



The Economic Resiliency of Washington's Main Streets

Exploration of the Resiliency and Recovery of Businesses Located in Main Street Districts During the COVID-19 Pandemic



Washington State
MAIN STREET
PROGRAM

Prepared by Jon Stover & Associates
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Resiliency is more than just the response in the wake of a crisis but about the strong baseline of community connections that Main Street organizations work to build every day.

The Washington State Main Street Program and its Main Street Communities enhanced the economic recovery, stability, and resiliency of Washington's downtown businesses and, in part, the state at-large.



The Economic Resiliency of Washington's Main Streets

Executive Summary

The Washington State Main Street Program (WSMSP) and its local Main Street Communities administer economic development programmatic activities that support local businesses, preserve a downtown's character and identity, and create vibrant places for visitors, workers, and residents. This study assesses how local business resiliency and recovery compared in districts with or without the presence of a local Main Street organization over the course of the COVID-19 pandemic. The state's local Main Street Communities, all of which are small non-profit organizations, directed financial resources and partnership support from the national, state, regional, and municipal levels to Washington's downtown businesses quickly and impactfully. The agile and adaptive nature of WSMSP allowed each Main Street Community to accommodate their local specific needs and economic realities.

The COVID-19 pandemic brought economic turbulence during the global health crisis, striking the Washington economy in late February 2020. Communities, towns, and cities across Washington, the country, and global continents experienced dramatic disruptions to business activity and consumer spending. The pandemic's impacts continued throughout 2020 into 2021 and 2022 with recurring shifts in regulations and societal norms as variants affected business activity. WSMSP and its local Main Street Communities provided immediate and ongoing response to help alleviate the economic burdens of the pandemic on business owners, employees, and customers.

This study measures the economic resiliency of businesses in Main Street districts (historic downtowns in which there is the presence of a Main Street Community organization) by assessing third-party credit card spending data to understand the economic impacts of the pandemic and Main Street Communities' contributing roles. To understand the attributable value of Main Street efforts, consumer spending was analyzed between the Main Street districts and comparable commercial districts across the state, along with statewide economic trends. Numerous variables affected businesses' resiliency and economic recovery in commercial districts and downtowns throughout the pandemic, and many communities without dedicated Main Street programmatic efforts deployed similar strategies. The third-party consumer spending data highlights the heightened resiliency of businesses in designated Main Street districts throughout Washington State.

Washington's Main Street model proved to be a successful approach to economic development with its track record of positive economic and community impacts. The same elements that make it successful during good times make it even more valuable and essential in challenging times such as the COVID-19 pandemic. Washington's Main Street Communities demonstrated their unique abilities to communicate and to address the needs of Washington's downtowns quickly and, in turn, directed outside resources into vital funding and programmatic support to businesses most in need. This resiliency reflects Main Street Communities' loyal customer base and the value of the organizations' local knowledge, stakeholder trust, and understanding of local business conditions to recover from the pandemic's turbulent economic times for a resilient future.



Washington's Main Street Communities were equipped to provide much-needed help at the onset of the pandemic, demonstrating its impact and importance in the good times and the bad.



The drop in consumer spending in Main Street districts mirrored similar trends statewide at the onset of the pandemic.

Customer spending in Main Street districts declined 7% in March 2020 compared with the prior year, mirroring similar trends as the statewide economy during the initial months of the pandemic. Main Street businesses weathered the immediate impact of closures, stay-at-home orders, and social distancing, rebounding from the pandemic at a faster rate than other areas of Washington without Main Street programming.



By the fall of 2021, businesses in Main Street districts experienced greater rebound in sales than locations without Main Street support and than the state average.

Consumer spending in Main Streets surged in the fall of 2021, with October spending levels significantly above pre-pandemic levels. Businesses in Main Street districts were more economically resilient by spending metrics in the long-term, with customer spending growth exceeding comparative communities by 4% and considerably higher than the statewide trends by 13%.



The restaurant industry was particularly hard hit. Restaurants statewide had not fully recovered by the fall of 2021 but spending at restaurants on Main Street has soared.

The restaurant industry in Main Street districts faced severe economic challenges, with a decline in over 40% of customer spending during the first few months of the pandemic. Despite this, Main Streets and their restaurants remained economically resilient, with spending levels exceeding both comparative communities and statewide trends toward the end of 2021. Beginning in March 2021, spending at restaurants in Main Street districts grew at levels above comparable communities. **In October 2021, this spending exceeded pre-pandemic levels in Main Street districts by 19%, 7% better than areas without Main Streets, while the statewide restaurant spending levels remained 2% below pre-pandemic levels.**



Main Streets' local customer base and community climate is stronger than ever.

Many of Washington's Main Street businesses were sustained by a surge in local customer support at the onset of the pandemic. The share of local customer spending nearly doubled in May 2020 compared to before the pandemic, from 27% to 50%. A year and a half later, nearby residents still accounted for 43% of customer traffic. **The community loyalty and pride that Main Streets nurtured over the years has helped keep their business's doors open.**



Washington's Main Street Communities delivered an extensive range of much-needed pandemic-related resources and services to downtown businesses.

Main Street Communities transformed their downtowns to meet the challenges and needs brought on by the pandemic and provided support and guidance for navigating changing regulations and health protocols. Importantly, Main Street Communities across the state connected local businesses with financial assistance programs such as the Paycheck Protection Program (PPP), assisted with loan and grant application processes, provided direct financial support, and served as the liaison between city, regional, and state officials to help leadership better understand on-the-ground business needs. By providing direct technical assistance to small and local businesses, Main Street Communities played pivotal roles in enhancing e-commerce and digital platforms for businesses across the state. **The wide range of investments not only helped businesses stem the tide throughout the pandemic but will bring gains and a more resilient future for years to come.**



About This Report

Introduction to the Economic Resiliency of Washington's Main Streets

Purpose of This Report

Washington's local Main Street Communities, all of which are small non-profit organizations, played a vital role across the state in supporting their business community and commercial districts during the COVID-19 pandemic. This report provides WSMSP with a quantitative assessment to help programmatic leadership and stakeholders understand how Washington's Main Street Communities impacted business resiliency during the COVID-19 pandemic.

Study Participants

Washington Trust for Historic Preservation (WTHP) is dedicated to saving the places that matter in Washington State and promoting sustainable and economically viable communities through historic preservation. WTHP facilitates state-funded programs, such as WSMSP, in conjunction with the **Department of Archaeology & Historic Preservation (DAHP)**, Washington State's primary agency with knowledge and expertise in historic preservation. DAHP advocates for the preservation of Washington's irreplaceable historic and cultural resources such as significant buildings, structures, sites, objects, and districts as assets for the future.

Washington State Main Street Program (WSMSP) helps communities revitalize the economy, appearance, and image of their historic downtown districts by leveraging each community's unique heritage and attributes. WSMSP currently serves a network of nearly 70 towns, including 36 Main Street Communities and 33 Affiliate programs. This report reflects the resiliency of the 36 Main Street Communities that maintain robust nonprofit operations and participation with WSMSP.

Jon Stover & Associates (JS&A) is an Economic Development Consulting firm that bridges the gap between the different worlds of policy, business, real estate development, and community interest to help make neighborhoods great.

Methodology and Data Sources

This analysis includes third-party credit carding spending data provided through MasterCard Retail Location Insights, reflecting consumer spending in Census Block and Tract Groups. Supplemental data sources include InfoGroup, the US Census, and on-the-ground insights reflected in Main Street surveys conducted during 2020 and 2021.

Image: Wenatchee Downtown Association





Image: Olympia Downtown Alliance

What is a Main Street?

Since 1984, WSMSA has been helping communities administer economic development programming, support local businesses, preserve downtown character and identity, and create vibrant places for visitors, workers, and residents. Since 2010, WSMSA has been a program of the Department of Archaeology & Historic Preservation that is managed through a partnership with the Washington Trust for Historic Preservation.

Main Street Communities help commercial districts revitalize the economy, appearance, and perceived image of their downtown districts, leveraging the successfully proven Main Street Approach™. In Washington State, designated Main Street Communities are independent 501(c)3 or 501(c)6 nonprofit organizations dedicated to the revitalization of their downtown communities. These nonprofit organizations rally community support, build public and private partnerships and leverage their local community's unique assets, including heritage, entrepreneurship, and expertise.

“Over the last four decades, the Main Street movement has proven that downtowns are the heart of our communities, and that a community is only as strong as its core.”

— Main Street America on the
Main Street Movement

The Main Street Four-Point Approach™

The Main Street Approach™ is a national comprehensive framework that allows local communities to take ownership of their futures through incremental changes in focus areas known as the Four Points. *Economic Vitality* emphasizes economic tools to support both new and existing businesses, catalyze property development, and foster an environment that drives local economies. *Design* focuses on community transformation via enhancing visual and physical assets. *Promotion* leverages the downtown core as the hub of economic activity by emphasizing and showcasing each downtown's unique characteristics. The last point, *Outreach*, prioritizes partnerships, community involvement, and resources to create a strong foundation that can sustain changes over time.

Main Street Communities structure their organizations around the Four-Point Approach™ allowing Main Street Communities to achieve a full breadth of impacts and programmatic initiatives for their downtown districts. Importantly, the real effects of Main Street Communities result from a combination of the Four-Points rather than a siloed approach; as these Four-Points align and come together within a Main Street, transformational change can occur.



Learn more about Washington State Main Street Program at: www.preservewa.org/mainstreet
More information about Main Street America can be found at: www.mainstreet.org

Measuring the Economic Resiliency of Main Streets in the State of Washington

About Economic Resiliency and This Study's Methodology

The COVID-19 pandemic disrupted the livelihood and day-to-day experience of places across the country as both businesses and customers navigated challenging health and safety protocols and recommendations that altered how people shopped, dined, socialized, and conducted business. Businesses of all sizes and in all types of places experienced dire needs to pivot their operations and adjust to changing dynamics after March 2020. Nationally and throughout the state of Washington, critical conversations centered around economic resiliency emerged as the pandemic continued.

Economic resiliency refers to how a community can survive, recover, and rebuild their local economies after facing a devastating disaster, such as the global pandemic. There are many ways of measuring economic resiliency, and leading best practices reflect the World Bank's categorization of two types of resiliency, instantaneous and dynamic resiliency.

Instantaneous resiliency refers to the ability of a community to limit the immediate effects of the disaster. Essentially, in relation to the COVID-19 pandemic, instantaneous resiliency reflects the revenue decline during the first months of the pandemic. In Washington's economy, this occurred during March and April 2020. **Dynamic resiliency stretches beyond**

the immediate effects and centers around recovery and reconstruction after a disaster. A community's dynamic resiliency encompasses their abilities to improve economic conditions and increase revenue and sales beyond the lowest point immediately after a disaster. In many cases, the specific time frame of dynamic resiliency may not be clear-cut, and this held true during the pandemic. This study classifies dynamic resiliency as when consumer spending reached the highest levels after the onset of the pandemic; dynamic resiliency throughout this analysis is defined as October 2021.

To explore and understand the role of Washington's Main Street Communities in economic resiliency, communities with dedicated Main Street programming were compared with communities that did not have a Main Street program, defined as Non-Main Street Communities. This comparative assessment features 100 comparable communities randomly selected based on an equal distribution of population size to ensure an adequate and appropriate comparative set. This methodology framework helps isolate the attributable effects of Main Street, analyzing economic data from January 2019 through October 2021. Importantly, there are many factors that influence the implications of the pandemic on local economies and the state continues its recovery trajectory.



Main Street Districts and Comparative Assessment Communities Across Washington

Washington's Designated Main Street Communities

Downtown Aberdeen Association - Bainbridge Island Downtown Association - Downtown Bellingham Partnership
 Downtown Camas Association - Centralia Downtown Association - Experience Chehalis
 Historic Downtown Chelan Association - Cle Elum Downtown Association - Colfax Downtown Association
 Colville Together - Coupeville Historic Waterfront Association - Dayton Development Task Force
 Ellensburg Downtown Association - Downtown Everett Association - Gig Harbor Downtown Waterfront Alliance
 Downtown Issaquah Association - Historic Downtown Kennewick Partnership - Kent Downtown Partnership
 Langley Main Street Association - Downtown Moses Lake Association - Mount Vernon Downtown Association
 Oak Harbor Main Street Association - Olympia Downtown Alliance - Downtown Pasco Development Authority
 Port Townsend Main Street Program - Historic Downtown Prosser Association - Puyallup Main Street Association
 Ridgefield Main Street - Roslyn Downtown Association - Selah Downtown Association - Stevenson Downtown Association
 Sumner Main Street Association - Vancouver Downtown Association - Downtown Walla Walla Foundation
 Wenatchee Downtown Association - Downtown Association of Yakima

Comparative Community Not Designated as a Main Street Program

Albion - Bay View - Bellevue - Bethel - Bingen - Bothell - Brewster - Carson - Cathcart - Clarkston Heights-Vineland
 Curlew Lake - Deer Park - Des Moines - Duluth - East Renton Highlands - Fort Lewis - Green Bluff - High Bridge
 Hockinson - Home - Kelso - Kenmore - Keyport - Kirkland - Lacey - Lake Bosworth - Lake Stevens - Lakewood
 Lynden - Maple Valley - Martha Lake - Marysville - McKenna - Medical Lake - Millwood - Mukilteo - Napavine
 Okanogan - Pacific - Palouse - Parkland - Picnic Point - Port Hadlock-Irondale - Raymond - Redmond - River Road
 Rocky Point - Ruston - Sequim - Shelton - South Bend - Southworth - Tanner - Tracyton - Tukwila - Union Hill
 Novelty Hill - Vashon - Woodland - Whidbey Island Station

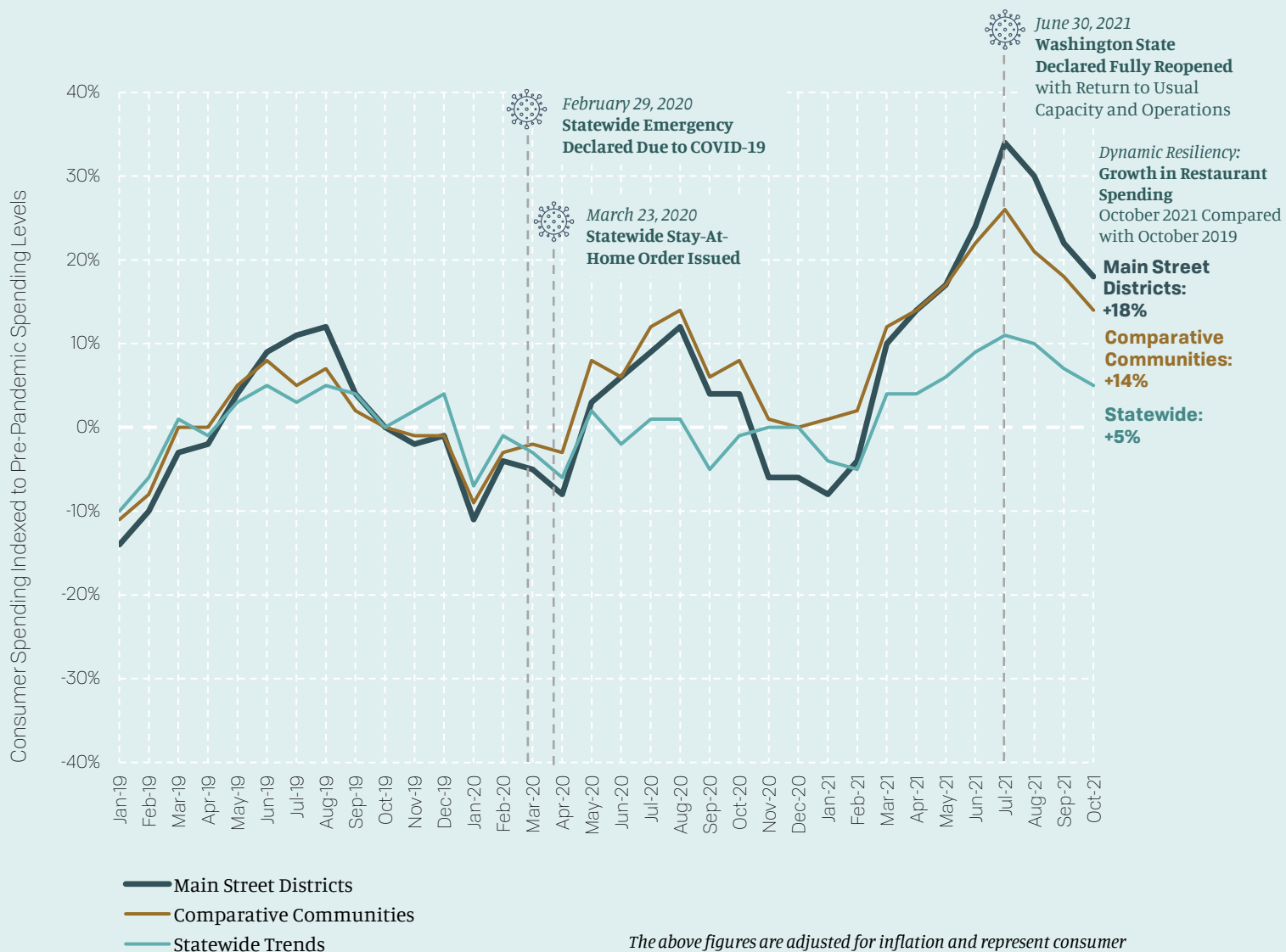
Washington's Main Street Resiliency During the COVID-19 Pandemic

Economic Impact of the COVID-19 Pandemic on Businesses

Consumer Spending Trends

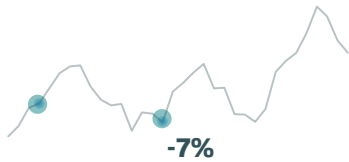
January 2019 through October 2021

While consumer spending in Washington's Main Street districts reflects similar trends as communities without designated Main Street programmatic efforts, businesses in Main Street districts outperformed comparable areas starting in May 2021 with higher spending levels in their districts.



The above figures are adjusted for inflation and represent consumer spending trends indexed to pre-pandemic conditions in October 2019.

Source: MasterCard Retail Location Insights (2021)



Consumer spending at businesses in Main Street districts between January 2019 and October 2021.

Instantaneous Resiliency of Main Streets

March 2020 Compared with March 2019

At the onset of the pandemic, in March 2020, spending at businesses in Main Street districts declined 7% compared with the prior year. Washington's Main Street districts fared slightly better than other areas of the state, with 0.8% less reduction than the overall state trend. While Main Street districts, comparable downtowns, and the state overall experienced a drop in consumer spending and revenue during March and April 2020, spending levels improved in May. Businesses in Main Street districts outperformed comparable areas without dedicated resources. This boost demonstrates the value the Main Street Community brought to their local businesses and greater community.



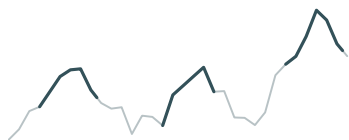
Consumer spending at businesses in Main Street districts between January 2019 and October 2021.

Dynamic Resiliency of Main Streets

October 2021 Compared with October 2019

As the COVID-19 pandemic stretched through 2020 and 2021, businesses in Washington's Main Street districts remained economically resilient with dedicated loyal customers and resource support provided by the Main Streets. In October 2021, consumer spending increased 18% compared with October 2019. This dynamic economic resiliency of Main Street districts was 4% higher than communities without Main Street programs (14.2%) and more than triple the overall state trend (5.4%).

These longer-term consumer spending trends highlight the importance of the local Main Street Community's work in generating broader resiliency for the local and small business community. The third quarter of 2021 ended with more substantial spending and revenue than before the pandemic began.



The above three graphics depict consumer spending in Main Street districts between January 2019 and October 2021.

Source: MasterCard Retail Location Insights (2021)

Pre-Pandemic Consumer Spending Patterns

Seasonal Spending in Washington Main Streets

Many of Washington's Main Street districts feature seasonal economies with an uptick in sales revenue during the spring and the highest collective sales during the summer months. This economic trend occurred before the pandemic and remained steadfast during 2020 and 2021, with Main Street districts experiencing their highest consumer spending volumes in July and August annually. The comparable communities without dedicated Main Street programming mirrored similar seasonal patterns; however, the average spending remained higher in general in the Main Street districts.



The COVID-19 pandemic impacted different types of Main Street districts in different ways.

Nationally, large cities with heavily concentrated populations of office workers and dense populations, such as Washington's Seattle-Tacoma-Bellevue Metropolitan Statistical Area, faced significant economic hardship during the pandemic. Businesses in urban areas experienced dramatic shifts in operations as their reliable customer base of office employees began working from home. With the increase in hybrid and remote work accelerated by the pandemic, cities continued to struggle with the critical mass of customers they once had.

This national trend affected Washington's Main Street districts. On average, Main Street districts in Seattle's metropolitan area fared worse than Main Street districts in rural and smaller urban areas. On average, the Main Street districts in the Seattle-Tacoma-Bellevue Metropolitan Statistical Area recovered to nearly pre-pandemic levels by the fall of 2021. In contrast, the Main Streets in other parts of the state experienced, on average, a swell of retail spending, with consumer spending higher in the fall of 2021 than before the pandemic.

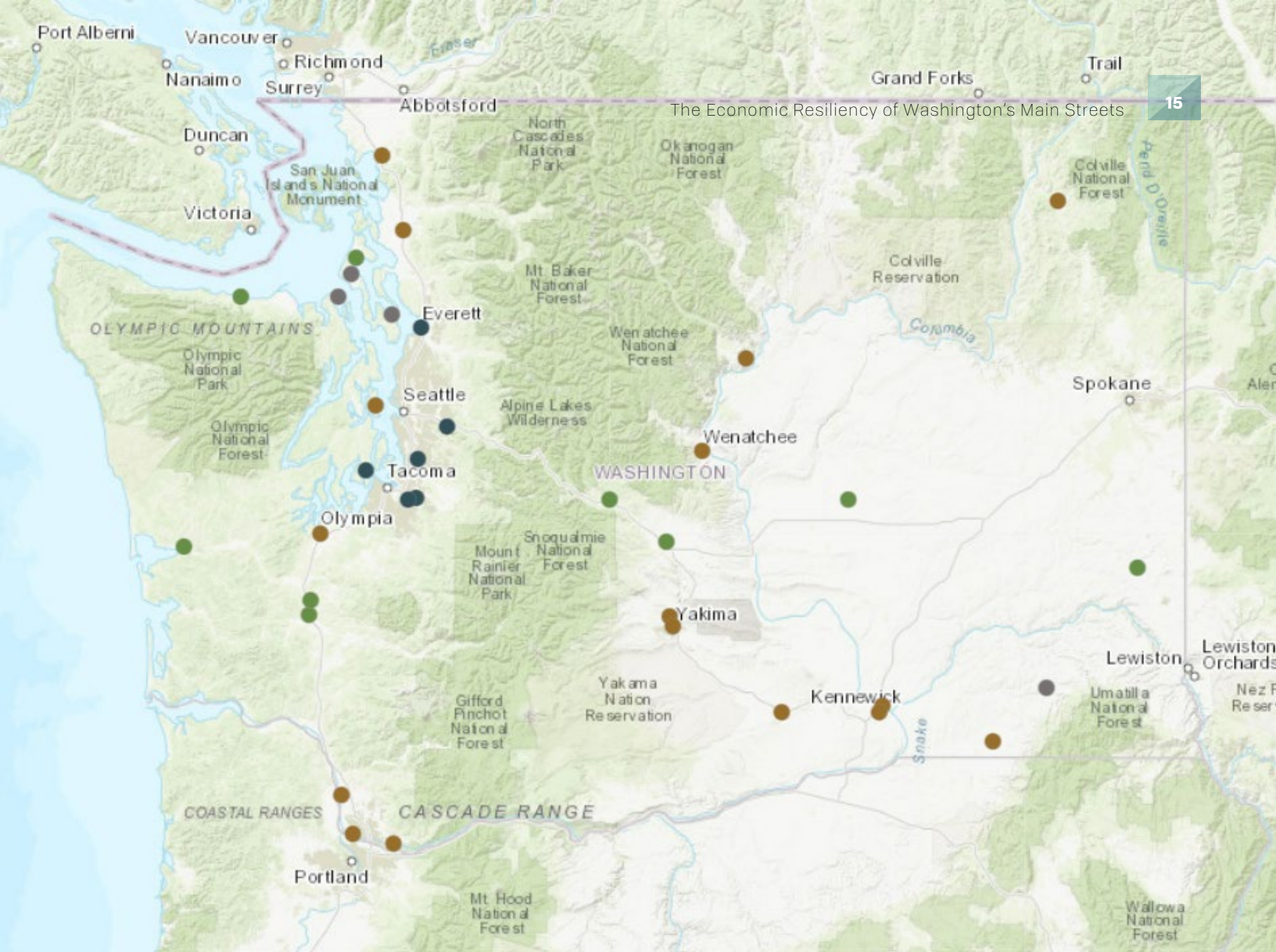
Contrary to the economic shifts in large cities, smaller towns with a more diversified economy and a robust mix of uses were generally more resilient during the pandemic. This trend is exemplified by Washington's Main Street districts in smaller metro areas and areas with populations between 10,000 and 50,000 residents (commonly referred to as micropolitan statistical areas by the US Census).

Unsurprisingly, Washington's tourism draw helped support many of the state's Main Street districts in their resiliency efforts. The pandemic disrupted travel and vacation for people both across the country and globally. With closed international borders, domestic tourism picked up after the initial onset of the pandemic, and the Pacific Northwest region attracted many of these domestic tourists. Similarly, Washingtonians flocked across the state to explore new places and communities, escaping the day-to-day realities of the pandemic.



Continued Pathway to Recovery

In 2021, almost 70% of Washington's Main Street districts experienced more consumer spending than before the pandemic in 2019, signifying economic recovery. As of October 2021, about 30% of Washington's Main Street districts remained actively working toward economic recovery from the pandemic, demonstrating the ongoing resiliency and tenacity of Main Streets efforts. Main Street Communities implement various initiatives to aid in local economic resilience such as technical assistance, financial resources to businesses, events and use of public space to attract customers, and resource sharing for small businesses.



Economic Resiliency by Geographic Considerations

Main Street Districts Located In...

2021 Compared with 2019 Average Consumer Spending

| | |
|---|------|
| ● Seattle-Tacoma-Bellevue Metropolitan Area | -1% |
| ● Other Metropolitan Statistical Areas | +15% |
| ● Micropolitan Statistical Areas* | +31% |
| ● Rural Areas | +10% |

*Micropolitan Statistical Areas defined as urban areas with populations between 10,000 and 50,000 residents.

Note: Chart above shows change in average consumer spending between January and October 2019 compared with January through October 2021.

Source: MasterCard Retail Location Insights (2021)

Images (Opposite Page): Kent Downtown Partnership, Bainbridge Island Downtown Association

Image (Right): Mount Vernon Downtown Association



Local Customer Support in Main Streets During the Pandemic

Changes in the Share of Local Customer Spending in Main Street Districts

The COVID-19 pandemic altered Main Street market areas, drawing higher levels of local customer spending to their commercial districts. Before the pandemic, just over one in four customers on Main Streets were nearby residents, accounting for 27% of the sales and transactions at businesses in Washington's Main Street districts. This local customer share increased with the onset of the pandemic, surging in the spring months of 2020 as Washingtonians began working at home, schools closed, and stay-at-home orders were initiated. During this time, local customers accounted for half of the average spending and transactions in Main Streets, a 23% increase in the share of local customers, partly attributable to the decline in office workers and destination visitors to downtowns. In concert with similar actions in other neighborhoods and downtowns across the state and country, Main Street Communities launched community-centric marketing campaigns harnessing the resounding momentum for supporting small and local businesses during the economic uncertainty.

As the pandemic continued and lifestyles began to normalize, local customers in Main Street districts remained resilient in their support for their small and local businesses. In September 2021, local customers still comprised 43% of the total customer base for Main Streets, a 17% increase compared to pre-pandemic patterns. The following tables show comparisons of local customers' sales during the onset of the pandemic and when consumer spending peaked.

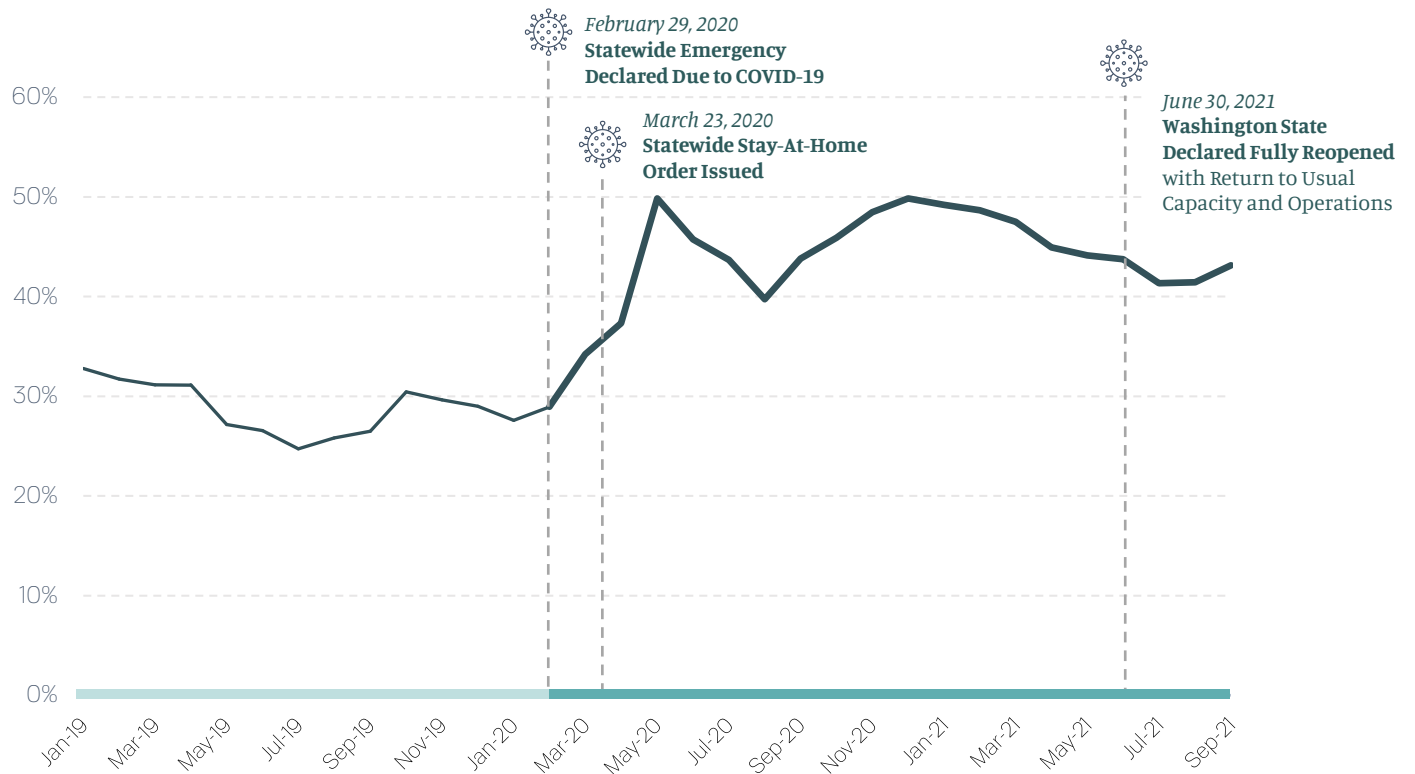
| Instantaneous Change in Local Customer Base | | Average Share of Local Customers in Main Street Districts |
|---|--|---|
| Before the Pandemic in May 2019 | | 27% |
| During the Onset of the Pandemic in May 2020 | | 50% |
| Increase in Local Customers' Share of Sales: | | 23% |
| Dynamic Change in Local Customer Base | | |
| Before the Pandemic in September 2019 | | 26% |
| During Peak Spending During the Pandemic in September 2021 | | 43% |
| Increase in Local Customers' Share of Sales: | | 17% |

Source: MasterCard Retail Location Insights (2021)

Image (Right Page): Downtown Bellingham Partnership

How the Share of Local Customer Spending at Businesses in Main Street Districts Changed Throughout the Pandemic

Local residents became the customer heroes during the pandemic. They have stayed loyal to their small and local businesses through recovery, in part due to the efforts of Main Street Communities, which shared small business stories and resources, helped build new and creative business spaces, and promoted the value of the Main Street district far and wide. A few examples of these initiatives are on the following pages.



Source: MasterCard Retail Location Insights (2021)



Post-Pandemic Opportunities and Considerations for Main Streets

Retaining local customers' enthusiasm and support for their nearby businesses can be of value to commercial districts, downtowns, and the business community in the post-pandemic economy. Main Streets that keep nearby customers returning to local businesses as outside visitors return to downtowns are well-positioned for economic resiliency in the coming years.





Dine-Out DWTN Kennewick and Alfresco Saturday

The Historic Downtown Partnership brought highly desired outdoor dining to its downtown streets through strategically programmed events to support local restaurants during the pandemic. The Main Street closed its streets during designated times to cars, offering needed and sought-after outdoor dining space for residents and visitors to enjoy lunch and dinner.

"Green Means Go" in Downtown Bellingham

In the initial months following the onset of the pandemic, businesses' frequent changing and disruption of business hours created confusion for customers across the country. Downtown Bellingham Partnership, in collaboration with Historic Fairhaven Association and the City of Bellingham, launched an innovative solution to help customers quickly understand whether businesses were open or closed while driving by and socially distancing. The Main Street distributed green cones that businesses placed in front of their doors during open hours to signify being open for business. These simple visual cues prompted customers to stop inside, grab curbside, and support local businesses.



Love Letters to Langley

Inspired by the resiliency of its local business community, Langley Main Street Association launched a unique campaign centered around gestures of community support: Love Letters to Langley. The Main Street's initiative installed signs of encouragement and appreciation in business windows throughout its downtown. These hope-filled messages brought positivity and encouragement to its businesses and customers during challenging and unsettling times of the pandemic.



Connecting Businesses with Financial Resources

To help its local businesses survive the financial burdens brought by the pandemic, Mount Vernon Downtown Association stepped up to be a valuable and reliable conduit for connecting small businesses. The Main Street Community helped businesses navigate federal relief such as PPP loans and other state and local financial assistance, helping keep its businesses' doors open.

Bricks and Clicks Grants for Local Stevenson Businesses

The Stevenson Downtown Association launched an innovative grant program for local businesses mirroring business needs sparked by the pandemic with the organization's well-executed historic preservation efforts. The Bricks and Clicks Grant blended tried-and-true historic preservation and building improvement efforts with modern-day e-commerce and website assistance. Funds distributed to Stevenson businesses ensured high-quality appearance and perceptions in both the physical and digital landscapes. Businesses leveraged available funds to improve exterior signage, awning and building façade improvements, and landscaping beautification as part of the "bricks" initiative. "Clicks" initiatives centered around supporting improved online point of sale systems, website hosting, and shopping cart software such as Shopify.



Rebuilding Employment Bases During Heightened Tourism

Coupeville Historic Waterfront Association experienced a swell in tourism after the start of the pandemic as domestic tourism sparked and Seattle-based residents flocked to the charming waterfront town. However, the pandemic's labor shortage affected business operations as local establishments struggled to fill job vacancies. The Main Street offered support by hosting job fairs to encourage a new labor pool so businesses could capture this peaked customer spending. *(Image Credit: KUOW Photo/Joshua McNichols)*

Restaurant Spending on Main Streets

Economic Impact of the COVID-19 Pandemic on the Restaurant Industry

The COVID-19 pandemic particularly affected the food and beverage industry both across the state of Washington and nationally. Many restaurants, taverns, and bars faced closures at the pandemic onset, followed by reduced occupancy through social distancing regulations and norms. Restaurants in Washington's Main Street districts experienced an immediate decline in customer spending in March and April 2020, mirroring state trends with over a 40% reduction in restaurant spending in Main Street districts during these two months. However, following April 2020, restaurants in Main Street districts collectively experienced an uptick in sales, mirroring pre-pandemic seasonality patterns and outperforming Washington's restaurant spending trends. The resiliency of the Main Street restaurant scene resurged during the spring and summer of 2021, with restaurant spending in Main Street districts exceeding comparable downtowns starting in April 2021.

Changes in Restaurant Industry Spending Compared with Pre-Pandemic Spending Levels

January 2019 through October 2021

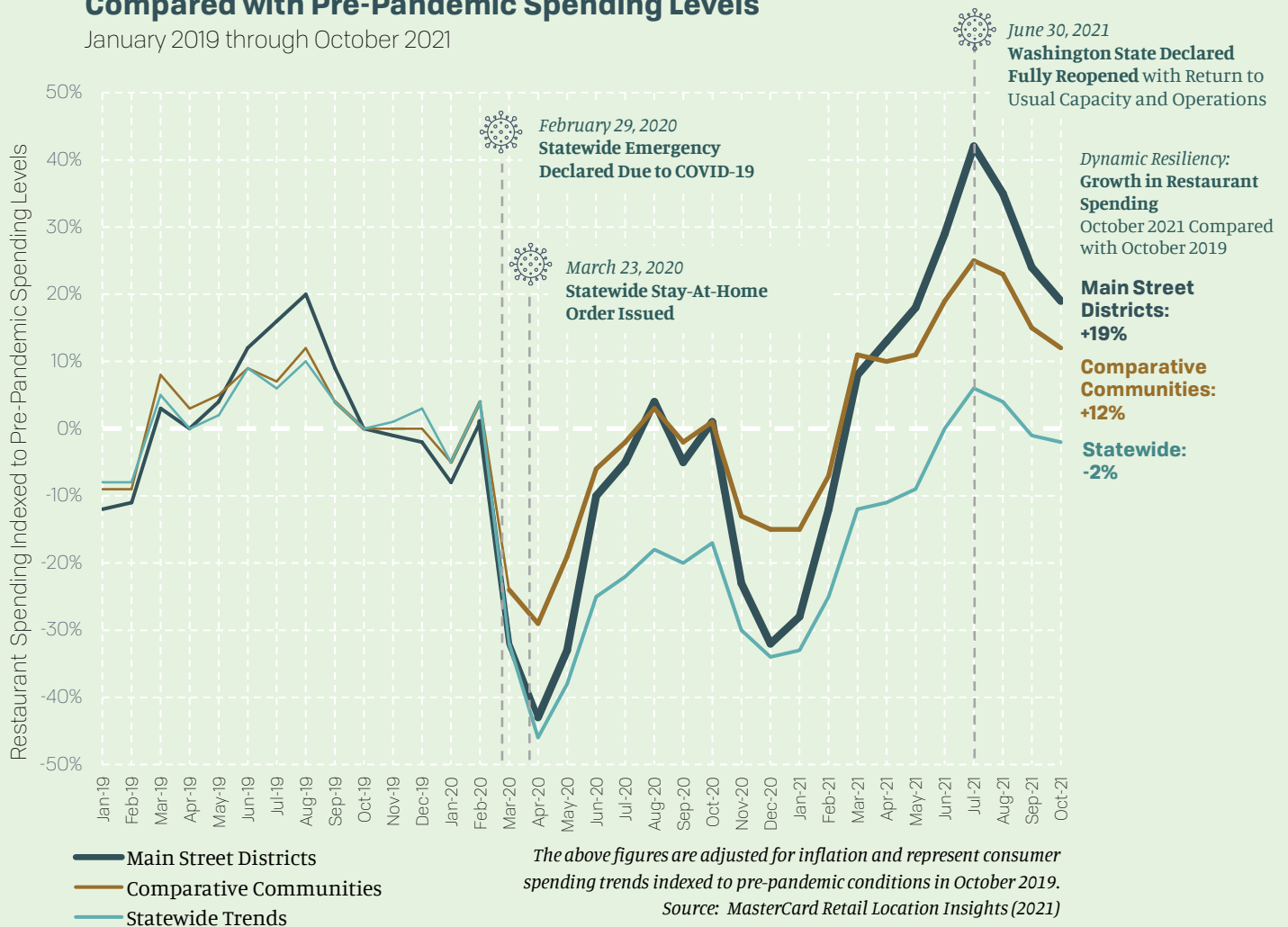




Image: Olympia Downtown Alliance

Main Street Support Services for Restaurants Early in the Pandemic Set the Stage for Robust Long-Term Recovery

With the initial decline in restaurant spending when the pandemic started, Main Street Communities were quick to help support their restaurant industries and strategize for placemaking solutions that accommodated changing restaurant operations, social distancing protocols, and customer preferences.

Main Street districts' physical environment, density, and pedestrian-orientation of the historic downtowns led to increased difficulty with curbside pick-up and outdoor dining, two strategies deployed during the pandemic to help encourage patronage of restaurants, taverns, and bars while navigating social occupancy limitations and dining room closures. Comparatively, business districts in clusters of commercial activity in suburban and newer developed areas were designed around ease for cars, a consideration that led to easier retrofitted areas for curbside pick-up.

Washington's Main Street Communities developed unique and innovative strategies based on the specific needs of their communities. Programs implemented solutions to ease curbside restaurant pick-up, expand outdoor dining offerings through communal spaces along sidewalks and pop-up seating in the streets of downtowns, distribute PPE and navigate health protocols, and connect businesses with PPP and other financial support services that helped keep businesses open.

With the support of nonprofit organizations and robust relationships with their local businesses and municipal agencies, Main Street Communities launched experiences and events for restaurant customers that encouraged dining at their small and local restaurants. These strategies are one of many contributing factors and reasons why restaurants in Main Street districts became more resilient than those in comparative communities.



Post-Pandemic Opportunities and Considerations for Main Streets

The COVID-19 pandemic amplified customer preferences for outdoor dining options, a trend anticipated in the industry to continue post-pandemic. In a national survey of restaurant goers conducted by Open Table in early 2022, 82% of people voiced that they want to see continued outdoor seating options.

Manning, Jay. "What Diners Want: How Dining is Changing in 2022." Open Table. February 2022.

During the pandemic in 2020, Washington's Main Street Communities supported ...



1,118 Small Businesses with Direct Technical Assistance

Washington's Main Street Communities supported local and small businesses with guidance and technical operational support throughout the pandemic, such as helping businesses transition operations to online and e-commerce platforms, navigate processes for curbside pick-up, and market to a changing customer base.



708 Small Businesses with Direct Financial Resources

Through grants and loan programs, Main Street Communities brought direct financial resources to many businesses throughout the state of Washington, alleviating financial burdens during the economic shifts and shutdowns attributable to the pandemic.



3,610 Small Businesses with Information and Education

Washington's Main Street Communities connected their local businesses with critical health, safety, and operational information, helping businesses navigate changing regulations, decision-making hurdles, and operational challenges through the pandemic.



342,672 Square Feet of Public Space Activated for Commercial Uses

Main Streets worked closely with their municipalities and business communities to support social distancing during the pandemic. Main Streets converted streets and alleys into outdoor public spaces, transformed parking spaces into pop-up sidewalk cafes, and increased the amount of outdoor area for businesses in the public realm.

Source: Annually Reported Data to WSMSP by individual Main Street Communities (2020)

Images: Downtown Yakima, Ellensburg Downtown Association, Downtown Walla Walla Foundation, Kent Downtown Partnership

Main Street Communities connected local businesses with critical financial resources during the pandemic.

At the onset of the pandemic in 2020, Washington's Main Street Communities were quick to connect their small and local businesses with various funding opportunities to ensure businesses had the capital necessary to continue operations.



100%

Provided Support and Guidance to Connect Small Businesses with Financial Resources

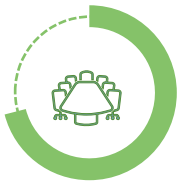
All of Washington's Main Street Communities connected local businesses with resources and support for grants and loans.



38%

Directly Administered Funding to Businesses on Main Street

Main Street Communities provided grants and loans directly to businesses in their Main Street district.



71%

Served on Planning or Selection Committee at County or City Level

As local leaders in their communities, over two-thirds of Main Streets worked collaboratively with their municipality to connect businesses with grants and loans.



100%

Promoted Grant and Loan Opportunities to Small Businesses in the Main Street District

Reducing necessary time for businesses to research and find financial support, Main Street Communities brought opportunities directly to the businesses in their district.



71%

Assisted Businesses with Grant and Loan Application Processes

With Main Street leadership helping businesses through the application process for financial resources, businesses were able to more efficiently and correctly apply for grants and loans.



47%

Provided Other Support Connecting Businesses with Financial Resources

Nearly half of Washington's Main Street Communities found other ways of helping to financially support their businesses in addition to connecting businesses with grants and loans.

Source: Annually reported data to WSMSP by individual Main Street Communities (2020)

WSMSP and its Main Street Communities enhanced the economic recovery, stability, and resiliency of its downtown business districts, and in part, Washington State overall, during the COVID-19 pandemic.

The Main Street model is a successful approach to economic development with its track record of positive economic and community impacts. The same elements that make it successful during good times make it even more valuable and essential in challenging times such as the COVID-19 pandemic. Washington's Main Street Communities demonstrated their unique abilities to communicate and address the needs of Washington's downtowns quickly and, in turn, directed outside resources into vital funding and programmatic support to businesses most in need. This economic resiliency study surfaced Main Street Communities' loyal customer base and strong identity and the value of the organizations' local knowledge, stakeholder trust, and understanding of local business conditions to recover from the pandemic's turbulent economic times for a resilient future.

