

ISSUE PAPER

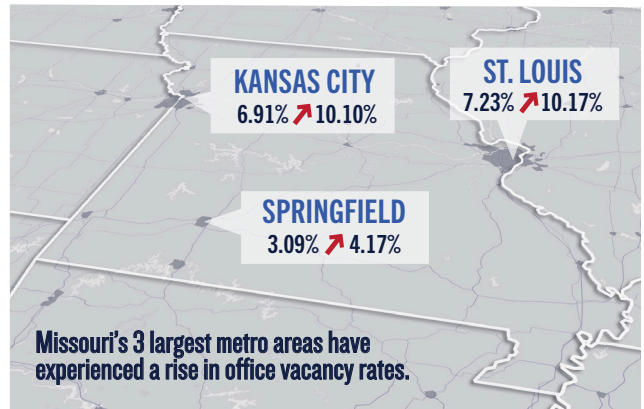
# REVITALIZING DOWNTOWNS AND MAIN STREETS ACT

Revitalizing Missouri Downtowns and Main Streets by encouraging the conversion of vacant unproductive office space into vibrant residential space.

BACKGROUND

- The pandemic changed the habits of Missouri’s workforce, shifting businesses and workers to hybrid and remote work environments and leading to a collapse of small businesses that has had a devastating effect on Downtowns and Main Streets throughout Missouri.
- Fewer employees populating Missouri Downtowns and Main Streets has led to an increase in vacancy and a decrease in foot traffic, contributing to public safety challenges and the shuttering of small businesses.
- Activating vacant unproductive office space in Downtowns and Main Streets across Missouri is critical to revitalizing communities and can help solve many of the challenges these areas are experiencing, including crime, small business development, and the lack of affordable housing.
- The General Assembly has an opportunity to ignite a revitalization of Missouri Downtowns and Main Streets by creating a program that encourages the conversion of vacant office space into vibrant residential space.

## RIISING OFFICE VACANCY RATES [2019 TO 2022]



87% of local Main Street leaders:  
Not enough housing to accommodate those who want to live in the district



70% reported: a lack of built-out space holds back economic development in their downtowns or districts.



## OPPORTUNITY

Missouri Downtowns and Main Streets continue to struggle in the post-pandemic environment. Vacancies in once-populated office buildings are contributing to public safety challenges and small business closures across Missouri.



## SOLUTION

Missouri has an opportunity to get ahead of the national trend of incentivizing the conversion of vacant unproductive office space into vibrant residential space in its Downtowns and Main Streets. Giving new life to these areas will revitalize Missouri Downtowns and Main Streets, leading to a small business resurgence, an increase in available and affordable housing, and a reduction in crime.

## CONVERSION CREDIT DETAILS

Credit for the conversion of a qualified office building

25%

\$50M ANNUAL CAP

+

SEPARATE \$50M ANNUAL CAP for conversion of buildings over 750K square feet

25%

Program cap reserved for Missouri Main Street Districts

30%

Credit to convert upper floor housing located in Missouri Main Street Districts



*Because existing older buildings have long been part of the urban fabric, the redevelopment of one or cluster of a few, helps anchor the redevelopment of an entire corridor, district, or neighborhood. Once new residences or a mix of uses are reintroduced into the core, others follow.”*



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