

of paragraphs (a)(1) and (a)(2) of this section if more than 75 percent of the tract is zone for commercial or industrial use.

(3) *Adjustment of poverty rates for Enterprise Communities.* For Enterprise Communities only, the Secretary has the discretion to reduce by 5 percentage points one of the following thresholds for not more than 10 percent of the census tracts, or, if fewer, five population census tracts in the nominated area:

- (i) The 20 percent threshold in paragraph (a)(1) of this section;
 - (ii) The 25 percent threshold in paragraph (a)(2) of this section; and
 - (iii) The 35 percent threshold in paragraph (a)(3) of this section;
- Provided that*, the Secretary may in the alternative reduce the 35 percent threshold by 10 percentage points for three population census tracts.

(4) *Rounding up of percentages.* In making the calculations required by this section, the Secretary shall round all fractional percentages of one-half percentage point or more up to the next highest whole percentage point figure.

(c) *Noncontiguous areas.* There can be no more than 3 noncontiguous areas if the nominated area is located within one state; noncontiguous areas are not allowed in the multistate area. Each such parcel must separately meet the poverty criteria set forth in this section.

(d) *Areas not within census tracts.* In the case of an area that does not have population census tracts, the block numbering area shall be used for purposes of determining poverty rates.

Subpart C—Nomination Procedure

§ 25.200 Nominations by State and local governments.

(a) *Nomination criteria.* One or more local governments and the State or States in which an area is located must nominate such area for designation as an Empowerment Zone or Enterprise Community, if:

(1) The rural area meets the requirements for eligibility described in § 25.100 and § 25.103 of this part;

(2) The rural area is entirely within the jurisdiction of the nominating State or States and local government(s); such governments must have the authority to nominate the area for designation and provide written assurances satisfactory to the Secretary that the strategic plan described in paragraph (c) of this section will be implemented;

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

(4) The State(s) and local government(s) certify that no portion of

the area nominated is already included in an Empowerment Zone or Enterprise Community under this Act or in an area otherwise nominated to be designated under this section.

(b) *Nomination for designation.* No rural area may be considered for designation pursuant to subpart D of this part unless the application for designation:

(1) Demonstrates that the nominated rural area satisfies the eligibility criteria set forth at § 25.100 of this part;

(2) Includes a strategic plan, as described in paragraph (c) of this section; and

(3) Includes such other information as may be required by USDA in a Notice Inviting Applications, to be published in the **Federal Register**.

(c) *Strategic plan.* Each application for designation must be accompanied by a strategic plan, which must be developed in accordance with four key principles that will be utilized to evaluate the plan. These 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 the 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, and 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.

(d) *Elements of strategic plan.* The strategic plan should:

(1) Indicate and briefly describe the specific groups, organizations, and individuals participating in its production, and describe the history of these groups in the community;

(2) Explain how participants were selected and provide evidence that the participants, taken as a whole, are broadly representative of the entire community;

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

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

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

(6) Provide evidence that key participants have the capacity to implement the plan;

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

(8) Explain how the vision creates economic opportunity, encourages self-sufficiency and promotes community development;

(9) Identify key community goals and the barriers that restrict the community from achieving such goals, including a description of poverty and general distress, barriers to economic opportunity and development, and barriers to human development;

(10) Discuss how the vision is related to the assets and needs of the area as well as to the surrounding community;

(11) Describe the ways in which the community's approaches to economic development, social/human services, transportation, housing, community development, public safety, drug abuse prevention and educational and environmental concerns will be addressed in a coordinated fashion; and explain how these linkages support the community's vision;

(12) Indicate how all EZ/EC SSBG funds for the designated Empowerment Zone or Enterprise Community will be utilized.

(i) In doing so, the strategic plan shall provide the following information:

(A) A commitment by the applicant, as well as by the nominating state-chartered economic development corporation or State government(s), and local government(s), that the EZ/EC SSBG funds will be used to supplement, not replace, other Federal or non-Federal funds available for financing services or activities which can be used to achieve or maintain the goals outlined in paragraph (d)(12)(ii) of this section;

(B) a description of the entities that will administer the EZ/EC SSBG funds;