

## **RURAL ZONE – STRATEGIC PLAN GUIDANCE**

This guidance is offered to assist communities develop strategic plans for areas where they are seeking Rural Zone designation. Communities that have downtown master plans or other strategic plans generally covering the geography for which designation is sought may utilize those plans as long as they contain the basic elements contained within this guidance document, provided those plans were created and adopted within the last five years. Where existing plans do not contain all of the elements, the missing elements may be submitted as an addendum to the plan.

All communities are encouraged to develop and implement plans that are as thorough and as extensive as is practical for that locale. However, this guidance represents the minimum requirements that must be included in order to submit an application for Rural Zone designation. The strategic plan for the proposed area is an element which Department of Community Affairs staff will consider during the evaluation process, so the higher quality the plan, the greater the potential benefit to the community. (It is unlikely that a plan can satisfy all of the requirements in less than 12 pages.)

Strategic Plans for the purpose of Rural Zones must include the following elements:

- Downtown SWOT Analysis
- Current State of Downtown infrastructure
- Discussion of “Distress” in downtown area
- Goals needed to achieve downtown revitalization outcomes
- Desired businesses in downtown

**Downtown SWOT Analysis.** Communities should be familiar with SWOT analysis exercises. The purpose of SWOT analysis is to reveal the positive forces that converge and potential problems that exist within the community that must be identified, and perhaps addressed, so that the community can make decisions about how to best achieve your objectives.

Within this section of the plan the community should analyze the strengths and weaknesses of the downtown area. Strengths and weaknesses are internally based assessments of the community. Analysis of your strengths and weaknesses can reveal your community’s priorities and possibilities.

Opportunities and threats are external pressures that have a potential impact on the community. Identification of opportunities for success in comparison to threats to those successes can help clarify your direction and choices.

**Current State of Downtown Infrastructure.** Infrastructure is vitally important to support any type of business venture in your downtown area. First, communities should evaluate their water and wastewater capacities and capabilities. These are critically important resources and without these, the potential to attract restaurant and certain industrial businesses is extremely limited. Well-

developed plans will consider the desired business entities within the Rural Zone and evaluate how the needs typically associated with those sectors compare to the community's capabilities.

It is common that communities complain about the lack of parking available within the downtown area. The community should quantify the number of parking places in the downtown area, as well as within the proposed Rural Zone. Then this should be compared to the needs of the types of businesses that the community seeks to bring to the downtown. If the needs far outweigh the availability of parking, circumstances may dictate that the community develop a plan to create additional parking in the downtown area that is reflected in subsequent sections of the plan.

In recent years, internet access – and particularly broadband – have become a critical infrastructure piece for communities and their downtown areas. It is common that most business sectors rely on this access to run their day-to-day operations. Access, providers, speed and cost are all elements that may be considered when evaluating access in the downtown area. These elements should be discussed in light of businesses that the community seeks to attract to the downtown area. Be assured, DCA staff is well aware of the challenges many rural communities face with access to broadband.

Many businesses are reliant on traffic to make their business viable. Plans should include an analysis of the traffic network within the downtown area and its relationship to the community. Consideration should also be given to traffic counts and what those counts mean to the proposed Rural Zone. Additionally, the community should discuss the availability, location, and condition of sidewalks within the downtown area. Further, the pedestrian traffic that is currently present within the downtown area should be discussed, as well as whether additional infrastructure is needed to support more vehicles and pedestrian traffic.

The businesses currently in the downtown area are vitally important to the plan. The number, sector and size of the businesses currently in the community are a good barometer for the current business climate within the community. The plan should discuss the current state of businesses in the downtown area. Communities can also talk to existing businesses to find out what factors are positively impacting businesses and what obstacles are present within the area. (These conversations could prove beneficial to the community when considering policies that could enhance the business climate in the proposed Rural Zone.)

Many communities – whether through businesses, chambers of commerce, local governments or non-profits – have recurring events within a downtown area. The plan should identify these recurring events, their timing and the average number of people that these events bring to the downtown. Some communities do not have regular activities that draw people to the downtown area. If that is the case, then explain that no events regularly occur.

***Discuss “Distress” in downtown area.*** Each plan should fully explain the history of its downtown area. This includes what types of businesses were historically within the downtown and the area in which the community is seeking Rural Zone designation. The plan should also discuss when

the decline or distress began, and what specific triggers contributed to the decline. Detailed information about when and why the decline or distress began should be provided, as well as any steps the community has taken to mitigate the distress.

Additionally, the community should describe the current conditions that are causing or contributing to the distress within the proposed zone. The plan should paint the picture as to the true issues that are impacting the community's downtown area.

**Goals to achieve downtown revitalization outcomes.** The community should begin this section by discussing how the downtown fits into the larger community. Information should be included that shows the community has a full understanding of the larger economic issues impacting the community, and how the downtown is a piece of that equation.

The plan should also include information on what the community desires to achieve over the course of the requested 5-year designation. This includes not only general statements, but work items that the community will seek to implement during this period. Some may be capital infrastructure projects, while some may be policy driven. Each downtown is unique and their action plan should reflect the needs and desires of the community.

Implementation of any successful plan requires a team. Revitalization of a downtown is no exception. The plan should include the names of "core" team members which will serve as local champions of the downtown revitalization efforts. Information on why these individuals were selected should also be included. Further, the plan should identify specific responsibilities for each of the core members to implement the plan.

Through the development of the plan, the community should evaluate local regulations, policies and/or procedures which have an impact on the success of businesses in the downtown area. Through this evaluation, it is likely that the community will determine that there are positive regulations, policies or procedures that serve to benefit the business community. However, it is also likely that some negative regulations, policies and procedures will also be identified. The plan should identify each of these measures and specifically discuss any measures that it intends to undertake to become more business friendly, specifically to the downtown area. This includes identifying any policies or actions that are necessary to achieve the desired outcomes.

**Desired Businesses in Downtown.** The community should also discuss the kinds and types of businesses that it feels can be successful in the downtown area. This discussion should also focus on why the community has determined these can be successful. The plan should also discuss strategies that have been (or will be) implemented to attract these businesses to the community, most specifically the downtown area.

The community should also identify strategies that have been (or will be) implemented to attract investment to the downtown area. This discussion should have specificity in terms of strategies,

what the strategies will attempt to achieve, responsibilities that identify who will be leading the initiative, and the timeline in which their work is anticipated to be completed.

Within this section, the community may analyze a ‘Leakage Report’ in order to satisfy requirements for Rural Zone application. A leakage report provides a direct comparison between retail sales and consumer spending, as well as measures the gap between supply and demand. Some local governments, chambers of commerce, local economic development entities, utility companies, regional commissions or institutions of higher learning may have access to leakage reports.

Simple submission of a leakage report will not be sufficient to meet the feasibility study/market analysis requirements to apply for Rural Zone designation. However, thoughtful analysis submitted with the leakage report will be acceptable. This analysis should include what types of businesses the community believes are viable within the downtown area.

It should be noted that a leakage report will only address retail expenditures. Additional sectors should be added by the community and substantiated.

(Note: A leakage report and subsequent analysis is not mandated in this plan or for submission. However, if a community chooses not to provide a leakage report and subsequent analysis, another form of market analysis or a feasibility study must be provided. This discussion merely offers an acceptable format for communities to satisfy the requirements for market analysis or feasibility study. For communities completing a feasibility study or market analysis in another manner, it is suggested to discuss the community’s preferred alternative with DCA prior to submitting a Rural Zone application.)

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Additional elements may be added to the plan by the community. These are not required, but evaluation of strategic plans will be a factor in determining the ranking of Rural Zone applications. Stronger and more implementation-friendly plans stand to benefit the community as it seeks to achieve its goals.