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Making over Main Street



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The word is officially out: Downtown Johnson City is headed in the right direction and poised for even greater growth.

Although the Johnson City Development Authority knew several weeks ago that it had secured downtown as a Tennessee Main Street community, state officials formally announced this week that it is among just 14 others to earn the certification.

“Community development is essential for economic growth. Governor Bredesen and I frequently say that there can be no successful economic development without viable community development,” said Commissioner Matthew Kisber of the state Department of Economic and Community Development. “We are proud that our efforts with the Main Street Program are beneficial to communities.”

Main Street certification doesn't mean that downtown can now follow a program, but shows that it already is meeting set guidelines. And while the certification is an honor, JCDA Director Bridgett Roberts

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says it's more than just another jewel in Johnson City's crown.

"We're part of 15 communities now collectively working to strengthen Tennessee's economy," she said.

That strength is significant. According to ECD, results from the 2004 statewide program, "Downtown Tennessee," show positive gains in business and job growth. More than 213 jobs and more than 193 new businesses were created in participating communities. Additionally, there were 193 building rehabilitation projects, 27 public improvement projects and 33 new construction projects. The projects represented \$40,021,704 of private investment and \$30,646,000 of public investment.

In Johnson City, the proportion of public and private investments is much different. While \$242,500 of public money was spent on projects, nearly \$1 million in private dollars was expended.

"Eighty percent of total investment here was privately driven — that's compelling," Roberts said. "About \$140,000 in private money will leverage \$6 million on the Tipton Street project."

Main Street isn't going to provide any of the missing dollars directly. It's a standard that downtown business owners will adhere to. It's criteria that includes promoting downtown and preserving its historic element. And it means that Nashville now counts downtown Johnson City among the best in the state.

So while downtown is clearly on its way, more is needed. One thing Johnson City is lacking that other communities, particularly those with vibrant downtowns, have is incentives. On the heels of Main Street certification, Roberts is working to change that.

"We want to get incentive programs in place to encourage people to come down here," she said.

The JCDA is awaiting word from Nashville that it has the authority to establish a Redevelopment District. If authority is granted, and the city and county commissions both approve it, investors will have even more reason to take part in downtown's revitalization. Simply put, when a Redevelopment District is established, the property values are frozen. The city and county continue collecting property taxes but the additional tax increments resulting from any improvements are sent directly back to the district for further redevelopment efforts. It's a way to ensure that property owners get a major return on investment, and it helps the JCDA to operate as a self-running machine, according to Roberts.

Good examples of communities that have both Main Street certification and a Redevelopment District are Kingsport and Greeneville. Roberts cites the General Morgan Square project as a perfect example of what the JCDA could be doing.

The old General Morgan Inn was donated to the Main Street Greeneville organization, which in turn sold it to private investors for

the appraised value of \$25,000. Using the Redevelopment District tools —also known as Tax Increment Financing — along with enhancement grants like one that Roberts has written, the square appraised at \$2.4 million in 2004. Four former hotels were turned into a single historic inn with a conference center and 14 retail and service shops. Nearly 100 full-time jobs were created. About \$500,000 in new tax revenues was generated in the first two years of operation, and the project sparked \$2.5 million in other restoration endeavors.

“It all goes back to what the basics of Main Street are — organization, promotion, design and economic restructuring,” she said, noting that downtown Johnson City is ready for such a project.

“Now is the time. This is the place,” she said. “People are holding on to their property now and not wanting to sell because they know their property values are going to increase. You’re guaranteed a return on investment.”

Other city leaders are excited about the direction in which Roberts is leading downtown. Chamber of Commerce President Gary Mabrey said the leadership of Roberts and JCDA Board Chairman Craig Torbett will ultimately strengthen Johnson City’s business community.

“I think any time investment is occurring, you have direct and indirect creation of jobs,” he said.

Mayor Steve Darden said that all of the city, not just downtown residents and business owners, will benefit from a thriving downtown.

“The Main Street designation is a strong affirmation that downtown Johnson City redevelopment is on track and has caught the eye of the state,” he said. “And a Redevelopment District is a potential source of revenue that would be significant enough to enable meaningful reinvestment in and improvement of downtown infrastructure.

“A vibrant downtown says a lot about a city and it provides within walking distance shopping, employment, entertainment and dwelling opportunities. But even to people who might prefer other settings or sections of town, a vibrant downtown can have a huge payoff for the tax payers of Johnson City though tax revenue and enhanced property values.”

To learn more about the grass-roots efforts of Main Street, contact the JCDA at 928-2988 or visit the office at 207 E. Main St., Suite 1-B. Also be looking for public opportunities to see Roberts’ full presentation on what a Redevelopment District could do for Johnson City.

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