

## Project Overview

The Delaware Economic Development Office (DEDO) seeks to increase its reach and impact in the state by providing business development and related downtown revitalization services to seven rural towns statewide. The DEDO's program of downtown revitalization follows the National Trust Main Street Center (NTMSC) methodology, a proven model for downtown/community economic development that is particularly effective in rural communities. This process simultaneously addresses the four points of organization, design, economic development, and promotion. The model is designed to build public and private philosophical and financial support, thereby drawing upon local opportunities and building community self-reliance that leads to economic development of the community's commercial district.

Since 1994, the DEDO's program of downtown revitalization has effectively guided economic development efforts in ten of Delaware's historic downtowns. The mission of the program is "to provide Delaware's historic commercial districts with the tools to promote economic stability in business and workforce and to retain and enhance their downtown's unique sense of place." This mission supports the state's Livable Delaware Strategy to promote economic stability, create economically healthy downtown centers; reuse existing infrastructure; build quality of life and quality of place, and support smart growth principles. The mission of the Delaware Economic Development Office (DEDO), is also a natural fit with the program by assisting small and minority-owned businesses, promoting and developing tourism, attracting new investors and businesses (both within and beyond the state), and increasing employment opportunities, with particular emphasis toward developing small-, women-, and minority-owned businesses. Thus the mission and purpose of DEDO's method for "helping downtowns to help themselves" is compatible with state planning objectives. It also supports USDA Rural Development's objective to help "rural individuals, communities and businesses obtain the financial and technical assistance needed to address their diverse and unique needs."

This application brings opportunity to expand technical services to allow specialized assistance to four low-income, rural towns within a three-year time frame. It also offers opportunity to assist at least seven low-income rural communities in developing initiatives to spur local business development, as well as address downtown issues relating to organizational development, promotions, and physical enhancements. In all cases, USDA funds are advancing federal, state, and local community economic goals by: engaging additional rural towns statewide in undertaking meaningful economic development initiatives; providing more extensive and advanced technical services to those recipients who have demonstrated capacity to receive it; providing a "never before offered" slate of "start-up" services to new recipient towns; and providing a range of economic and business development services statewide that have not previously been available.

Previous USDA Rural Development RBEG funds have proven to be very effective. Not only were services offered that were beyond the scope of DEDO's typical ability to provide, but USDA funding advanced the creation of a very comprehensive "menu" of retention and recruitment services that specifically focuses on downtown business development: recruiting, retaining and expanding businesses; building stakeholder consensus; stabilizing "at risk" merchants, and addressing vacancy issues in rural towns. In the menu, four phases of services sequentially address assessment, market analysis, strategic economic development planning, and implementation of strategies. An overarching principal of these services is to build local capacity of local towns'

volunteers and staff. Within six months of receiving these services, five towns in Delaware completed the first phase of business development services and/or addressed issues specific to their locale. Proposed RCDI funds will allow DEDO to extend these services to, at minimum, an additional seven towns.

The DEDO's revitalization program was assessed in winter 2007 by the National Trust Main Street Center. Due to both staff and funding inadequacies at the state level, the areas found to be lacking were: 1) inability to help towns develop local capacity to initiate a local program of downtown revitalization, due to weak, and in some cases, non-existent start-up services, including statewide "101 Basic Training"; 2) insufficient promotion and marketing of the state's revitalization program to encourage additional towns to participate; 3) extremely limited design assistance/training for local programs to be able to train business owners in "good design"; and 4) insecure funding to advance comprehensive economic/business development training (i.e.; the "menu".)

The DEDO has responded to a majority of these areas of insufficiency by: re-establishing a full-time State Coordinator position to work with Delaware's downtowns; committing to provide consistent economic/business development training via an annual contract with the Business Development Specialist; and applying funding for use in promoting local towns. The proposed RCDI project provides for a more comprehensive, secure slate of technical services. Proposed RCDI funding is sought to support DEDO's remedies and to address funding needs for basic, advanced, and expanded services.

Because the DEDO believes that the primary component to a healthy downtown is a strong business mix, technical services lean heavily toward the economic development component. Nevertheless, training in business development is not offered to the exclusion of other important elements such as creating a strong local revitalization program (organizational development), a pleasing downtown environment (design), and image promotion, marketing and advertising (promotions).

#### **A. The Type of Financial and Technical Assistance to be Provided to the Recipients and How it will be Implemented**

##### **Financial assistance:**

The DEDO follows the national model to "build local self-reliance," therefore DEDO does not provide actual funds to towns or programs, but rather trains personnel in how to develop sustainable funds through a broad base of public and private partnerships and mechanisms such as town/city donation; membership development; local, state and federal grants (USDA RBEG, Livable DE, CBDG, Grant-in-Aid); annual events; corporate sponsorships; fundraisers, etc.

##### **Technical assistance:**

Technical assistance in the community and economic development initiatives described in this narrative will be directed to personnel (Town/City and non-profit staff, volunteers, downtown stakeholders including business and property owners, real estate brokers, etc.), and to "Economic Development (ED) task forces" that lie within the structure of a municipal government (town council and/or staff of local government) representing low income, rural areas. (See page the Budget, pages 50-56 for a detailed description of services.) In all cases, the purpose of the assistance is to build capacity of the volunteers and staff each locale. Technical assistance is

provided by staff of or consultants engaged by the DEDO (the intermediary) and offers that assistance in several ways:

- On-site half- or full day training in local towns and tailored to the community’s needs, level of advancement, and aptitude and capacity to receive services.
- Statewide half-, full, or multi-day training, such as forums, conferences, and workshops.
- “Learn by doing” model: consultant addresses a business owner’s concerns, for example, in the presence of program staff and/or committee members, as a technique for training.

Recipients carry out strategies upon receiving training, and with ongoing guidance from the state office. As program personnel demonstrate aptitude for learning and implementing basic strategies, technical assistance then gravitates toward developing strategies that affect more complex issues in downtown revitalization. In time, technical assistance for those recipients that have achieved a strong record of implementation can then be re-directed toward other low income, rural towns and newly-formed ED task forces. In most cases, representatives of rural towns statewide are invited to take part in the training, which is typically selected from among the following topics:

ORGANIZATION:	PROMOTION:
<ul style="list-style-type: none"> <li>▪ Mission Development/Vision Planning</li> <li>▪ Strategic Planning/ Work Planning/ Board Retreats</li> <li>▪ Fundraising &amp; Public Relations</li> <li>▪ Membership &amp; Volunteer Development</li> <li>▪ Public Relations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Developing Marketing Plans</li> <li>▪ Retail Advertising</li> <li>▪ Tourism Development</li> <li>▪ Image Development/Branding</li> <li>▪ Special Event Planning</li> </ul>
DESIGN:	ECONOMIC RESTRUCTURING/BUSINESS DEVELOPMENT:
<ul style="list-style-type: none"> <li>▪ Downtown physical assessments and planning for targeted design assistance</li> <li>▪ Renewable energy; energy efficiency, and sustainable design</li> <li>▪ Design assistance: on-site consultations with downtown property and business owners, with committee personnel in training “learn by doing.”</li> <li>▪ Preparation of façade drawings/specifications</li> <li>▪ Streetscape and Landscape Design</li> <li>▪ In-Fill Construction</li> <li>▪ Establishing Design Guidelines</li> <li>▪ Managing Parking and Traffic</li> <li>▪ Working with Local Zoning and Building Codes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business retention, expansion, and recruitment training</li> <li>▪ Matching prospective businesses with vacant downtown buildings</li> <li>▪ One-on-one confidential business consultations</li> <li>▪ Strategic Retail Merchandising Plans</li> <li>▪ Developing Building and Business Inventory</li> <li>▪ Real Estate Development</li> <li>▪ Retail Merchandising</li> <li>▪ Incubator Development</li> <li>▪ Market Analysis</li> <li>▪ Community Initiated Development</li> <li>▪ Upper Story Housing</li> </ul>

**Primary technical assistance providers and DMS partners include:**

- Diane Laird, DEDO State Coordinator, Delaware Downtowns
- Rick Ferrell, Business Development Specialist; Principal, Retail Market Answers, LLC
- Local, regional, national consultants who are recommended by one of the above and/or those who are nationally recognized for their expertise.
  - Program Officers of the National Trust Main Street Center
  - Donna Ann Harris, Principal, Heritage Consulting

**Additional partners include:**

- University of Delaware
  - UD Center for Historic Architecture
  - UD DE League of Local Governments
  - USDA Rural Development
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- UD Institute for Public Administration
  - Small Business Development Center
  - Local program staff as mentors/trainers
  - Office of State Planning Coordination

## B. How the Capacity and Ability of the Recipients will be Improved

Capacity and ability of the recipients are improved in a variety of ways: Team-building among members within local revitalization programs/ED task forces, as well as externally with downtown stakeholders, shoppers, and constituents; changed attitudes and behavior; improved mediation abilities; increased or new design and organizational skills; ability to more capably identify and secure *sustainable* funds; increased awareness of energy efficient and renewable energy options and opportunities to fund same; increased understanding of and ability to strategize and implement appropriate economic and community development initiatives to recruit, retain, expand businesses; increased “ownership” of the downtown and the local revitalization vehicle (revitalization program or ED task force) as an effective mechanism to effect incremental, measurable change in the economic base of the community.

## C. The Overall Goals to be Accomplished

During the proposed three-year timeframe, DEDP will implement a “multi-tier” approach in which two initiatives will run simultaneously:

**Tier I** involves working with four new rural programs of downtown revitalization in Delaware, three of which will be identified within the three year timeframe. Milford has been identified as the first new program to be designated. (Several communities have been targeted and are illustrated as “recipient” in this proposal. USDA Rural Development will be notified appropriately as selections are finalized.) These programs will receive a comprehensive array of never-before-offered group and individualized start-up and business development services, as well as technical assistance focused on organizational, design, and promotions. As previously mentioned, representatives of rural towns statewide are invited to participate.

In Tier I, business development assistance will be offered in a sequential manner – current assets assessment, market analysis, strategic planning, implementation of strategies – which culminates in each recipient’s development of a strategic merchandising plan (SMP), the tool to enable effective and comprehensive management of downtown retail assets and opportunities. The SMP is an overall business enhancement and physical condition management plan as well as a pre-requisite to effective business recruitment. It is a block-by-block, space-by-space assessment and retail plan for the entire commercial district and can be considered the “master plan” for achieving the optimum downtown business mix. And, while development of the SMP is key to long-term management of retail assets and opportunities, DEDO’s program of technical assistance simultaneously addresses pressing issues (such as working with “at risk” merchants/property owners; vacancy) near-term in a targeted manner.

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**Tier II:** As a new service, and in addition to above-noted services, DEDO will avail six low income, rural towns/ communities statewide of revitalization training services focused on business development. In the proposed RCDI project, six rural towns have been targeted: Bridgeville, Delmar, Harrington, Laurel, Millsboro, and Milton, although training will be open to all towns statewide. Two of the named towns have expressly indicated interest and

willingness of local government to fund a local revitalization program budget by approximately 30%. The intent for Tier II targets is to encourage formation of local economic development (ED) task forces comprised of town council or city/town staff. Training to these ED task forces will enable them to begin to develop meaningful economic development initiatives, without necessarily building a full-fledged local revitalization program. Topics of group training within Tier II include assessment of downtown business district; establishment of baseline data through creation of downtown building and business inventories from which to measure gross leasable area (GLA), current vacancy, lease terms and rent values and progress over time. Training will involve collection of market data and market analysis with the goal of developing business retention, expansion, and recruitment initiatives for each local.

In essence, this initiative serves as a tool to build human and financial capacity and further, is a prerequisite to understanding available space and existing infrastructure to fully understand potential for new business growth in rural towns *throughout the state of Delaware*. This initiative will, in time, enable the state a more standardized perspective to gauge relative health of rural downtowns statewide. Then, further training can be targeted to towns that 1) have need, and 2) have demonstrated capacity to receive/implement services.

#### **D. The Benchmarks to be Used to Measure the Success of the Program Within the Proposed Three-Year Time Frame**

While too numerous to list in this section, a variety of benchmarks will be used to measure effectiveness of technical assistance on various levels. (See “Measurement of Outcomes”, Evaluation Criteria #4 page 37.) Nevertheless, some benchmarks involve DEDO’s goal to avail recipients of technical services and encourage targeted recipients to attend training opportunities, while other benchmarks involve the actual implementation of the information learned by recipients. (I.e.; “Did recipients develop and implement a project or initiative from the training?” and “Once initiatives are implemented, did they achieve the desired result?”)

Ultimately, the DEDO believes that job and business retention, expansion, and gain are an inherent measure of success of revitalization initiatives. In addition, a standard measure of a well-organized local revitalization program is the National Main Street Center’s “Ten Criteria for Recognition.” (See Evaluation Criteria #4 “Measurement of Outcomes” page 37.)

- Net gain of 42 businesses and 126 jobs in low income, rural downtowns in Delaware.
- Establish four new local revitalization programs and five ED task forces.
- Four local revitalization programs developed and meet “Ten Criteria for Recognition.”
- Four revitalization programs and five ED task forces develop and implement three business development initiatives per year to address business retention, expansion, recruitment, vacancy-reduction, and/or other significant downtown business issues.
- 8.5% vacancy reduction in five rural towns.
- All recipients receive training in renewable energy, energy efficiency/funding of same.
- 16 owners of destination businesses in rural areas expand product line, square footage (on-site or to another location), or sales by 10% within 12 months of receiving training.
- Three towns develop a five-year economic development plan to manage growth.

