

Readiness Assessment

HOW DO COMMUNITIES KNOW IF THEY ARE READY FOR INVESTMENT?

HOW DO INVESTORS KNOW WHICH COMMUNITIES ARE READY FOR INVESTMENT?

While there is no magic formula that will tell communities and project developers exactly what they need to do to be investment ready, or to tell investors which communities or projects are sure bets, there are readiness factors that can help create the conditions necessary for success in rural communities. These factors can also signal to potential investors that a community or project is likely to offer a good return on investment for them. Generally, these factors help create a healthy environment for investment. While not all factors need to be in place for a community to be investment ready, each factor can build on the others to help the community become more investable.

The first step in downtown revitalization is to identify and build on existing assets. The Environmental Protection Agency (EPA) states: "Identify the assets that offer the best opportunities for growth and develop strategies to support them. Assets might include natural beauty and outdoor recreation, historic downtowns or arts and cultural institutions."

Instructions:

Think about your own community or region and whether you have these community assets in place. Note what you have and what you need. **In the left column, identify whether the factor is present (1/yes), somewhat present (0.5/somewhat), or is not present (0/no) in your community.** At the end, you'll get an overview assessment of community readiness.

This research has identified factors that promote investment readiness for rural communities wanting to pursue downtown revitalization. They have been divided into the following categories:



Community Assets



Local Government and Civic Structures



Economic Ecosystem



Built Infrastructure



Natural Environment

The following readiness assessment helps identify which of these readiness factors can be leveraged for downtown revitalization in your community, while also providing context for how the community can overcome any acknowledged challenges. There are readiness assessment questions after each section allowing you to gauge your community's readiness in that particular area. At the end, you will see a scoring sheet to help you understand your community's readiness based on each group of readiness factors.

COMMUNITY ASSETS

Community assets include partners, leadership, and networks, and the capacity these groups have to plan and achieve shared priorities.

	Leadership: Leadership that is willing to learn, think out of the box, and be responsive to input from local stakeholders and residents across formal and informal structures
	Primary Contact: A Connector who is responsive to emails/calls and is knowledgeable enough about the project and players to respond quickly when needed
	Engagement: Ability to engage diverse stakeholders and a broad range of local community members, fostering respect, openness to new perspectives, and collaboration
	Shared Vision: Vision, goals, and a plan for your downtown shared by diverse stakeholders and residents, and an inclusive process in place to adjust as community priorities and opportunities shift
	Existing Skills: Inventory of relevant existing skills and expertise held by local residents
	Opportunities & Constraints: Analysis of the opportunities and constraints to developing your downtown in a way that engages a diverse array of residents
	Quality of Life: Assessment of quality-of-life assets: recreation, arts/culture, third spaces (informal social gathering), entertainment, etc.
	Property Inventory: Inventory of building stock (ownership, quality, square footage, required upgrades, etc.) and potential uses identified
	Investment and Investment Capacity: Capacity on the ground to put investment deals together
	Local Brand: Strong brand/identity for the region that draws on local history, culture, emerging industries, ongoing innovation, etc. for area
	Education Assets: Access to education (K-12, quality early childhood education; post-secondary certificate programs, etc.)
	Health Assets: Access to, and affordability of healthcare assets
	TOTAL SCORE (out of 12)

LOCAL GOVERNMENT AND CIVIC STRUCTURES

Civic structures entail community self-identity, and how the local government can help via the use of municipal tools. In smaller communities, informal citizen networks can support units of government that rely on part-time elected officials. In very rural communities, citizen engagement can substitute for public sector capacity.

	Downtown Group: Downtown revitalization working group, main street organization, and/or downtown coordinator supported by local residents and businesses
	Local Government: Civic groups that promote streetscape improvements, affordable commercial space, and appropriate zoning regulations; a plan or process to incentivize redevelopment
	Virtual Gathering Places: Including online meetings of civic organizations, local residents and visitors, as well as access to free webinars about tools/strategies for transforming downtowns
	Marketing Capacity: That effectively leverages downtown revitalization as an economic driver, and could be housed within organizations like local government, Chamber, or merchants association
	TOTAL SCORE (out of 4)

ECONOMIC ECOSYSTEM

The goal of an economic ecosystem is to nurture a local economy to become regionally connected, innovative, and rooted in the assets of its local residents and businesses.

	Diversity of Business: An understanding of the focus and diversity of businesses and organizations best suited to the sustainability of your downtown, including: retail, food, attractions, services, small manufacturing, education institutions, residential spaces, etc.
	Business Engagement: Business engagement and networking opportunities
	Business Friendliness: Business friendly environment with existing demand (may be local and/or from outside of the area) for products/services; also includes the public sector business environment
	Small Business Development: Supports for small businesses, such as a one-stop shop for small business development, licensing and local incentives, education and training, strategy and plan development, market analysis and more
	Business Accelerator: Access to a local and/or regional business accelerator program that offers a range of support services and funding opportunities for startups including mentorship, office space, supply chain resources, access to capital and investment (often in return for startup equity)

	<p>Investment Access: Access to investment partners (two or more of the following):</p> <ul style="list-style-type: none"> • Local banks • City/county investment programs targeted to supporting downtown revitalization • Community or other local foundation • CDFIs • Regional/national foundations • Regional/national investment organizations (for example: Invest Appalachia) • Developers (local and/or regional) • State and/or federal grant programs
	Town identity as a whole: Shared identity as a community, with a commitment to common purposes and casues
	Buy-Local: Grassroots participation in buy-local campaigns
	Downtown Experiences: Events/experiences that help draw diverse residents and tourists to the downtown
	Demand: Understanding what products/services are not available locally, where people travel beyond the community to procure them, and a strategy to bring those products/services back to downtown
	Media: Who are equipped to report progress in downtown revitalization
	TOTAL SCORE (out of 11)

BUILT INFRASTRUCTURE

Built infrastructure like water/wastewater utilities, roads, sidewalks, and broadband are key resources for enabling successful downtown revitalization. However, they must be accessible, flexible, and advance community health and resiliency. Technology amenities are especially critical to attract remote workers to rural places. The COVID-19 pandemic has shown just how valuable broadband can be in allowing people to work remotely, connect to schoolwork, access healthcare, and even connect with each other.

	Broadband Connectivity: Access to broadband
	Aesthetics: Design and aesthetics embedded in downtown planning
	Water: Resilient water/wastewater infrastructure
	Roads & Lighting: Effective road systems and lighting
	Walkability: Sidewalks, walking trails, and/or outdoor structures/places to connect or gather in person
	“Third Spaces”: Local places that encourage mixing among diverse cultural groups
	Wayfinding: Signage and directional markers
	Parking: Adequate parking in proximity to downtown businesses and activity
	Housing Proximity: Access to affordable housing
	Historic Assets: Historical and cultural markers; historic or creative districts
	TOTAL SCORE (out of 10)

NATURAL ENVIRONMENT

Connections to the natural environment through local parks, bike trails, and walking paths can make rural downtowns more attractive. Rural downtowns may also be a jumping off point for natural assets that are farther away. The way communities build on and promote their natural environment can improve the success of their downtown revitalization efforts.

	Natural Assets: Access to and maintenance of natural assets
	Connection to Other Green Spaces: Greenways and/or bike paths that connect to downtown
	Green Spaces Within: Parks, pocket parks, trees, flowers, or other greenery are included downtown
	Outdoor Recreation: Recreation focused on nearby natural resources
	Protected & Maintained Land: Protection of scenic and ecologically valuable land
	TOTAL SCORE (out of 5)

READINESS

The secret sauce for making downtown revitalization investments that catalyze other investments and support what communities truly need is:

- ✓ **Community Involvement:** The community is involved in creating the shared vision for downtown development.
- ✓ **Demand:** There is demand for the uses being discussed.
- ✓ **Primary Contact:** At least one person wakes up every day thinking about this project to keep it moving forward.

Having these 3 key ingredients in place, plus the right combination of factors in a given community leads to investment readiness. Communities need to assess whether they are ready before soliciting investment. The questions in the Investment Readiness Assessment help a community check off the assets they have, while giving them ideas for next steps they can take to become more ready. The scoring is meant to help community leaders figure out what they have in place, what is missing, and what they can do better. This will signal to investors the community is ready for investment.

Communities taking this assessment are given up to 4 thumbs up based on their score; yet, a community can start attracting investments even with just one “thumbs up.” Each Investment Readiness Factor builds on the others. The point of the assessment is not for the community to gain all the factors, but to assess where a community is, and then to look back and see if there is any “low hanging fruit” that could help the community become more investment ready.





Readiness Assessment Scoring

Instructions: Look back at the “Total Score” for each of the previous “Readiness Factor” sections. **Remember, 1-point is given for each full asset on the list, 0.5 for partial assets, and 0 for none.** Now record the total score for each section next to the appropriate readiness factor below. **Then add each together to calculate your Total Investment Readiness Score.**

Readiness Factor	Score
Community Assets	_____ of 12
Local Government and Civic Structures	_____ of 4
Economic Ecosystem	_____ of 11
Built Infrastructure	_____ of 10
Natural Environment	_____ of 5
TOTAL SCORE	

Take a moment to review the score. Analyze how the community scores in each of the 5 Investment Readiness categories: Community Assets, Local Government and Civic Structures, Economic Ecosystem, Built Infrastructure, and Natural Environment. Is the community stronger in some categories than others? If so, a next step will be to target the categories that need the most improvement and identify next steps to gain more readiness factors in those areas. Then, review the Total Score. Here’s how to interpret the results.

Investment Readiness Scoring Guide

Readiness Factors	Thumbs Up	Interpretation
1-10		This community is in the early stages of investment readiness. Try analyzing the current factors that have been checked in the assessment and plan how to build on those assets to gain additional readiness factors. Examples of Investments to seek now may be Technical Assistance or Planning Grants to help increase investment readiness.
11-20		This community is gaining momentum and may have some downtown projects ready for investment. It is often best to begin working on small projects with the greatest impact to help build more momentum and excitement for downtown development. The community should continue identifying assets to build upon and analyze the readiness factors it does not have to see if there are any that could be quickly achieved. This will help propel downtown redevelopment forward. It may be time to seek early investments like: Technical Assistance, and Pre-development or Planning Grants. The community may also begin attracting early Equity and Debt investors, and investigate properties that may qualify for alternative opportunities like tax credits.
21-30		This community is actively engaged in downtown development and is likely working on a “pipeline of projects” that build on one another leading toward a shared vision and overall transformation for downtown. Multiple investors are now interested in investing because they believe their investments will gain a greater return as they leverage the investments of others. It may be time to seek Developers, Equity and Debt investors, moderate-sized Implementation Grants, or other subsidies, and connect entrepreneurs and small businesses with programs that help them gain technical assistance, funding, and financing.
31-40+		This community has experienced a series of successful downtown development projects. Because of this, the community has gained a track record of success and can make a compelling case to investors that they will receive a good return on their investment. This community is a strong candidate for large investments from Equity and Debt Investors, as well as Implementation Grants, which can be used as matching funds to fill gaps and complete large projects. Investors will be especially interested in projects that have gained significant community support, as well as those that leverage local assets and align with local and regional economic development efforts.

Don't worry if the community has one "Thumbs Up" or less. Taking this readiness assessment is just the beginning. Rural communities are at different places in terms of readiness for investment and are not expected to instantly earn "4 Thumbs Up." This tool is designed to take a baseline of where a community is on the spectrum of readiness and give leaders some ideas of what to tackle next to improve. All of this is in the pursuit of being ready for downtown investment. The next step is to review the readiness factors that are not yet in place and determine what the next steps should be to improve the community's readiness.

PLAN YOUR NEXT STEPS

- What is needed to move your downtown to the next level?
- What are three actions you can commit to taking in the next 6 months?

