

## RRP Rubric for Proposed Project\*

SME Request: Advise on successful efforts by similar towns to recruit or cultivate locally desirable businesses. Advise on methods for analyzing and identifying small area market niches that are more detailed, meaningful and actionable than a standard leakage analysis. Advise on how to negotiate conflicting needs of businesses and local residents, how to build local awareness of the challenges of running a business in the current economy, and how to spur more local spending and more local acceptance of visitor and seasonal customers.

Project Title	<b>Cultivate Desirable and Viable Downtown Businesses (Market Study and promotion of business opportunities in the downtowns)</b>
Origin	RRP Advisory Committee
Location/Census Tract	Downtown Essex and Downtown Manchester-by-the-Sea
Budget & Sources of Funding	Low Budget (less than \$50k)
Timeframe	Short-term (approximately 3 years for the initial effort)
Risks	Low Risk <ul style="list-style-type: none"> <li>• Lack of funding</li> <li>• Loss of political capital if the project is not successful</li> </ul>
Key Performance Indicators	<ul style="list-style-type: none"> <li>• Completion of a market study</li> <li>• Successful creation of business attraction marketing materials</li> <li>• Contacts with potential business proprietors</li> <li>• Increased number of downtown businesses</li> <li>• Reported satisfaction with business mix by residents, downtown business owners, and downtown property owners</li> </ul>
Partners & Resources	Town of Essex, Town of Manchester-by-the-Sea, business owners, Essex Merchants Group, Essex Economic Development Committee, Manchester Downtown Improvement Committee, Cape Ann Chamber of Commerce, and community members.
Diagnostic/ COVID-19 Impacts	COVID-19 revealed underlying weaknesses and

	<p>opportunities in the business environments of downtown Essex and downtown Manchester-by-the-Sea.</p> <p>Businesses in Essex are highly dependent on seasonal tourism and visitor dollars. There is a lack of local serving businesses in the downtown. Shifts due to COVID--a decline in eating out, a decline in tourism, and increased working from home--revealed both the downside of relying on tourism and the potential for additional local-serving businesses. Meanwhile, as existing businesses attempt to adapt to changes in the marketplace by diversifying their offerings or expanding their customer base--for example by hosting events--there is growing tension with adjacent residential uses, who see increased impacts like noise and traffic.</p> <p>The town's economic development strategy is at a crossroads. Its strategy of increasing marketing to attract more visitors to downtown businesses was successful in the pre-pandemic era. But at this point, the Town needs to determine which businesses will be viable in the town going forward, how to support existing businesses, how to attract new businesses providing goods and services desired by residents, how to balance the needs of businesses and residents, how to maintain an adequate commercial tax base, and how to address land use conflicts borne from a history of allowing businesses throughout the town.</p> <p>Manchester-by-the-Sea's downtown has a fairly strong mix of local-serving businesses and businesses that cater to visitors. Input from businesses during outreach for the RRP plan showed that businesses cannot rely solely on local customers and need to expand their visitor customer base. Even businesses that are locally-serving, like the Pharmacy, depend heavily on summer visitor traffic. While some restaurants, for example, report surviving in the winter and then making money in the summer that carries them through the rest of the year. COVID-19 stressed many downtown businesses. Capacity reductions, reduced MBTA service, and reduced visitors resulted in lost revenues. Several businesses closed or relocated to other communities.</p> <p>Meanwhile, a few businesses were able to capitalize on increased work-from-home customers and seasonal</p>
--	---

	<p>residents who stayed in town longer--for example, by shifting from a sit-down restaurant to a takeout restaurant. Long-term, the downtown is wrestling with how to maintain active retail storefronts as competition from online sales ramps up.</p> <p>Essex previously worked with MAPC on an economic development strategy. Essex, therefore, has a head start on some of the elements described below. Manchester-by-the-Sea, for its part, has a stronger local-serving business base and a growing collaboration between businesses and the Town government. The towns have much to learn from each other. A collaborative effort at business attraction would enable the towns to achieve an economy of scale and avoid unnecessary competition.</p>
Action Item	<p>Attract new businesses to downtown Essex and downtown Manchester-by-the-Sea, especially businesses that will serve local needs and complement existing businesses. Key action steps:</p> <ul style="list-style-type: none"> <li>• Conduct a market study to reveal opportunities for additional businesses that would provide goods and services desired by local residents and that would support the viability of the downtowns overall.</li> <li>• Establish marketing materials that promote the specific opportunities in the downtowns</li> <li>• Conduct outreach to potential business owners</li> <li>• Conduct mentoring and provide support for new businesses</li> <li>• Identify potential public improvements, including parking, lighting and public realm enhancements, that could support business viability.</li> </ul>
Process	<ul style="list-style-type: none"> <li>• Obtain funding for a pilot program to develop and test a more active economic development strategy for the downtowns</li> <li>• Hire a consultant or consultants</li> <li>• Conduct a market study to reveal opportunities for additional businesses that would provide goods and services desired by local residents and that would support the viability of the downtowns overall. (Some of this work has already been completed in Essex) <ul style="list-style-type: none"> <li>o The marketing study can include a</li> </ul> </li> </ul>

	<p>survey of potential local and regional customers</p> <ul style="list-style-type: none"><li>○ The marketing study can also include detailed analysis of sales and customer information from existing businesses and identification of any spending that is being done outside of the downtowns that could be captured locally.</li><li>● Work with property owners to identify available spaces for new or expanded businesses</li><li>● Identify and eliminate regulatory hurdles to business establishment</li><li>● Establish marketing materials that promote the specific opportunities in the downtowns</li><li>● Conduct outreach to potential business owners</li><li>● Establish a mentoring program that matches existing business and community leaders with emerging entrepreneurs to provide support on working with local banks, real estate agents, and permitting agencies</li><li>● Establish a buy local campaign with a focus on supporting new and struggling businesses including "cash mob" events</li><li>● Monitor the impacts of the economic development strategy, including unintended consequences and adjust course to improve the program.</li></ul>
--	--