

also involve the participation of the community affected by the nomination of the rural area, and of the private sector, acting in concert with the State or States and local governments. The plan should be developed in accordance with four key principles, which will also serve as the basis for the selection criteria that will be used to evaluate the plan. These key principles reflect the Secretary's intention that Empowerment Zone and Enterprise Community designations should be based on potential for successful economic and community revitalization as reflected in the strategic planning process, participants in the plan, and the quality of the plan. Poverty, unemployment, and other need factors are critical in determining eligibility for Empowerment Zone or Enterprise Community status, but play a less significant role in the selection process. The four key principles are:

(1) Economic opportunity, including job creation within the community and throughout the region, entrepreneurial initiatives, small business expansion, and training for jobs that offer upward mobility;

(2) Sustainable community development, to advance the creation of livable and vibrant communities through comprehensive approaches that coordinate economic, physical, environmental, community and human development;

(3) Community-based partnerships, involving participation of all segments of the community, including the political and governmental leadership, community groups, health and social service groups, environmental groups, religious organizations, the private and non-profit sectors, centers of learning, other community institutions, and individual citizens; and

(4) Strategic vision for change, which identifies what the community will become and a strategic map for revitalization. The vision should build on assets and coordinate a response to community needs in a comprehensive fashion. It should also set goals and performance benchmarks for measuring progress and establish a framework for evaluating and adjusting the revitalization plan.

State and local governments and economic development corporations that are state chartered may nominate distressed rural areas for designation as Empowerment Zones (which will also permit their consideration for designation as Enterprise Communities), or solely for designation as Enterprise Communities.

Title XIII of the Omnibus Reconciliation Act of 1993 included

Empowerment Zones and Enterprise Communities as a new program.

II. Program Description

General

Pursuant to Title XIII of the Omnibus Reconciliation Act of 1993, the Secretary of USDA may designate up to three rural Empowerment Zones and up to thirty rural Enterprise Communities.

Eligibility

To be eligible for designation as a rural Empowerment Zone or Enterprise Community an area must:

(1) Have a maximum population of 30,000;

(2) Be one of pervasive poverty, unemployment, and general distress;

(3) Not exceed one thousand square miles in total land area;

(4) Demonstrate a poverty rate that is not less than:

(a) 20 percent in each census tract or census block numbering area (BNA);

(b) 25 percent in 90 percent of the population census tracts and BNAs within the nominated area;

(c) 35 percent for at least 50 percent of the population census tracts and BNAs within the nominated area;

(5) Be located entirely within no more than three contiguous States; if it is located in more than one State, the area must have one continuous boundary; if located in only one State, the area may consist of no more than three noncontiguous parcels;

(6) If the nominated area consists of noncontiguous parcels, each must independently meet the three poverty requirements;

(7) Be located entirely within the jurisdiction of the unit or units of general local government making the nomination;

(8) Not include any portion of a census-defined central business district unless the poverty rate for each population census tract is at least 35 percent for an Empowerment Zone and 30 percent for an Enterprise Community; and

(9) Not include any portion of an Indian reservation.

Nomination Process

The law requires that areas be nominated by one or more local governments and the State(s) in which a nominated rural area is located. Nominations can be considered for designation only if:

(1) The area meets the eligibility requirements set forth in these rules;

(2) The area is within the jurisdiction of the nominating local government(s) and the State(s);

(3) The local government(s) and State(s) provide assurances that the required strategic plan submitted by the applicant will be implemented;

(4) All information furnished by the nominating local government(s) and State(s) is determined by the Secretary of USDA to be reasonably accurate;

(5) The local government(s) and State(s) certify that no portion of a nominated rural area is already in an Empowerment Zone or Enterprise Community or in an area otherwise nominated for designation; and

(6) The local government(s) and State(s) certify that they possess the legal authority to make the nomination.

The nomination must be accompanied by an application for designation including a strategic plan, which:

(1) Indicates and briefly describes the specific groups, organization and individuals participating in the development of the plan, and describes the history of these groups in the community;

(2) Explains how participants were selected and provides evidence that the participants, taken as a whole, are broadly representative of the racial, cultural and economic diversity of the community;

(3) Describes the role of the participants in the creation and development of the plan and indicates how they will participate in its implementation;

(4) Identifies two or three topics addressed in the plan that caused the most serious disagreements among participants and describes how those disagreements were resolved;

(5) Explains how the community participated in choosing the area to be nominated and why the area was nominated;

(6) Provides evidence that key participants have the capacity or how they will develop the capacity to implement the plan;

(7) Provides a brief explanation of the community's vision for revitalizing the area;

(8) Explains how the vision stimulates economic opportunity, encourages self-sufficiency and promotes sustainable community development;

(9) Identifies key needs of the area and the barriers that restrict the community from achieving its vision, including a description of poverty and general distress, barriers to economic opportunity and development and barriers to human development;

(10) Discusses how the vision is related to the assets and capacities of the area and its surroundings; and

(11) Describes the ways in which the community's approaches to economic