

# Pulaski's Main Street Comeback

THE TOWN OF PULASKI, VA



Photo by Aggregate Capital, LLC

Two key buildings that sat empty for years are now home to multiple apartments and businesses.

“It’s really a Cinderella story.” That’s how Wally Robinson, Strategic Lending Officer for Virginia Housing, describes the revitalization that is happening in Pulaski.

Like so many small, rural towns in Virginia, Pulaski – located 35 miles southwest of Blacksburg – has had its share of economic challenges over the years, but recently the mountain town has seen an uptick in its residential and commercial sector thanks to strategic partnerships, a diligent local government, and key investors.

The latest effort is the rekindling of Pulaski’s Central Business District, which involves transforming the town’s blight-riddled West Main Street into a vibrant mixed-use development ideal for business owners and renters.

Spearheaded by local developer Steve Critchfield of West Main Development LLC and a team of enthusiastic millennials (affectionately dubbed “the tribe”), two key buildings at 89 and 94 West Main Street – which had been empty for 20 years – are now home to four premier apartments and three modern commercial/retail spaces.

Pulaski County Administrator Jonathan Sweet is excited for what the future might hold. “We’re in a transition period of opportunity, and we’re really firing on all cylinders,” he said.

## The Inspiration

Sometimes you just have to be in the right place at the right time.

Seven years ago, Blacksburg-based private developer and business owner Steve Critchfield and his friends were on their way to the airport in North Carolina when they encountered heavy traffic. A shortcut down Route 11 took them through the heart of Pulaski. For Critchfield, it was love at first sight. He saw past the empty buildings and instead imagined what could be.

"I just fell in love with the architecture of the downtown area because it reminded me of an area I used to live in – Adams Morgan in the District of Columbia," said Critchfield. "So, I stopped, and we walked around, and I decided I was going to get something done in downtown Pulaski."

From there, Critchfield began assembling a team of people who would share his passion for Pulaski. He tapped Virginia Tech graduate Luke Allison and Austin Stromme, another enthusiastic entrepreneur, to help put the development in motion. The pair were among a group of millennials dubbed "the tribe" who are investing time, money and other resources into the new chapter of Pulaski's history.

## The Challenge

If revitalizing a downtown or a neighborhood was easy, everyone would do it.

Through their company, Austin Stromme and Luke Allison help developers fund and complete projects in rural areas like Pulaski, Virginia.



"The projects in rural Virginia are usually so small (less than \$2 million) that national syndications and developers aren't interested because there isn't any money in it," explained Critchfield. "Normally what happens is the only way a downtown in a small community is going to be revitalized is if some community leaders or folks connected to the town want to see something done, but then they don't have the experience in enterprise zones and Historical Tax Credits like they need."

Even for an experienced developer like Critchfield, all the nuances involved in determining the right kind of loans and grants to make the development economically feasible were overwhelming.

It became clear that in order to create a revitalization project that would set the standard for future progress in Pulaski, there needed to be more than just private investors.

## Partnerships

The Pulaski project had plenty of passion behind it, but there were still many pieces of the puzzle that had to come together to make it viable.

When Mike Hawkins, Virginia Housing's Managing Director of Community Outreach, met Critchfield at an event a few years back, he could tell that the developer "wanted to make something happen in Pulaski and had ideas percolating."

As part of its mission to provide affordable housing, Virginia Housing contributes a large portion of its net revenue to a program called REACH Virginia (Resources Enabling Affordable Community Housing). This money is dedicated to help the organization meet critical housing needs, such as the revitalization of communities.

Hawkins approached Critchfield after the meeting to discuss how Virginia Housing could help. "We sat down, brainstormed, and worked out a strategy to move his project forward," said Hawkins.

The biggest hurdle initially was accumulating enough capital to make the project feasible. 89 and 94 West



**The rising cost of living in Blacksburg and surrounding communities makes this an ideal time for Pulaski to revitalize its downtown. The market is there for affordable workforce housing and new commercial businesses."**

—MIKE HAWKINS, VIRGINIA HOUSING



Main Street had severe interior damage due to failed roofs and needed quite a bit of work.

Along with Hawkins, Virginia Housing's Director of Strategic Housing Chris Thompson worked with Critchfield to identify buildings available for rehabilitation on West Main Street that didn't have any conditions or unique aspects attached to them that would hold up development. Wally Robinson, a Strategic Loan Officer with Virginia Housing, worked with Critchfield's team on financing and loan options.

In addition to initial construction loans provided by The Town of Pulaski, the Pulaski County Economic Development Authority and National Bank of Blacksburg, Virginia Housing

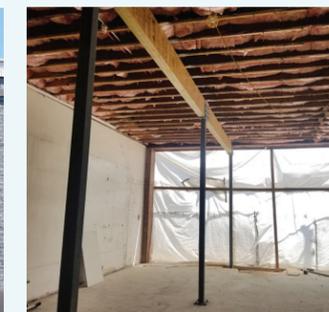
provided \$525,000 in special financing through its REACH Virginia program.

"They (Virginia Housing) decided to take a chance on us because they wanted to see revitalization in rural Virginia," said Critchfield. "If they hadn't, this never would have happened."

"It was a wonderful experience to have such a crucial partner in Virginia Housing," added Allison, who along with Stromme, worked closely with Robinson on the grants.

The most challenging capital to acquire, however, was the Virginia Historic Rehabilitation Historic Tax Credit (HTC), said Critchfield. Through this program property owners are given substantial

As part of downtown Pulaski's revitalization project, two aging storefronts were transformed into new, modern business spaces for local entrepreneurs. Virginia Housing played a key role in helping developer Steve Critchfield revitalize the two historical structures.



incentives for private investment in preservation, but the application process can be arduous.

Through their development consulting firm Aggregate Capital LLC, which grew out of the Pulaski revitalization project, Allison and Stromme worked with Christiansburg-based First Bank & Trust to purchase the HTC, which significantly boosted the percentage of capital going into the project.

## A new way of doing business

With partnerships in place and redevelopment underway, the next step was to educate the business community and appeal to prospective renters. Allison and Stromme reached out to Virginia Tech to enlist the help of its business students to work with Pulaski business owners on their plans and pitches.

“That part was crucial,” said Critchfield. “Not only is the revitalization of the building important, but you have to figure out what type of businesses the community wants and would support.”

Sweet has been impressed with the work Critchfield and “the tribe” have accomplished in the community. “Instead of working in a silo, these guys have come together, joined forces and shared resources and talents to get these projects moving more quickly,” he said.

For Critchfield, the most important takeaway is that small, rural towns in Virginia, and likely across the United States, need help getting revitalization projects off the ground.

He plans to put together a template – based on Pulaski’s efforts – that other communities can use as a guide. Hawkins thinks a template based on Pulaski’s success is a wonderful idea.

“It would be great if this (Pulaski) could be a model or inspiration for other communities,

Apartments in the revitalized buildings feature hardwood floors and kitchens with modern appliances.



Street-level storefronts now provide commercial and retail space for local businesses.

because oftentimes what happens is a town has gone through so much, they get demoralized and feel overwhelmed and find it difficult to figure out how to move forward,” he said. “That’s why spark plugs, like the team in Pulaski, are so important.”

## Moving forward

For Critchfield and company, it has been rewarding to see the pilot project come to fruition. Not only have they revitalized historic buildings and breathed life back into a pre-industrial town, they also created affordable apartments and much-needed commercial space.

“Steve and his team have advanced small business and spurred residential development in our downtown that had previously been depressed,” said Sweet. “They have solved the riddle, and the template they are creating will serve as a model for rural revitalization in America.”