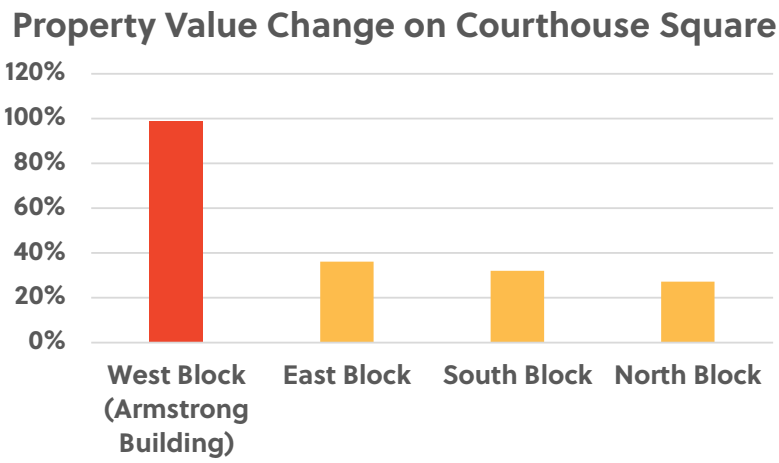
Without early pioneers across the country like Richard and Vertis, the national Main Street movement wouldn't have succeeded. "Everyone thought we were crazy," said Vertis, acknowledging the magnitude of the risk they were taking. As others were fleeing to the new outskirts, they saw the potential of downtown and had the foresight to reinvest in its future.

Catalytic Impacts of the Armstrong Building Project

In 2010, Pete Dunn, a Washington, D.C. based developer with family ties to El Dorado, purchased the 1924 Armstrong Building at the corner of Main Street and Washington Avenue, a large brick office building situated prominently at the southwest corner of El Dorado's Courthouse Square. Shortly thereafter, the building went through three rounds of rehabilitation and renovation using the state historic tax credit. In 2011, the building underwent a major rehabilitation that utilized both the federal and state historic tax credits. Work included retrofitting the historic building and renovating and improving tennant office spaces. In 2012, the ground floor was renovated to prepare for an exciting new ground floor tenant: PJ's Coffee, a southern coffee chain that started in New Orleans. Finally in 2014, another ground floor space was renovated for El Dorado Creamery.

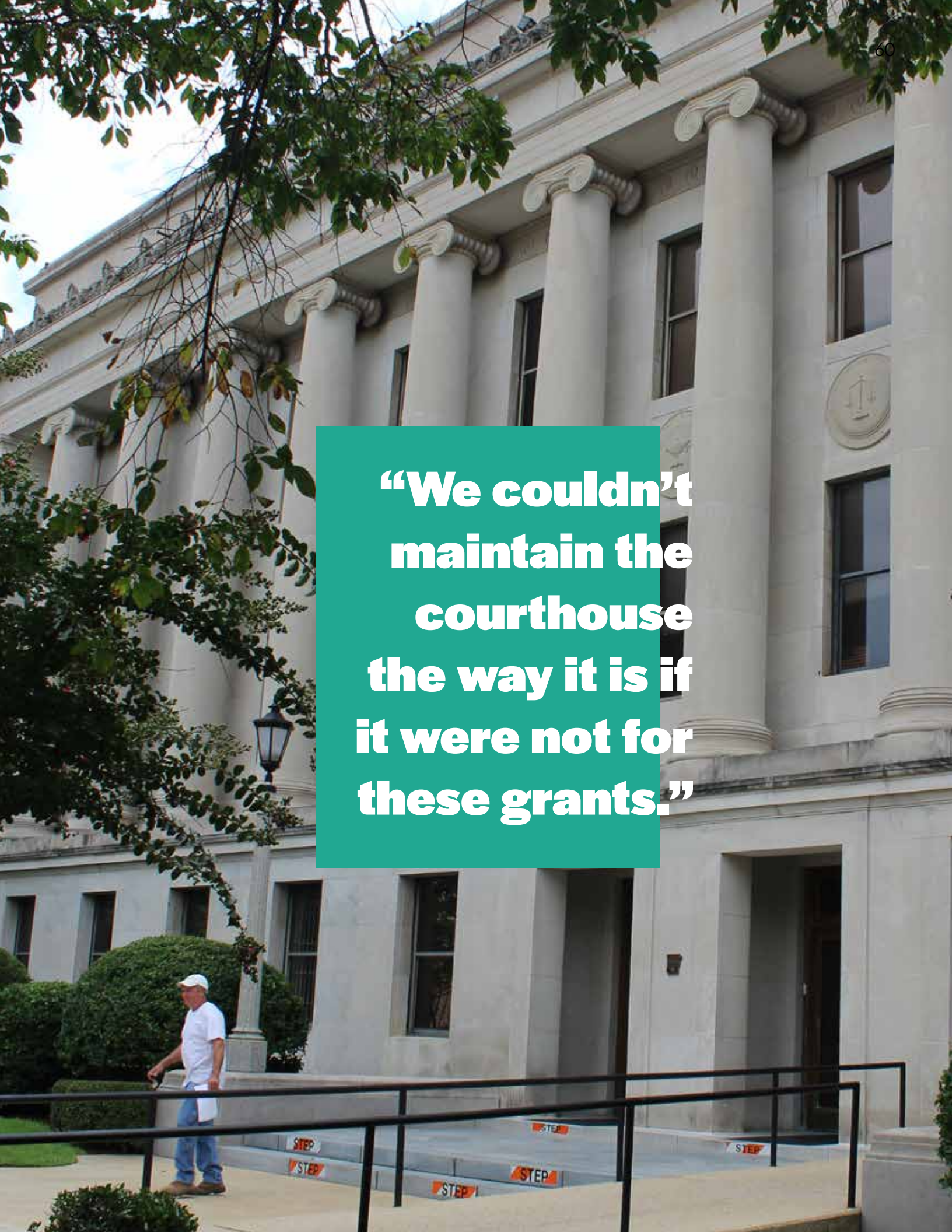
This infusion of activity was deliberate: Dunn wanted to create the space to be a social environment. He worked with PJ's Coffee to have them stay open later into the night and introduce the concept of serving wine and beer in the evenings--the first PJ's Coffee location to do so. "There are a lot of people with a strong commitment to the town, including Richard and Vertis Mason, Main Street El Dorado and the local chamber, among others, and their backing of the city makes it easier for me to invest both my money and my time. I give a lot of credit to what they've done to make downtown into what it is today; I'm just following in their footsteps."[25]

The impact of the work done on the Armstrong Building goes beyond just the pedestrian activation of an important corner. Between 2015 and 2018, the value of properties on the west block of the Courthouse Square--excluding the Armstrong Building--have increased at a rate more than double that of the other three blocks around the Courthouse. The impact of these state historic tax credit projects extends beyond just the property line.



25 http://www.omagdigital.com/article/QUESTIONS+9+WITH+PETE+DUNN/1205970/130016/article.html

“The community’s commitment makes it easier for me to invest my time and money.”



“We couldn’t maintain the courthouse the way it is if it were not for these grants.”

Union County Courthouse

The Union County Courthouse is the true centerpiece of El Dorado's Main Street square. Built in 1927 after the El Dorado oil boom, the monumental Greek revival courthouse was constructed to symbolize the sudden flow of capital that put El Dorado on the map. Constructed of smooth limestone, the four-story structure features 40 freestanding ionic columns and a grand skylight. Inside the courthouse are immaculately preserved interiors, including a two story marble art deco atrium and ornate courtrooms.

Stewardship of such an impressive building entails regular and often costly maintenance. According to Mike Loftin, Union County Judge, "The Courthouse wouldn't be able to be maintained the way it is if it were not for these grants. Especially in a rural county, where you are losing population—the county doesn't have that type of money lying around to take care of a building like this."

Union County has been proactive in the upkeep of the massive Courthouse, regularly seeking funding and undertaking necessary improvements as they arise. In total, Union County has received $463,695 in AHPP Courthouse Grant funding since 1995. These funds have been used to undertake masonry and roof restoration, repair water damage, and necessary electrical retrofitting. Courthouses are an important symbol of the county's health—the Courthouse Grants Program ensures that these prominent buildings are well cared for.

FORT SMITH

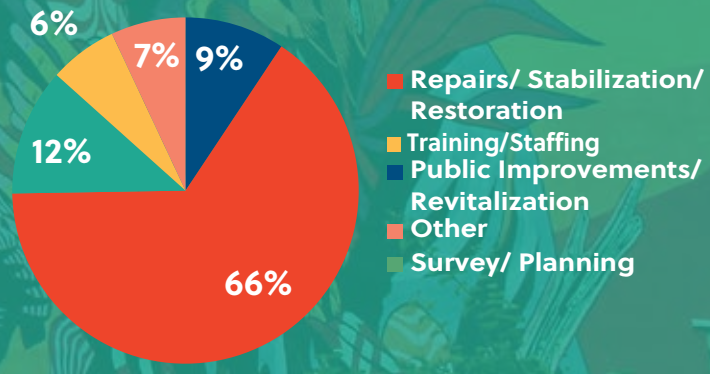
- **Population: 87,537 (2017)**
- **Main Street Program Since 2020**

USE OF GRANTS

$926,399

in AHPP Grant Awards since 1971

Grant Funds by Use



TAX CREDIT INVESTMENT

State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	3	$469,852
State+Federal	15	$15,096,499
Total Projects:	18	$15,566,351

Fort Smith, Arkansas's second largest city, was established as a military post in 1817 where the Arkansas and Poteau Rivers meet. Known for its military and law enforcement history, today it has evolved into a manufacturing center. Downtown Fort Smith is the city's center for arts and entertainment, and where visitors can see and experience many aspects of Fort Smith's history, from the Fort Smith National Historic Site to the Clayton House and the Belle Grove Historic District.

As the newest member of Main Street Arkansas, 64.6 Downtown is leading the efforts to have Fort Smith become a fully engaged Main Street community. Building on their highly successful arts event, The Unexpected – Urban Contemporary Art, 64.6 Downtown is bringing a renewed focus to downtown's many assets and opportunities. Partnering with the Central Business Improvement District (CBID) they undertook the 2017 Strategic Plan, "Propelling Downtown Forward." This was followed in 2019 with a Town Hall meeting that attracted over 120 people who wanted to talk about downtown. Priorities have been identified and resources are being directed to continue to revitalize the city center.

One recent project of note is the renovation of the Friedman-Mincer Building, also known as the OTASCO Building, to become the headquarters for Propak, a major logistics company. Firm founder and president, Steve Clark, who also founded and funded The Unexpected, wanted to demonstrate how rehabilitating an undervalued, yet historic, building could bring new life to downtown. Utilizing the Federal and State historic tax credits, he invested between $2.0 million and $3.0 million in the project. Each week 40-50 people from the Fort Smith area are invited to come to the office for wide-ranging discussions on issues of importance to the community.

"Downtown has been good to me."

Historic Holdings – Justin Simmons

Justin Skinner says, "Downtown has been good to me so I try to put money back into it." That partially explains how he ended up doing renovations in the Belle Grove Historic District. He saw what he described as "great houses" that needed to be better used. He has renovated three houses so far, turning them into apartment homes where his primary clients are single females over 25. His work, coupled with that of other residents, "is drawing more people to the area." Justin was quick to point out that "without the (Federal and State) tax credits these would not be feasible." He says having the credits allows him to take on the work that would otherwise be too risky. Having a viable residential district close to downtown, and one that is so historically significant, is clearly contributing to downtown's improvement--and clearly aligns with the Mayor's priorities for revitalizing downtown. We want people to live near downtown," said Mayor George McGill. "These neighborhoods have great stories, rich history, walkability, and recreation. We are headed in the right direction very quickly, and we have citizens who are willing to invest in the resources." Justin Skinner is making a difference.

Fort Smith Museum of History

The Fort Smith Museum of History was established in 1910 as the Old Commissary Museum. The museum was founded with the principle purpose of saving the city's oldest building, the Commissary building from the second Fort Smith, from demolition. The building is now restored and a part of the Fort Smith National Historic Site. With that goal complete, the Fort Smith Museum of History strives to preserve approximately 40,000 artifacts chronicling the city's and surrounding region's history, as well as care for the Atkinson-Williams Warehouse, which houses the museum. Constructed in 1906 for Atkinson-Williams Hardware, Williams Hardware and Speer Hardware later occupied the structure. The Fort Smith Museum of History has occupied the structure since 1979. The most delightful and unexpected feature of the museum is a fully operational pharmacy and soda fountain on the ground floor. Guests can enjoy ice cream, sundaes, floats and handmade ice cream sodas served in a working exhibit.

In 2018, the Fort Smith Museum received an $18,000 matching Historic Preservation Restoration grant to repair the building's west wall, where water was seeping into artifacts. The Museum's Director said that the museum, which does not receive city funding, could not function: "Without that funding, we can't protect the building, and the building is an artifact itself."

“The building is an artifact, and without this funding we can’t protect it.”

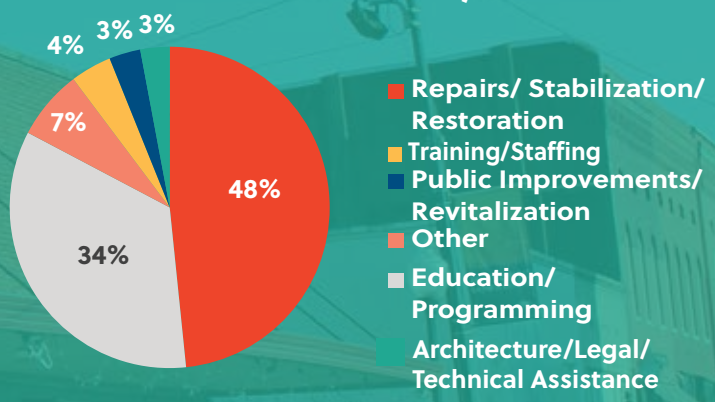
HELENA-WEST HELENA

- **Population: 11,210 (2017)**
- **Main Street Program Since 1984**
- **174 Net New Jobs**
- **24 Net New Businesses**

USE OF GRANTS

$3,657,347
in AHPP Grant Awards
since 1979

Grant Funds by Use



TAX CREDIT INVESTMENT

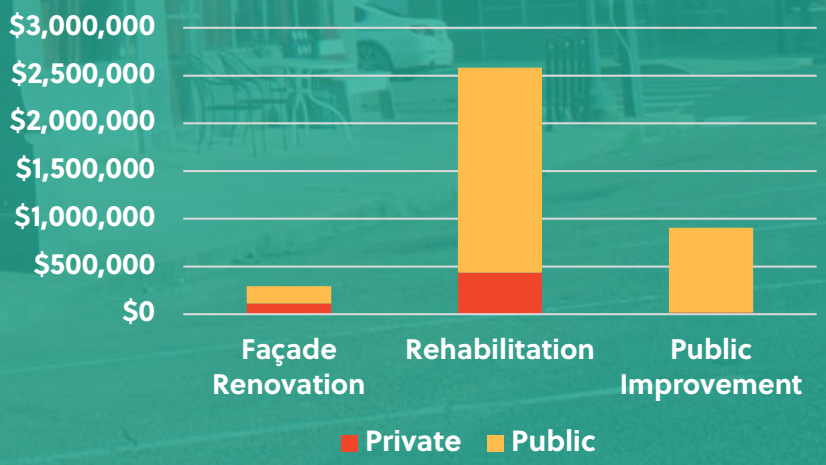
State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	2	$331,424
State+Federal	3	$620,390
Total Projects:	5	$951,814

MAIN STREET ACTIVITY

$3,782,734
in Main Street Investment
since 1984

Investment in Downtown



Main Street Helena is one of Main Street Arkansas's founding programs, and it is a story of challenge and opportunity. It is also one of perseverance. As a community, Helena-West Helena has lost nearly fifty percent of its population since the end of World War II. Once vibrant industries have left or closed as the economy has changed. Over the last century, river flooding has also shaped Helena-West Helena's story. Whether it was the construction of a levee that cut off access to downtown businesses after the 1927 flood or more recent events that have created hardship and economic loss, downtown Helena's proximity to the mighty Mississippi has posed challenges.

But water is also vital, as the river provides the access necessary for riverboat tourism. Organized by Main Street Helena, the American Queen and American Duchess dock near downtown every year, bringing tourists from across the nation to visit, shop and dine on Main Street. But riverboat tourism is not Main Street Helena's only attraction. Recognizing the national significance of Helena's very own King Biscuit Time radio program, Main Street Helena started hosting the King Biscuit Blues Festival in 1986. Held every October, the event is the pride of the Delta region and is one of Arkansas's biggest music attractions. Helena-West Helena also played an important role in Civil Rights history. In front of the Phillips County Courthouse, a new monument to the Elaine 12 has been erected, memorializing the 1919 massacre of countless black citizens and the subsequent Supreme Court ruling (Moore v. Dempsey) that opened up legal rights for African Americans nationwide.

As one of the only Arkansas towns in the Delta with Mississippi River access, Helena-West Helena was historically more cosmopolitan than many other Arkansas towns, attracting people from all over the world. Helena-West Helena's architecture, both commercial and residential, is unique and is reflective of both its river heritage and its well-traveled settlers. Unfortunately, with the loss of population has come the decline in building occupancy. One of Main Street Helena's most successful and important projects was their roofing program which helped to stabilize many of the buildings in downtown. They have also sponsored a window replacement program and an awning program, all intended to both stabilize important assets and stimulate reinvestment. Each of these programs utilized Arkansas's Downtown Revitalization Grant to help fund the effort. Another key Main Street initiative was the Kelly Courtyard. Here Main Street created an attractive public space in an empty lot, essentially filling the gap along the street.

These projects and more have led to renewed confidence by business owners. Upper floor apartments have been built and more are underway; there is a new distillery under construction that will utilize local farm produce; people have bought buildings with an eye towards rehabilitation; and there have been major building renovations and business start-ups in recent years.

Downtown Helena is also seeing a growing recognition in the value of arts and culture. The Helena Museum of Phillips County has invested over $1 million in building restoration, including new roofs, window replacement, and mending years of deferred maintenance. Moreover, there is a community-based arts initiative that is involving school kids and utilizing vacant spaces in downtown. This privately led effort complements Main Street Helena's work and reinforces downtown's growing vitality.

While there is much yet to do, the signs of enthusiasm and excitement for downtown Helena are clearly visible. Credit for these efforts goes to the many partners working together under the Downtown Helena Partnership banner including Main Street Helena, the Welcome Center, Delta Cultural Center, Helena A&P Commission, and others. Helena-West Helena has a great story to tell, and one that is still being written.

HELENA
Arkansas
Visit Battery C!
Public Art by Misti Staley

Helena Museum of Phillips County

Helena Museum of Phillips County

The Helena Museum of Phillips County is the first purpose-built museum in the state of Arkansas. In 1891, the Women's Library Association (WLA) opened the first proper library in Helena-West Helena. They operated out of an impressive 2½ story French Mansard building on Pecan Street, which, over the years, has served as a city library, civic center, and museum. The WLA began collecting artwork and artifacts of the Arkansas Delta in the late 19th century. In 1931, they built an addition to the library which became the Phillips County Museum to display these prized possessions.

In 2014, the Phillips County Library moved into more modern facilities. That same year, a tornado blew through Helena, resulting in severe damage to the Museum; the roof was torn off the building, causing water to get inside, threatening the artifacts. It took significant grant funding from the Arkansas Historic Preservation Program to bring the building back into public use. In total, $219,000 in Historic Preservation Restoration Grants funds were provided for roof and various exterior repairs.

Today, the Helena Museum of Phillips County works with other cultural institutions in the city like the Visitor's Bureau, the Delta Cultural Center, and Helena Main Street to celebrate the heritage of Helena, Phillips County, and the Arkansas Delta. The critical funding provided by the state's grant program will allow the museum to share this history for another century, as it has done for the last 129 years.

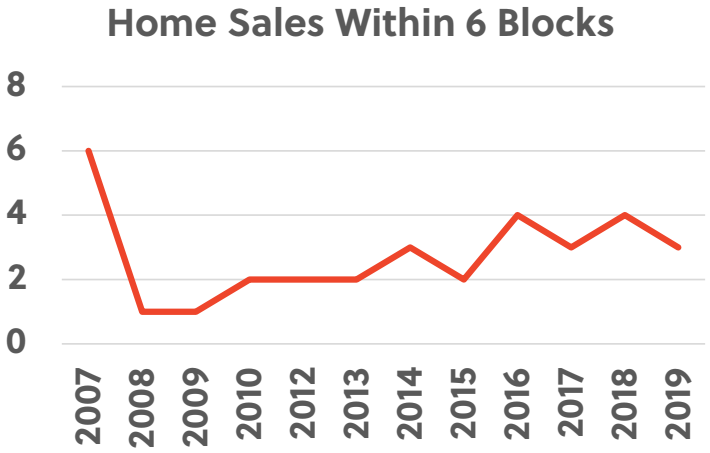
Photo: Northwest Arkansas Democrat Gazette

Photo: mististaley.com

Misti Staley, Artist

Helena-West Helena has suffered population loss over the last 50 years, and such a loss can make a town lose hope. Misti Staley, an artist living and working in Helena, has been an injection of energy and creativity since she moved there in 2010. After her 10-month-old son, Freeman Ellis Staley, died in 2016, artist and teacher Misti Staley raised $250,000 to build the Freeman Playground in downtown Helena as a memorial to her son and a gift to the area's children. Her work includes outdoor mural paintings and teaching after-school art classes that bring together diverse students from all over Helena-West Helena. Some of her projects include the Color Lab Mural, which activated the abandoned building shell of the Old Gulf Gas Station with rays of color and created exciting new public and event space in downtown Helena. She also created the Helena Postcard Series, a collection of large picture frames that allow for photo opportunities at important sites throughout Helena.

In 2012, Misti used the state historic tax credit to rehabilitate her home near Helena's downtown. The next year, Shane Williams rehabilitated his home in the same neighborhood. Following their investments, home sales in their neighborhood steadily grew over the next six years.



HOT SPRINGS

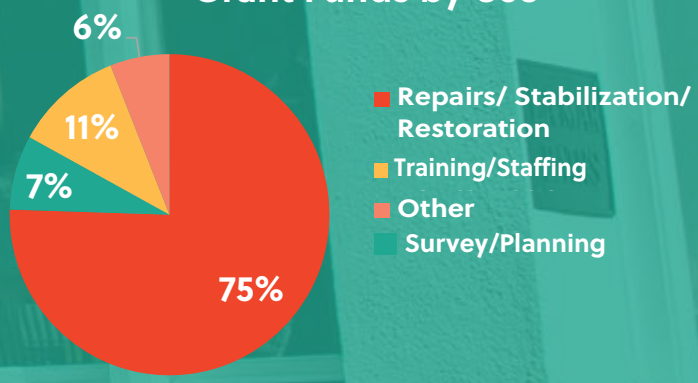
National Park Service
U.S. Department of the Interior
Bathhouse Row Emporium
Hot Springs National Park

- **Population: 36,780 (2017)**
- **Main Street Program Since 1986; inactive 1989**

USE OF GRANTS

$976,392
in AHPP Grant Awards
since 1981

Grant Funds by Use



TAX CREDIT INVESTMENT

State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	9	$3,591,123
State+Federal	7	$11,158,090
Total Projects:	16	$14,749,214

Downtown Hot Springs is known for and dominated by Bathhouse Row, a National Park Service site. Eight buildings, built between 1892 and 1923, went through a long period of decline, even though the area was designated as a National Historic Landmark in 1987. Today, the bathhouses have been renovated and offer a variety of contemporary uses, from boutique inn to brewery and restaurant. Yet despite the prominence of this National Park Service site, downtown has much more to offer.

In the mid-1980s, Hot Springs, Arkansas, was blessed with the arrival of two architects. Bob Kempkes and Anthony Taylor came to Hot Springs and found their calling in the renovation and revitalization of historic downtown Hot Springs.[26] The pair have renovated a number of significant historic buildings, including the Desoto Building, headquarters of Mountain Valley Water Company, one of the nation's first projects to utilize the Federal historic tax credit. The rehabilitation work created an open plan office space on the upper floors of the building and a visitor's center on the first floor. Overlooking the original spring, the visitor's center serves both vacationers and community members with its museum of artifacts from the company's 130-year history and water sales services.

One of Taylor and Kempkes' most impactful recent projects is the Waters Hotel. Originally built in 1913 to house medical offices, the Thompson Building was converted to a hotel and apartments by the 1940s. Over time however, the building became the victim of deferred maintenance and neglect. In 2015, Taylor and Kempkes' began rehabilitating what is now known as The Waters Hotel into an upscale boutique inn. Utilizing the tax credits, it took two years and over $7 million to restore the building.[27] A prominent landmark on Central Avenue, this project represented a significant investment in the heart of Hot Springs. With its opening, the Waters Hotel brought a new revitalized energy to downtown.

Projects like the Waters Hotel are contributing to the momentum needed to make downtown Hot Springs a vibrant market for tourists and residents alike. While Hot Springs has always been a hotbed of federal tax credit activity, the impact of these recent state historic tax credit projects is already apparent. In the last decade, 16 projects in Hot Springs have utilized the state historic tax credit. These projects represent a private sector investment of nearly $15 million and have ranged in size from just under $70,000 to $9.5 million. Today these properties are generating more than $75,000 in local property taxes than they were just three years ago. On average each of the past ten years saw 10.6 direct jobs and another 7.5 indirect and induced jobs created by these projects. The direct jobs on these projects generated $326,000 in earnings and the indirect/induced jobs an additional $268,000.

26 https://nationalparkobsessed.com/the-waters-hotel/

27 Ibid.

THE WATERS

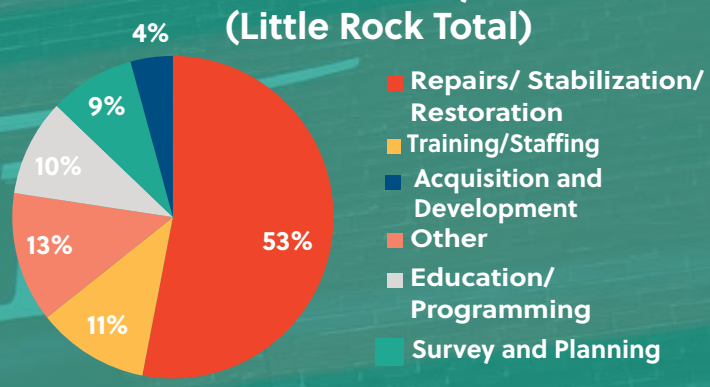
DOWNTOWN LITTLE ROCK PARTNERSHIP

- **Population: 197,780 (2017)**
- **Main Street Program Since 2016**
- **5 Net New Jobs**
- **13 Net New Businesses**

USE OF GRANTS

$4,661,910
in AHPP Grant Awards
since 1975 (Little Rock Total)

Grant Funds by Use (Little Rock Total)



TAX CREDIT INVESTMENT

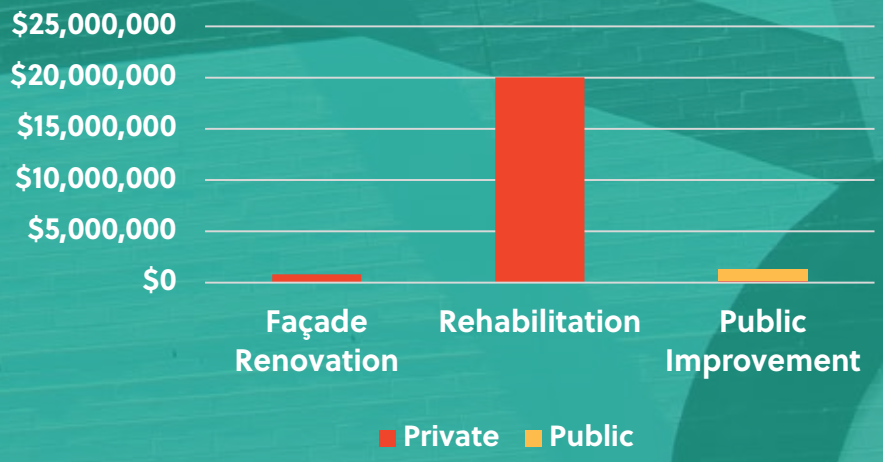
State and Federal Tax Credit Activity (Little Rock Total)

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	131	$31,726,654
State+Federal	65	$77,768,579
Total Projects:	196	$109,495,233

MAIN STREET ACTIVITY

$22,156,603
in Main Street Investment
since 2016

Investment in Downtown



Despite the revitalization of nearby corridors along the river and further south on Main Street, the Main Street district continued to be underutilized until only a few years ago. The transformation of Little Rock's Main Street into a creative and tech corridor was swift and dramatic. Knowing they needed to revitalize Main Street to become an attractive place to live, work, and play, the city decided to adopt a creative placemaking approach and support the growth of a large arts community in the area as a means to spur economic development. The Little Rock Downtown Partnership (LDRP) leads this effort, advocating for planning, legislation, transportation, economic development and numerous public and private initiatives. The LRDP sought Main Street accreditation in 2016, and Executive Director Gabe Holmstrom says that the addition of Main Street's Four Point Approach has been valuable.

The Creative Corridor was a project unveiled by the City of Little Rock and the Downtown Little Rock Partnership in 2012, with funding from the National Endowment for the Arts. The plan involved relocating arts organizations along Main Street, including Ballet Arkansas, and the Arkansas Symphony Orchestra. The plan also called for transformational streetscape improvements, including rain gardens, elevated boardwalks, and a rainwater filtration system. The Mann Building – the former home of Blass Department Store – is now home to 90,000 square feet of office space and 30,000 square feet of residential area, in addition to 8,000 square feet of retail space. New restaurants, like Bruno's Little Italy and Samantha's Tap Room, line the street, as well as many extraordinary murals brightening up downtown's buildings, such as a koi fish mural by artist Matt McLeod and a Little Rock Red Wagon mural by artist Jason Jones. Titled "PLAYTIME," the mural features Little Rock icons inside a red wagon. The DLRP hosted a contest to commission the mural, and Gabe Holmstrom said this design aligned perfectly with their goal to make downtown Little Rock a home for heritage, creativity, and culture.

The Little Rock Technology Park opened on Main Street in 2017. The development consists of two 100-year-old buildings designed to form an integrated environment for startup and mature technology companies. The facility opened with 12 initial companies and by the end of the first quarter 2018, over 40 companies call the Little Rock Technology Park home. Today, 32 companies call the Technology Park home. The lab facility is crucial to the attraction and retention of biomedical and nanotechnology companies and talent to the Little Rock region.

Photo: Main Street Creative Corridor

Lisa Zhang - Three Fold Noodles and Dumpling Co.

It has been a busy few years for Lisa Zhang. 2019 marked twenty years since moving to the United States, and marked the fifth anniversary of Three Fold Noodles and Dumpling Co., a wildly popular Chinese restaurant she opened in Little Rock's downtown. Last year, she also opened a pop-up location with a new concept: at Haybird, Zhang serves chinese chicken, "east meets west" style. She is also in the development phase of opening a larger scale operation in Riverdale, to be named Eastern Pantry. It will include a grab-and-go deli option featuring Chinese pantry staples, a sake brewery, and an expanded Haybird. Zhang expressed how important sharing a meal is in Chinese culture. Likewise, these expansions give her the opportunity to share traditional Chinese culture through cuisine with Little Rock.

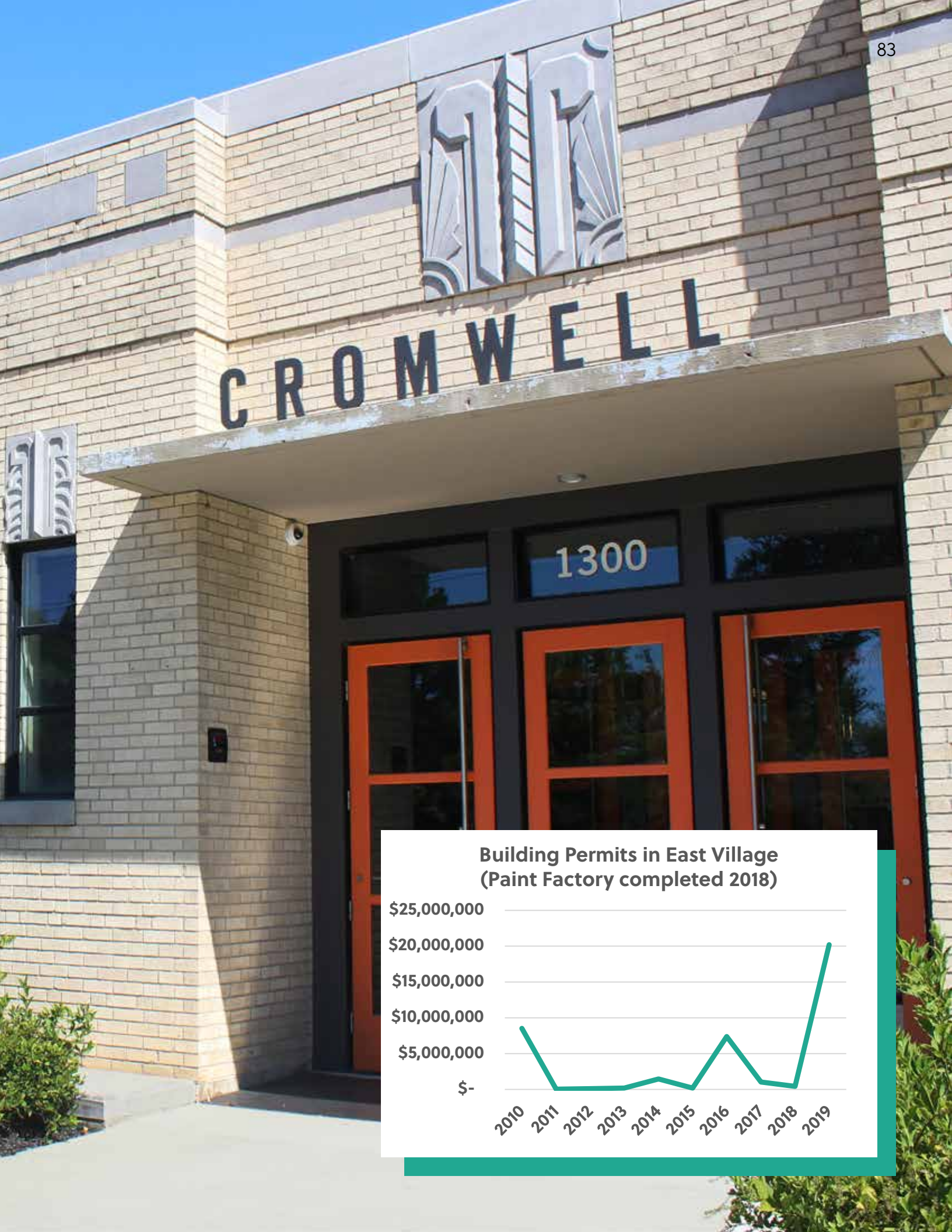
Over the past 11 years, both of her businesses have been the beneficiaries of Main Street services and funding. After demonstrating the popularity of her original restaurant, the Downtown Partnership asked her to move to Main Street to help anchor the emerging food corridor. "You wouldn't expect the move to Main Street to help so much, but it did. Main Street really helped Three Fold grow," said Zhang. At her new Three Fold location on Main Street, she invested over $1 million in building renovations using the state historic tax credit. She expanded her footprint, took advantage of an Arkansas Main Street grant to build a sidewalk patio space and install bi-fold doors to allow movement between inside and outside. Lisa says, "I like historic buildings and historic downtowns. It is my pleasure to try to help downtowns...and contribute good food and good business."

The Paint Factory - East Village, Little Rock

To appreciate Little Rock's downtown story, one starts with the understanding that there are several business concentrations that might constitute "downtowns," each with their own flavor and personality. While there are several downtown initiatives, one of the more significant efforts is taking place under the Downtown Little Rock Partnership in East Little Rock. This area was the city's first industrial corridor in the 1880's and its character had remained relatively the same over time. This all changed with the introduction of the Clinton Presidential Center, which was dedicated in 2004. The $175 million project has led to more recent investments in the area, including Lost Forty Brewing, Rebel Kettle, eSTEM Charter School, Entegrity, and the Paint Factory.

The Paint Factory, once home to Stebbins and Roberts Paint Company and Sterling Paint, is a 50,000 square foot, architecturally significant, Art Deco building that has been rehabbed and repurposed to serve as the headquarters of Cromwell Architects Engineers. The firm's offices make up the ground floor while 16 market-rate apartments inhabit the second floor. On a daily basis, nearly 125 people occupy the building, which also houses a restaurant, gym, and community room. This $12 million project utilized the Federal and state historic tax credits, as well as a Federal Energy credit. With input from the existing area residents, Cromwell has also taken on the monumental tasks of producing a "neighborhood plan," proposing investment in infrastructure improvements, including streetscape elements, development of the street grid, implementing stormwater systems, and establishing an overall cohesive vision for the area. The Paint Factory project is just one example of a larger effort to revitalize areas of Little Rock that have historically experienced disinvestment. As Dan Fowler, COO at Cromwell, states, "Our building is part of a larger Arkansas success story, which is what we love."

While not the earliest pioneers to make an investment in the East Village neighborhood, Cromwell's commitment to the area has been impactful. Following the completion of their rehabilitation in 2018, building permit investment skyrocketed in the following year. East Village is on the rise, and it is thanks to the dedication of the Downtown Little Rock Partnership and partners like Cromwell.


CROMWELL
1300
Building Permits in East Village
(Paint Factory completed 2018)
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

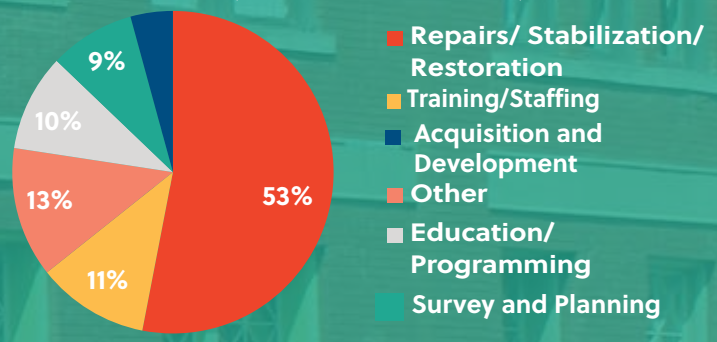
SOUTH MAIN LITTLE ROCK

- **Population: 197,780 (2017)**
- **Main Street Program Since 2006**
- **72 Net New Jobs**
- **8 Net New Businesses**

USE OF GRANTS

$4,661,910
in AHPP Grant Awards
since 1975 (Little Rock Total)

Grant Funds by Use (Little Rock Total)



TAX CREDIT INVESTMENT

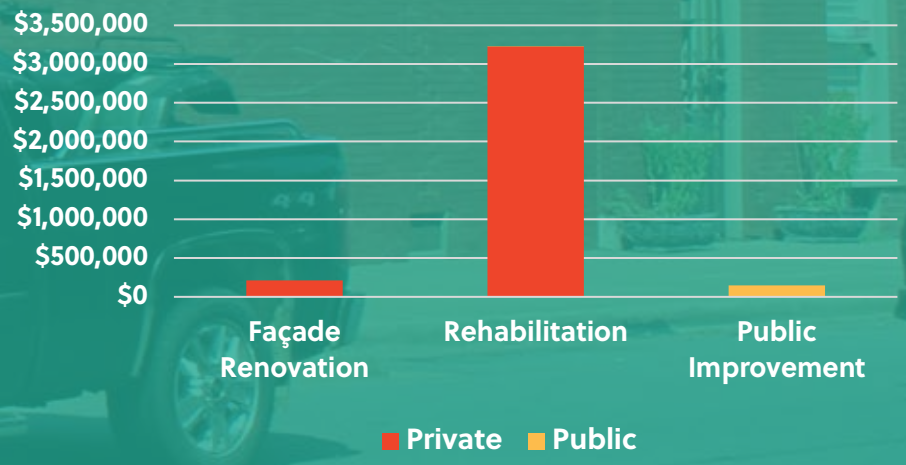
State and Federal Tax Credit Activity (Little Rock Total)

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	131	$31,726,654
State+Federal	65	$77,768,579
Total Projects:	196	$109,495,233

MAIN STREET ACTIVITY

$3,582,780
in Main Street Investment
since 2006

Investment in Downtown



Started as the South Side Main Street Project and designated as an Arkansas Main Street Program in 2006, SoMa reflects a rebranding effort and a greater commitment to the area of Little Rock known as South Main. Once a place in which people were afraid to leave their cars, it is now a vibrant and emerging business corridor for Little Rock. Known for its "funky vibe," SoMa has demonstrated incremental and organic growth, building on its anchor businesses, like Joe Fox's Community Bakery, a South Main institution for over 20 years.

Community Bakery, originally established in North Little Rock in 1947, has had a presence in South Main Street since 1952. After purchasing the business in 1983, Mr. Fox expanded to open a West Little Rock location in 1986. He eventually renovated the historic Cohn Building in SoMa in 1993 using the Federal historic tax credit to help with the initial rehabilitation. Utilizing Federal and State historic tax credits, Mr. Fox continues to invest in the buildings and business, from new HVAC to solar panels, further helping to confirm market viability for this important commercial corridor.

Another anchor institution in SoMa is Shelly Green's Green Corner Store. Ms. Green had a particular brand – healthy and organic – that she wanted to offer, and she required a special setting - historic, community-based – in which to do so. Importantly, she wanted the ethos of her building to match the ethos of her store–she did not want to place her Eco-Lifestyle brand housed in a new building with a heavy carbon footprint. Working with Anita Davis, the right place was found, and today, The Green Corner Store is both a successful business in its own right and an incubator for other start-ups, like Loblolly Creamery. This ice cream shop started in The Green Corner Store and was so successful that it moved into its own storefront next door. South Main is a story of start-ups building on the legacy of established businesses, and it continues to evolve as another of Little Rock's important commercial centers.

Photo: talkbusiness.net

Anita Davis

Anita Davis was a founding member of the South Side Main Street Project, and has proven to be one of its most valuable assets, according to her many partners. "Anita has really been the incubator and catalyst who has made all of this possible." She did so by not only bringing good businesses to Main Street but also by making it affordable for start-ups to get established, with reduced rents and generous space upfitting allowances. Ms. Davis has overseen the restoration of many buildings, personally recruited many businesses, and created Bernice Garden, an important oasis along the strip. The garden area began as a site for a sculpture competition for Arkansas sculptors; now it is filled with art work from all over Arkansas. It also is the site for a weekly farmers market.

POPCORN
Moxy
The Green Corner Store

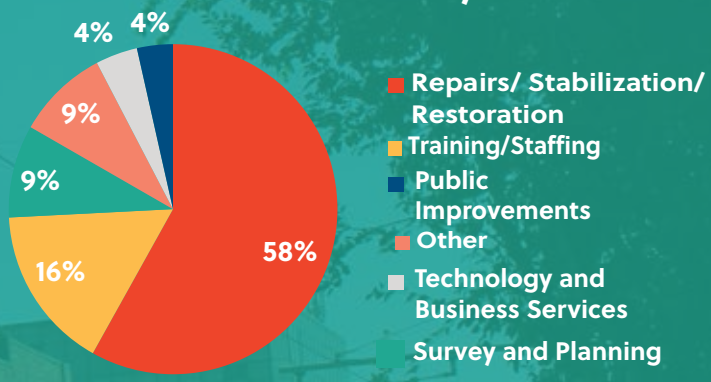
ARGENTA/ NORTH LITTLE ROCK

- **Population: 66,144 (2017)**
- **Main Street Program Since 1994; inactive, 2008; readmitted, 2018**
- **232 Net New Jobs**
- **31 Net New Businesses**

USE OF GRANTS

$911,618
in AHPP Grant Awards
since 1979

Grant Funds by Use



TAX CREDIT INVESTMENT

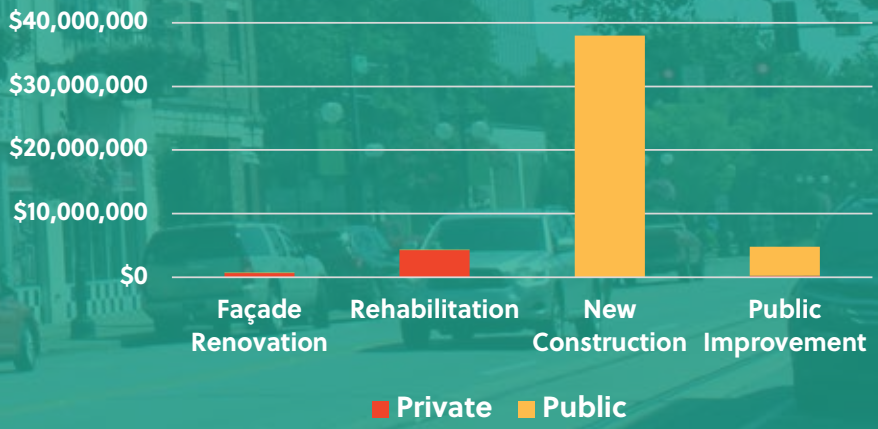
State and Federal Tax Credit Activity

Tax Credit Use Since 2009:	# of Projects:	Total Investment:
State Tax Credits	10	$1,958,525
State+Federal	15	$5,788,463
Total Projects:	25	$7,746,988

MAIN STREET ACTIVITY

$47,915,561
in Main Street Investment
since 1994

Investment in Downtown



Barry Thomas' Studio

North Little Rock, or Argenta as locals know it, renewed its connection with Main Street Arkansas in 2018. These past few years, the North Little Rock Main Street, better known as the Argenta Arts District, or simply Argenta, has seen substantial investment, both on and off North Main Street. From significant projects that utilized the historic tax credits, to new infill construction, the business and residential base is growing rapidly.

Some of the noteworthy projects of the Argenta Downtown Council include Argenta Plaza, a $5.6 million effort that will create a central event space for downtown; annual planting and streetscape improvements such as planting 20,000 tulips and placing 50 live Christmas trees along Main Street; and having their own nursery for growing plants with three staff dedicated to doing the annual planting.

Alan New

Alan New, A.I.A., and his wife Diana always had their eye on a particular section of North Main Street. Being familiar with the historic tax credits, Alan saw both an investment opportunity and a chance to make a strong commitment to the neighborhood. He bought a building and renovated it using the historic tax credits, creating a mix of uses; there's a veterinarian's office on the lower floor, and a rental apartment upstairs, along with a residence for him and his wife. Alan was clear that if it wasn't for the state historic tax credit, they would not have been able to do a lot, but because of it, they were able to bring the project up to a different standard. Alan's work is a classic example of the "but-for" test--this incredible project, which helped move Argenta's redevelopment further north on Main Street, would not have happened but for the state historic tax credit.

Having completed their project, the owner of the adjacent two buildings decided to renovate his as well. Barry Thomas is an artist occupying a live/work space in the building next to Alan's. He has lived all over the country, but when he saw what Argenta was doing, he knew he needed to come back to Arkansas. Not only is the character of his space perfect for a studio, it also allows him to open up his space to other events, like rehearsal dinners and cocktail parties. This collective effort successfully "pushed" the downtown district farther north, proving that development could happen in that area. Now Argenta is beginning to get the range of businesses and services that affirm that this part of the city is back.

Alan New's Tax Credit Project

Conclusion

This report measured the economic impact of three very successful programs administered by the Arkansas Historic Preservation Program: the Arkansas Historic Rehabilitation Income Tax Credit, the AHPP grants program, and the Main Street Arkansas program. Together, they are providing the building blocks for a prosperous Arkansas in the 21st Century by using historic resources from the 19th and 20th Centuries.

Arkansas is fortunate to be among one of the 35 states that benefit from having a state tax credit for the rehabilitation of historic buildings. While an individual building is the recipient of the tax credit, it is adjacent buildings, downtowns, and entire neighborhoods that are beneficiaries. Local and state governments see increased tax revenues, and workers see jobs...good jobs. The purpose of the historic tax credit is to encourage private investment in, and good stewardship of, Arkansas's built heritage. The added bonus is that it has proven to be an extraordinary economic development program.

Communities have fully utilized the grant programs under the AHPP. Certified Local Government Grants have helped expand historic districts and raise the awareness of the public to their value; the Courthouse Restoration Grants have helped stabilize and modernize these important county seat institutions; Historic Preservation Restoration Grants have been used to improve buildings to make them eligible for larger tax credits; and the Downtown Revitalization Grants have given both Main Street and Downtown Network communities access to funds for critical local improvement projects. Together, these grants have had a significant impact on Arkansas's cities, leveraging private investment that has further strengthened their historic and cultural character.
Main Street Arkansas communities are reemerging as commercial, social, and cultural hearts of their towns and cities. They are attracting new businesses, new jobs, and significant private sector investment. Storefronts are being activated, local economies are being stimulated, and long empty sidewalks are now often filled with people. Nationally, Main Street has proven to be the single most cost-effective economic development program of any kind, and Main Street Arkansas communities are demonstrating why that is true.

These three programs, often working together, are making big differences in Arkansas. The impacts are both clear and positive. Arkansas has become known as "the Natural State," the historic tax credit, preservation grants, and Main Street programs ensure that the built heritage, synergistic to the natural heritage, of the state continues to draw people from near and far.

Little Rock Creative Corridor

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The successes identified in this report are significant, but they never would have happened without the support, commitment, enthusiasm, and professionalism of the leadership and staff of the Division of Arkansas Heritage and specifically the Arkansas Historic Preservation Program (AHPP). Leadership comes from the top, and Cabinet Secretary and State Historic Preservation Officer Stacy Hurst was the one who identified the need to quantify the contributions of historic preservation to the State and made sure it happened. Our primary point of contact for this study was Scott Kaufman, Director of the Arkansas Historic Preservation Program. Scott has been consistently helpful and collegial, and always made sure we got the data and access we needed to complete this report. At the staff level, individuals in all three of the areas that were the subject of this report – Main Street, the state tax credits, and the grants programs – all went far beyond their job descriptions to make this study happen. In the Main Street division, that included Main Street Coordinator Greg Phillips and his colleagues Mark Miller, Hannah Ratzlaff, and Susan Shaddox, as well as Callie Williams in the Community Outreach division. In the Tax Credit division, thanks to Tom Marr, the Tax Credit and Federal Programs manager for AHPP. Were it not for his commitment to the success of the tax credit program and the detailed data Marr has maintained over the years, our analysis of the impacts of the tax credit would not have been possible. Joia Burton is the Grants Administrator and the point of contact for our Historic Preservation Restoration Grants and County Courthouse Grants. Not only did Joia provide superb data on decades worth of grants, but she also led us to numerous individuals who told us the "human" side of the story of the impacts of those grants. Preservationists should be proud of the positive impact that historic preservation has had as evidenced by this report. All Arkansans should be proud of the work of a handful of State employees who are so effective in helping communities use their historic assets to build Arkansas's future.

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About PlaceEconomics

PlaceEconomics is a private sector firm with over thirty years experience in the thorough and robust analysis of the economic impacts of historic preservation. We conduct studies, surveys, and workshops in cities and states across the country addressing issues of downtown, neighborhood, and commercial district revitalization and the reuse of historic buildings.

This report was prepared and written by Donovan Rypkema, Briana Grosicki, Rodney Swink, Katlyn Cotton, and Alyssa Frystak. Rypkema is principal and founder of PlaceEconomics. Grosicki is Director of Research at PlaceEconomics and handled research methodologies and data collection. Cotton is the Director of Marketing and Design at PlaceEconomics and handled graphic design. Frystak is a Research and Data Analyst, and handled data analysis. Editing was done by Alyssa Frystak and Rodney Swink, Senior Associate for Planning and Development. Site visits were conducted by Rodney Swink, Alyssa Frystak, and Katlyn Cotton.

Appendix 1: Number of Grants Awarded By City (1971-2019)

Adona	1	Clover Bend	3	Heber Springs	13	Mountain Home	8	Rison	14
Almyra	1	Conway	35	Helena-West Helena	103	Mountain View	11	Rocky Branch	1
Alpena	1	Corning	2	Highfill	1	Mulberry	3	Rogers	54
Altus	2	Crossett	4	Holly Grove	3	Murfreesboro	6	Rosston	1
Arkadelphia	31	Cushman	1	Hope	11	Nashville	8	Russellville	59
Arkansas City	14	Dardanelle	8	Hot Springs	45	Newport	17	Scott	6
Ashdown	14	De Queen	4	Hot Springs Village	1	Noland	2	Searcy	42
Augusta	11	Des Arc	20	Huntsville	9	Norfork	5	Selma	5
Batesville	59	DeValls Bluff	7	Imboden	3	Norman	4	Sheridan	2
Bauxite	1	DeWitt	13	Jacksonville	2	North Little Rock	63	Sherwood	4
Benton	20	Dumas	26	Jasper	8	Oil Trough	1	Siloam Springs	13
Bentonville	8	Dyess	3	Jerome	3	Old Alabam	1	Smackover	2
Berryville	6	El Dorado	76	Jonesboro	12	Omaha	1	Spottville	1
Big Flat	3	El Paso	2	Kingsland	1	Osceola	48	Springdale	6
Black Rock	1	Emmet	1	Lake Village	9	Ozark	37	St. Paul	3
Blytheville	43	Eudora	1	Lepanto	1	Paragould	50	Star City	12
Bonnerdale	1	Eureka Springs	74	Leslie	1	Paris	27	Stephens	1
Booneville	3	Fairfield Bay	1	Lewisville	12	Parks	3	Stuttgart	7
Bradford	4	Fayetteville	42	Lisbon	2	Pea Ridge	1	Sulphur Springs	3
Brinkley	4	Fordyce	24	Little Rock	245	Perryville	10	Texarkana	57
Bryant	1	Foreman	1	Lonoke	13	Pettigrew	1	Trumann	2
Buford	1	Forrest City	7	Magnolia	17	Piggott	4	Twin Groves	2
Cabot	3	Fort Smith	61	Malvern	7	Pine Bluff	32	Valley Springs	3
Calico Rock	1	Gentry	1	Marianna	15	Pocahontas	15	Van Buren	59
Camden	23	Gillett	2	Marion	4	Portia	2	Waldron	10
Cane Hill	2	Glenwood	1	Marked Tree	1	Portland	2	Walnut Ridge	5
Carrollton	3	Gravette	1	Marshall	8	Pottsville	9	Warren	28
Cato	1	Greenland	1	Maumelle	1	Powhatan	4	Washington	22
Charleston	10	Guy	1	Melbourne	12	Prairie Grove	2	West Fork	1
Chester	3	Hamburg	5	Mena	17	Prescott	10	West Memphis	32
Chidester	1	Hampton	16	Menifee	3	Quitman	1	Williford	2
Clarendon	21	Hardy	25	Monticello	25	Ravenden Springs	1	Woodlawn	2
Clarksville	9	Harrisburg	11	Morrilton	41	Rector	7	Wynne	11
Clinton	13	Harrison	33	Mount Ida	1	Redfield	3	Yellville	9

Appendix 2: Non-Active Grants

The following grants have previously been offered through the Arkansas Historic Preservation Program, but are no longer active:

- Acquisitions & Development Grant
- Civil War Grant
- Documentary Media Grant
- Education Preservation Grant
- Jobs Bill
- Model Business Grant
- Slipcover Grant
- Survey & Planning Grant

Appendix 3: Businesses Open/Close Ratio

	Arkansas	US	Main Street
2002	0.98	1.03	2.07
2003	1.07	1.10	2.73
2004	1.15	1.12	1.87
2005	1.15	1.12	2.44
2006	1.36	1.21	1.65
2007	1.19	1.10	1.82
2008	1.13	1.02	2.39
2009	0.93	0.85	2.03
2010	0.85	0.87	2.27
2011	0.93	1.04	2.29
2012	1.32	1.15	1.83
2013	0.95	1.12	3.33
2014	0.95	1.12	2.58
2015	1.04	1.13	2.54
2016	1.12	1.17	2.00
2017	1.03	1.13	2.80
2018	1.04	1.13	3.82

Notes

Notes

Building on the Past for a PROSPEROUS FUTURE

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