

Ways Communities Can Revive Local Independent Businesses

Stacy Mitchell of the Institute for Local Self-Reliance offers 50 ideas to strengthen independent businesses in your community. Detailed discussion of these reasons is available from the publication sourced below. For more information and resources on strengthening locally owned business, see the ILSR's Hometown Advantage web site at: www.hometownadvantage.org

- 1. Avoid zoning too much land for retail.** Most communities have far more land, particularly along major roadways, zoned for retail than they need. This can lead to haphazard commercial sprawl and drain downtown vitality.
- 2. Provide public services only in designated business districts.** Establish a defined geographic area within which water, sewer, and other municipal services will be provided in order to maintain the vitality of the downtown and prevent retail strip development on outlying roadways.
- 3. Target tax incentives to local stores.** Bar the use of tax breaks and other subsidies for "big box" stores and sprawling shopping centers. Provide incentives only for homegrown businesses in the town center that conform to the scale and character of the community.
- 4. Incorporate support for local businesses into the master plan.** Some communities have listed supporting locally owned businesses, limiting the proliferation of national chains, and maintaining a vibrant downtown as goals in their comprehensive plans.
- 5. Temporarily halt retail development.** Avoid being caught off guard by an out-of-the-blue proposal for a large-scale shopping center. Consider a moratorium on retail development and used the time to study the impacts of big box stores and revise its planning policies accordingly.
- 6. Funnel new retail growth downtown.** Some cities require developers to infill downtown vacancies and open lots before building on the outskirts of town.
- 7. Limit the size of retail stores.** Dozens of cities and towns prohibit the construction of retail stores over a certain size. Some have banned only the biggest of the big boxes, while others have mandated even smaller stores.
- 8. Examine potential impacts before approving new retail stores.** Retail proposals in some cities, such as Greenfield, MA, must undergo an economic and community impact review before gaining approval.
- 9. Engage experts in relevant fields to review retail development proposals.** Middletown, RI, requires developers proposing retail projects larger than 30,000

square feet to submit traffic, environmental, fiscal, and other impact statements and to pay the cost of hiring independent experts to review those statements.

- 10. Foster an appropriate balance of small and large businesses.** Santa Cruz, CA, reviews all proposals for stores over 16,000 square feet and approves only those that will contribute to a diverse and balanced mix of businesses (local vs. national and small vs. large).
- 11. Prohibit 'formula' fast-food outlets.** Port Jefferson, NY, and Bainbridge, WA, prohibit formula fast-food restaurants within their borders.
- 12. Minimize the number of cookie-cutter 'formula' outlets.** Coronado, CA, limits the number of formula restaurants and retail stores in its commercial district.
- 13. Establish community-serving commercial zones.** Palm Beach, FL mandates that new retail stores must be geared toward meeting the needs of local residents.
- 14. Require that new development resemble traditional retail districts.** Brunswick, ME insists that commercial development have two-stories, no set-back, parking in the rear, glass storefronts, and frequent pedestrian entryways.
- 15. Support sales tax fairness.** More than thirty states are pushing for a federal policy change that would require internet and mail order retailers to collect sales taxes—putting them on an equal footing with local stores.
- 16. Partner with neighboring towns.** Hood River, OR, has a city-county agreement that prevents big box retail developers from playing one jurisdiction against another.
- 17. Establish regional guidelines.** Cape Cod's region wide planning commission reviews all proposals for retail construction larger than 10,000 square feet, "considers any negative impacts that the project would have on the Cape Cod economy," and works to "encourage businesses that are locally owned and that employ local residents."
- 18. Take advantage of proven strategies.** Hundreds of communities around the country have turned their dying downtowns into thriving centers with the help of the National Main Street Center. There's no need to reinvent the wheel; take advantage of the lessons they've learned.
- 19. Reinforce the downtown's sense of place.** Successful revitalization programs amplify the district's sense of place by building on its unique natural, historic, and cultural assets.
- 20. Foster a mixture of uses in the downtown.** Encouraging a variety of different types of activity and uses downtown ensures vibrant street life throughout the day and evening, and diversifies the district's economy.
- 21. Encourage pedestrians.** Pedestrians are both a barometer and catalyst for downtown vitality. Relatively simple and inexpensive steps can make a town more pedestrian friendly.

22. Enlist help from your state's Downtown Program.

They can help your community develop and implement an effective downtown revitalization plan.

23. Reap the economic rewards of becoming a designated downtown. Certain states grant the status of "designated downtown" under state law. This entitles the towns, as well as downtown property owners, to grants, tax credits, technical assistance, and other benefits.

24. Learn from success stories. Study places that have succeeded in turning their struggling downtowns around.

25. Keep public buildings downtown. A growing number of communities recognize the economic and community value of keeping city buildings, post offices, schools, and libraries downtown.

26. Identify opportunities for local retailers. Conduct a market analysis to identify opportunities for new entrepreneurs and local businesses seeking to expand.

27. Expand local merchants' skills. Offer training and technical assistance for local retailers in areas such as merchandising and inventory control.

28. Establish a small business revolving loan fund. Some communities provide local businesses with matching grants and low-interest loans to fund storefront renovations and other improvements.

29. Promote support of local stores and downtown shopping. Consider organizing a marketing campaign and event to encourage local shopping.

30. Help with succession planning. Identify and connect local business owners nearing retirement with aspiring entrepreneurs in need of a good opportunity.

31. Give city contracts to local businesses. Many communities use their purchasing power locally.

32. Help local businesses fill new niches and meet local needs. For example, a no-interest loan can enable a business to expand and enhance the downtown area.

33. Protect affordable retail space. Communities are exploring several strategies to alleviate the problem of rapidly rising rents pushing local stores out of the market.

34. Establish a commercial land trust. The Community Land Trust model, which has been very effective for affordable housing, could be used to keep commercial space affordable for independent businesses.

35. Harness creativity and initiative to build new independent businesses. Examples, such as community pharmacies, demonstrate how to build a new local business that meets community needs.

36. Connect local retailers with national and regional purchasing cooperatives. Many independent retailers including grocers, hardware dealers, bicycle shops, lighting stores, and pharmacies have formed purchasing groups to gain economies of scale with suppliers.

37. Establish local purchasing co-ops. Independent restaurants in Tucson, AZ, have cut their food costs by 10-20 percent through a cooperative buying program.

38. Use catchy slogans and humor to encourage dining at local restaurants. Independent restaurants are countering the rise of chains with clever slogans such as "Preserve

Tucson's culinary sense of place," and "If the idea of a drive-thru excites you, go away."

39. Get help forming an independent restaurant alliance.

The Council of Independent Restaurants of America offers assistance in forming a local alliance to cut costs and organize joint advertising campaigns.

40. Link your store with an alliance of other independent stores. Statewide groups can work to address the challenges facing members through cooperative buying, marketing, and technical assistance.

41. Organize an Independents Week celebration. Retailers in Tampa, FL, drew on the spirit of the July 4th holiday by organizing a successful, weeklong celebration of local businesses called "Independents Week."

42. Bring locally owned businesses together to solve common challenges. Locally owned businesses can form Independent Business Alliances (IBAs) to address common challenges and develop shared strategies.

43. Launch a public education campaign to encourage residents to support locally owned businesses. Several IBAs have developed highly visible and compelling marketing tools—like window decals, bumper stickers, etc that highlight the importance of locally owned businesses.

44. Pool resources for joint advertising. Several IBAs have helped member businesses pool funds to buy print, radio, and television ads, giving them a much broader reach than they could attain on their own.

45. Publish a local business directory. A local directory can counter the extensive advertising of national chain retailers. Sprinkle the directory with messages about the benefits of locally owned businesses.

46. Create a voice for independent businesses in public affairs. An IBA can provide a powerful voice for local businesses in government decision-making.

47. Get a head start by joining a national network of independent business alliances. The American Independent Business Alliance provides technical assistance and resources to help independent business owners form IBAs in their communities.

48. Encourage local businesses to support one another. In the day-to-day grind of running their stores, many business owners overlook opportunities to support one another and keep dollars in the local economy.

49. Provide discounts and rebates to customers who support local retailers. Joint loyalty cards, such as the Community Benefit Card, work at local stores and rewarding customers with discounts and rebates.

50. Create a community-wide e-commerce web site for local retailers. Businesses could share the expense of creating and marketing an e-commerce site where residents could shop at any local store.

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