

## Project Overview

The Delaware Economic Development Office (DEDO) seeks to increase its reach and impact in the state, and even the region to include Maryland, by providing entrepreneurial business development and related downtown revitalization services to rural towns in the two counties that, of the three counties in Delaware, exhibit the lowest unemployment rates: As of February 2012 Sussex County had the state's highest unadjusted jobless rate, at 8.2 percent, followed by Kent at 7.7 percent. (<http://www.bls.gov/ro3/delaus.htm>)

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 and is designed to build public and private philosophical/financial support, thereby drawing upon local opportunities and building community self-reliance that leads to economic development of the community's commercial district. Building capacity at the grassroots level, "helping downtowns help themselves", is integral to the process.

Since 1994, the DEDO's program of downtown revitalization has effectively guided economic development efforts in many of Delaware's historic downtowns, and currently has relationships established within almost half of Delaware's towns/cities statewide. In fact, in five recent consecutive years, 2007-2011, **Delaware's Main Street towns have seen an average net gain of 4 new businesses and 17 new jobs in each of 6.5 towns annually, which translates to 139 new businesses and 552 new jobs for the state.**

The mission of Downtown Delaware, the proposed "intermediary" and DEDO's resource center for downtown revitalization, is "to provide Delaware's historic downtowns, communities, and small businesses with tools to revitalize their commercial districts, increase entrepreneurship and innovation, and enhance quality of place." Goals of the center are to promote economic stability; create economically healthy and entrepreneurially-friendly downtown centers; reuse existing infrastructure; build quality of life and quality of place; support smart growth, energy-efficiency, and sustainability principles; and to engage grassroots support to accomplish the work. The mission of the DEDO supports 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. Finally, Downtown Delaware's mission 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 variety and breadth of technical services and group training opportunities, as well as two new modules of specialized assistance, to nine targeted low-income, rural towns in Kent and Sussex counties within a three-year time frame. We have devised a framework of services that will assist these rural communities in developing initiatives to spur local business development, as well as address issues relating to downtown organizational development, promotions, and physical enhancements. The proposed project will also invite and engage participants from rural town in Maryland to leverage the investment, wherever possible, into a regional strategy.

In all cases, USDA funds are advancing federal, state, and local community economic goals by: engaging new rural towns statewide in undertaking meaningful economic development initiatives and

providing them with necessary, basic start-up services; providing new, more extensive, and advanced technical services to those recipients who have previously demonstrated capacity to receive it; providing a “never before offered” slate of group and hands-on training on topics that include, but are not limited to: entrepreneurial development, locavesting (“crowdfunding” local investment in local economies); energy efficiency and renewable energy; sustainable design, including advancing a new process for “packaging” façade improvement incentives; Healthy Eating/Active Living; and others.

The proposed strategy will engage nine rural towns and been developed as a necessary series of services to advance progress of recipient towns that DEDO assisted through a USDA Rural Community Development Initiative (RCDI) grant awarded in 2009, as well as engage new towns. Previous recipient towns (Bridgeville, Delmar, Harrington, Milton, Milford, and Millsboro) continue to exhibit desire and capacity for more advanced services. Previous RCDI results were significant:

- **21 new businesses and 38 new jobs** were created.
- **18 downtown businesses** were established, retained and/or expanded.
- **Well over 100 individual businesses** received assistance.
- **1% decrease in vacancy resulted**, on average, in each of seven recipient downtowns.
- Four towns **created and continue to implement new community brand systems**.
- **860 unique community representatives attended from 36 of Delaware’s communities**.
- **A first-ever regional DE/MD revitalization conference** was held, with participants from both states strongly requesting additional regional events in the future.

Beyond the advanced services, a significant portion of the proposed services are brand new. We intend to engage communities that are quite new to the revitalization process, including Georgetown, Seaford, and Smyrna. Further, a second regional conference is proposed, to address the desire for regional networking and collaboration. *These services are well beyond the scope of DEDO’s ability to provide.*

Thus, proposed RCDI funds will engage nine towns to proposed services, with particular emphasis on those towns that show best capacity to implement initiatives and cultivate results, including formalizing a local program of downtown revitalization (i.e.; Main Street designation). Further, 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. Beyond business development, other important elements are aptly addresses, such as creating a strong local revitalization program (organizational development), a pleasing downtown environment (design), and image promotion/marketing/advertising (promotions).

Current funding of the Delaware Main Street program (a program of DEDO/Downtown Delaware) is extremely limited and, at \$37,500 annually, has been at an all-time low for the past three years. It is not anticipated to change in Fiscal Year 2013. Thus funding for the proposed strategy is critical to secure a strong slate of technical service and to provide basic, advanced, and expanded training opportunities. *At the same time, it is critical to note that DEDO will supplement Main Street’s budget to ensure the required match, as well as provide an experienced coordinator to fully oversee the project.*

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

**Technical assistance and Training:**

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 are comprised of public and private stakeholders (otherwise known as Downtown Delaware Commercial District Affiliates) that represent low income, rural areas. In all cases, the purpose of the assistance is to build capacity of the volunteers and staff in each locale. The successful revitalization aims for small business success. Our process lays out a framework for small business success within the context of the creation local, sustainable programs of community economic development. Technical assistance is provided by staff of, or consultants engaged by, the DEDO (the “intermediary”) and offers that assistance in several ways:

- On-site hourly, half- or full day technical assistance 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.
- “Train the trainer” modules that are enacted by trainer with guidance from consultant.

Representatives of rural towns statewide are invited to take part in the training, which is typically selected from among the following topics:

<b>ORGANIZATION:</b>	<b>PROMOTION:</b>
<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>
<b>DESIGN:</b>	<b>ECONOMIC RESTRUCTURING/BUSINESS DEVELOPMENT:</b>
<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>▪ Locavesting – Amassing a group(s) of investors to fund local businesses</li> <li>▪ Business retention, expansion, recruitment training</li> <li>▪ Matching prospective businesses/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>

Recipients carry out strategies upon receiving training, and with ongoing guidance from the state office and consultants engaged in the project. 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.

### **Primary technical assistance providers/partners:**

- Diane Laird, DEDO State Coordinator, Delaware Downtowns will oversee the project.
- Local, regional, and nationally recognized subject experts, who are also, themselves, successful entrepreneurs, are likely to include:
  - John Childress, Small Business Consultant President, Childress Business Consulting
  - Scott Day, Principal, Urban Development Services
  - Rick Ferrell, Business Development Consultant, Principal, Retail Market Answers, LLC
  - Donna Ann Harris, Principal, Heritage Consulting
  - Mark Jewell, Energy Efficiency Expert, President of EEFG
  - Margie Johnson, Retail Expert and Principal, Shoptalk
  - Program Officers of the National Trust Main Street Center
  - Delaware State University Center for Enterprise Development
  - Small Business and Technology Development Center (SBDTC)
  - YWCA Women’s Center for Entrepreneurship
  - UD Institute for Public Administration
  - Local program staff as mentors/trainers

### **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 and consensus-building abilities among downtown stakeholders; increased or new organizational skills, including fundraising, volunteer recruitment and management; understanding and developing appropriate façade improvement conceptual design, and implementation thereof; increased awareness of energy efficiency/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 appropriate and sustainable businesses, stabilize at-risk businesses, and assist others in expanding; increased “ownership” of the downtown and the local revitalization organization 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, DEDO will implement various training components, and in some cases, modules, in order to accomplish the project goals, to include:

- Focus on **establishing two formal program of downtown revitalization**, such as Main Street, in two towns that exhibit most capacity for formalizing a local program. Millsboro, Milton, Seaford and Smyrna will be targeted. These programs will receive individualized assessments /recommendations and a comprehensive array of start-up organizational development services, and follow-on services, as capacity warrants, as well as entrepreneurial development training.
- **Business development assistance** will be offered in a sequential manner to all communities, as capacity reveals itself. Each town will devise and implement three (3) strategies each year. Examples: assessing needs of business community, decreasing vacancy; addressing deferred maintenance conditions; business clustering opportunities; developing co-op advertising; etc.

- Business start-up and retention has never been more necessary than in this economic climate, thus a brand new, innovative “**Train the Trainer**” *Downtown Business Accelerator* module will be offered whereby recipients will be trained by an entrepreneurial expert on how to work, one-on-one, with emerging and existing rural business owners.(APPENDIX A)Target: four towns.
- New “**Train the Trainer**” *Building Transitions* course will train participants in four towns on the use of Adobe Photoshop. Since property owners will often make improvements that exhibit appropriate aesthetics, are reasonable and cost-effective, offering such conceptual drawings at no cost to the property owners will act as an effective incentive. (APPENDIX B)
- An ongoing, broad array of technical assistance and group training opportunities focused on organizational, design, and promotions, as well as topics of emerging need will be offered with representatives of rural towns statewide invited to participate. (See P. 1; matrix in Part A.)
- The **National Main Street Conference**, an annual event that offers 50+ educational sessions/venues targeted to downtown revitalization and entrepreneurial development is a valuable training and networking opportunity for recipients, thus we encourage attendance.

#### D. The Benchmarks to be Used to Measure the Success of the Program

A variety of benchmarks will be used to measure effectiveness of technical assistance. Beginning with an initial on-site assessment of each recipient community, develop a plan of success, train and monitor them, then measure outcome. 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?” “Once initiatives are implemented, did they achieve the desired result?”) Specific metrics targeted:

- Nine towns are formally assessed in Year 1 and receive a “plan of success”.
- Establish one Commercial District Affiliate (Georgetown).
- Establish two new local revitalization programs (designated Main Street - APPENDIX D)
- Two towns develop a five-year strategic plan, each with one to two market-based strategies and an annual committee project/work plan to support strategies.
- Complete three business development strategies in each of three years, within each of six communities, to address business retention, expansion, recruitment, vacancy-reduction, etc.
- Average of 2% decrease in vacancy in five recipient towns over three-year time-frame.
- Four recipients commit three personnel to receive *Building Transitions* training;
  - 20 buildings receive improvements (5 in each of 4 towns)
  - Three trainee remains engaged in program for duration of proposed project
- All recipients are availed of training in renewable energy, energy efficiency/funding of same.
- Four communities commit three personnel to receive *Downtown Business Accelerator* training, who, in turn, take the training to 40 rural merchants.
  - Two trainees remain engaged in program for duration of proposed project
- 40 downtown businesses in rural areas receive assistance by on-site trainer, and exhibit stabilization/expansion outcomes within 12 months of receiving training.
  - 30 implement recommendations for better operating systems and procedures (I.e.; point of sale (POS) procedures; integration of new technology; others)
  - 15 expand product line, square footage, customer base, sales, etc. by 10%.
- Net gain of 36 businesses and 72 jobs in low income, rural downtowns in Delaware.
- 100 retailers received group retailer training; 50% implement two strategies learned.