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ZERO-GROWTH PLANNING

Empowering Rural Communities in Decline

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PURPOSE

Help community leaders understand the situation of rural Utah. Generate solutions for preserving the quality of life in declining rural towns through the presentation of ideas intended to inspire thought, discussion, and adaptation.

KEY THOUGHTS

Some rural areas are falling further behind more urban areas.

Communities in decline must preserve the quality of life for those who remain.

Communities have a choice to fight or accept decline.

ACKNOWLEDGMENTS

Many thanks to Jonathan Hardy, Don Albrecht,
James Dixon, and Christina Davis.

THE STATE OF UTAH'S RURAL PLANNING GROUP

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One of the key issues currently facing this great nation is the urban-rural divide. Urban areas, for the most part, seem to be thriving while many people in rural areas seem to be economically falling behind. Utah is no exception; however, if any state can successfully reverse this trend, it is Utah. This study aims to inform and prepare local leaders and influencers on how to cope with stagnant or declining communities.

The purpose of the Rural Planning Group, part of the Housing and Community Development Division in the Department of Workforce Services, is to provide technical assistance in helping rural communities become resilient through four cornerstones:

- Leadership support
- Planning assistance
- Supporting the Permanent Community Impact Board
- Rural research

Through these efforts the Rural Planning Group envisions rural Utah communities that are self-reliant, self-determined, and prepared for whatever the future may bring. This study can be a valuable asset in helping you shape your community in a pro-active and positive way.

As a rural leader and influencer you can make a difference—in fact you are the only person, working with others in your community, who can. Margaret Mead said: “Never doubt that a small group of thoughtful and committed citizens can change the world; indeed, it's the only thing that ever has”.

Thank you to the tremendous efforts of the Rural Planning Group, specifically project leads Paul Moberly and Aubrey Larsen, for their dedicated service to the people of Utah and their unwavering commitment to all things rural. Also, thanks go to the Permanent Community Impact board for their faith and confidence in funding the Rural Planning Group and their long term-support of rural Utah communities. Finally, thank you to the Housing and Community Development Division, Department of Workforce Services for support and comradery.



Keith Heaton
CIB Chair, Rural Planning &
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1. INTRODUCTION

On June 22, 2015, the Garfield County commission voted unanimously to declare a countywide state of emergency. The cause wasn't fire, flood, or famine, but was instead a "declining enrollment in local schools as a result of restrictive federal land management policies¹." The state responded swiftly—that same day, the Governor's office issued a statement, "We recognize there are significant challenges in Garfield County, and we are working closely with county officials and educators in the area on alternative business and education support measures. The administration will continue to focus on bringing quality jobs despite federal regulations that have stifled the economic growth in the area for years²." Soon after, state representatives and multiple state agencies reached out to help³.



Ironically, that same week, CNBC ranked Utah the third-best state for business, one of many accolades the state had won for business growth, economic and fiscal stability⁴. In 2015, Utah's gross domestic product (GDP) was \$147.5 billion, up 56% from \$94.5 billion in 2005, a compound annual growth rate of 2.5%⁵. Between 2005–2015, Utah added 228,880 jobs, a 20% increase, while the population increased by over 490,000, a 19% increase⁶. Despite this growth, in one of the most urbanized states in the union⁷, Utah's rural areas can appear as little more than drive-thrus on the way to the breathtaking geologic recreation of Utah's national and state parks. People living in these "drive-thru" communities struggle to navigate through economic and political factors outside their control, factors that leave large swaths of Utah—the fastest growing state and best state for business⁸—in survival mode.

DECLINING TOWN & COUNTRY

These issues are not new. Rural areas across Utah continue to lag behind their urban and suburban counterparts in many important ways. Compared to metro areas, rural Utah experiences greater poverty, lower educational attainment, lower median incomes, and slower overall population increase. Of Utah's 109 rural communities researched⁹, 27% are in long-term population decline and 18% are experiencing economic stagnation¹⁰. Even Utah's rural towns that are growing do so at a much slower pace than their urban and urban-bordering counterparts¹¹.

As rural areas fall further behind, national attention generally remains focused on urban decline. Declining urban centers have captivated national attention, with inadequate infrastructure in Flint, Michigan, abandoned neighborhoods in Detroit, and declining industrial employment across the Rust Belt¹². Rural decline shares some similarities with, and leaders can learn from, approaches to urban decline.

All places in decline struggle against the same forces. Economic struggles and a lack of sustaining economic opportunity compels outmigration. As the community shrinks, infrastructure continues to degrade without new revenue sources to sustain or restore it. This forces remaining residents to confront basic service issues with few resources. While leaders have a choice to fight, accept or ignore decline, preserving quality of life for those who remain becomes the central focus.

However, rural decline is distinct. Even in decline, rural towns fall further behind their declining urban counterparts. In rural areas, communities lose basic amenities (e.g., grocery stores, libraries, or schools) once they reach certain thresholds of decline. Areas in urban decline also lose these amenities and experience perpetually declining service levels, but they still offer residents relatively close access to services by car or public transit. For an isolated rural community that loses a grocery store, it may now be an hour's drive for the nearest gallon of milk¹³.

Rural decline is a significant national issue that may be accelerating. According to the Pew Charitable Trust, 759 rural counties in 42 states lost population during the period between 1994–2010; since 2010, over 1,300 rural counties in 46 states have lost population¹⁴. This level of decline has far-reaching national and international implications for food and energy production, tourism, and national culture and identity.

RURAL DECLINE IN UTAH

Utah's rural decline shares many traits with national rural decline, but differs in its history, economics, and culture. In the U.S, most settlements were created organically and were tied to a foundational economic purpose. This expression of settlement finds a unique variation in Utah. Unlike trade centers, mining towns, or farming hubs, many Utah settlers were directed to populate areas without a clear economic foundation. Because of this, rural Utah generally has a strong, unique pioneer heritage and a tight-knit religious and family culture. Like many rural areas, this tie to heritage and family acts as a pull for many residents to either stay, return, or live close by and may slow decline.

Rural decline can self-perpetuate if not addressed. When a major economic shock hits a community, like the closure of a mine or factory, an immediate reduction in population usually follows as those workers seek employment elsewhere¹⁵. Some stay locally by using unemployment benefits, hoping for local opportunities.

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*“Without money coming in,
you don’t pave the roads,
you don’t pick up the trash,
you don’t upgrade the sewer
system.”*

*Doug Farquhar, Program Director at the
National Conference of State Legislatures¹⁹.*

Their families, and the substantial wages they earned, go with them. Their departure causes secondary economic impacts as spending in the service sector declines. Suffering service-sector businesses may shed employees as a result. Since relatively fewer people rent in rural areas¹⁶, the housing market becomes flooded as homeowners try to sell or simply abandon their properties. Without people to purchase the homes, blight becomes more prevalent and the number of properties on the market increases, suppressing home prices. Eventually, decreasing home prices result in decreased property tax revenue. The town may struggle to provide basic services and may try to raise taxes to offset the loss in revenue. State and federal grant programs help some communities to continue providing a level of service that meets governmental standards. Since quality of life degrades as a result of service reduction or tax increases, other residents may begin to leave in search of a better location—the cycle repeats.

Even without a major economic shock, the slow attrition of young adults leaving for better opportunities combined with a generally aging population can eventually lead to a similar result. Even if some young adults do return after having children, nation-wide trends (including Utah) continue to see decreases in the number of children couples are having¹⁷. These long-term trends do not bode well for rural Utah or rural America. As each rural community declines, so does its ability to maintain and improve services for residents and provide jobs for local youth, which only compounds the rate of decline.

This type of decline is already felt in rural Utah. After more than \$700,000 in spending cuts, Sevier County had to raise property tax rates by 71% in one year to offset a downturn in revenues¹⁸. Due to reductions in commodity prices, other counties ran million dollar deficits. These fiscal and demographic emergencies will be more prominent in the future if rural communities continue to rely on a limited number of volatile economic drivers.



Like a train on tracks, once a town is on the path of decline, it naturally will continue to decline unless a significant change alters its direction.

WHAT AND WHY?

While all rural communities share common traits, some struggle more than others. As the basis for this study on communities in decline, stagnation or relative low growth, the Rural Planning Group (RPG) worked to answer the following questions:

1. Which rural communities in Utah have stagnant or declining demographic and economic trends?
2. What influences a town to become or remain stagnant or declining?
3. What strategies exist for reversing decline or preserving community member quality of life through continued stagnation and decline?

The goal of this study is to help rural leaders understand their situation, recognize available choices, and generate ideas and resources for preserving their communities' quality of life. This report is not a silver-bullet solution. It consists of thoughtful analysis of data, current research on rural issues, and perspective from working with zero-growth towns in Utah. A zero-growth planning approach seeks to answer how communities:

- maintain the quality of life over time
- mitigate negative effects of decline
- plan for potential futures
- become more resilient.

While decline can be an inherently negative topic, this report builds a case for optimistic rural action. Some demographic, social and economic factors may be outside the control of local communities, yet, town leaders do have options. They can focus on areas within their control. They can proactively take steps to address their situations. The future, although different than the past, can be bright.

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“To Utahns everywhere, whether you live in Blanding or Bear River, Parowan or Plain City, I pledge to you tonight that we will not rest until all 29 counties and all 245 cities and towns in our state are full participants in Utah’s tremendous economic success.”

Utah Governor Gary R. Herbert,
2016 State of the State Address

BEARS EARS

On December 28th, 2016 President Obama designated 1.35 million acres in southeastern Utah as a new national monument: Bears Ears. The designation was eerily similar to the designation of the Grand Staircase-Escalante National Monument in 1996 by President Clinton. Neither president was on site for the designation—President Clinton made the announcement at the Grand Canyon and President Obama was on vacation in Hawaii—symbolic of the frustration many locals have with distant federal managers dictating land policy from an armchair in Washington D.C.

The communities nearby face an uncertain future. While the designation has already brought increased attention to the region, state-level efforts are underway to overturn it. The designation invites speculation if San Juan County’s towns will follow a path similar to Garfield County’s towns who have struggled to retain families with children since the monument designation. Residents are concerned that local culture will give way to overplayed tourist themes, and that the quiet, close-knit communities they once cherished will be replaced with short-term rentals and speculators looking to make a quick buck. Despite these fears, and whether or not the Bears Ears designation is somehow removed, there is hope that the lessons learned in Garfield over the past two decades will help prevent San Juan County’s towns from needing to declare a state of emergency for decline in the future.

2. DEFINING ZERO GROWTH



Welcome to the

THE RIVER FRIENDLY

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Conceptually, zero-growth communities have flat or negative demographic or economic trends. Economics and demographics have important impacts on one another. In some instances, the impact of economics is greater on demographics (i.e., a major plant closure). In other circumstances, the opposite is true (i.e., significantly aging population reduces marketplace opportunities).

Demographic and economic components constitute major portions of the community and establish its current trajectory. While these components cannot completely or adequately represent all of a community, they are the best available proxy measurements for overall community health and future trajectory. At the same time, multiple factors impact demographics and economics in the community. Some are more easily changed by the community than others. These factors are introduced in the next chapter.

DEFINING RURAL

This report defines a “rural” community as (1) any community outside of Weber, Davis, Salt Lake, and Utah Counties; (2) with less than or equal to 10,000 people and; (3) at least 20 miles from an urban center as defined by census-designated core based statistical areas (CBSA).

Rural definitions abound. The U.S. Census Bureau, Federal Office of Management and Budget, United States Department of Agriculture, and the Utah Governor’s Office of Economic Development, among others, all define rural differently, and in many instances differently for different activities. The definition established above is not intended to challenge these other criteria or suggest that communities outside this definition are not “rural”. Rather, the intent of this definition is to compare rural communities that share enough similar attributes to make the comparison useful.

URBAN & TRANSITIONAL

For the purpose of comparison, this report groups communities into three groups: rural, urban, and transitional. Urban communities are those within the four county Wasatch Front region: Weber, Davis, Salt Lake, and Utah counties. Transitional communities are towns in counties bordering urban areas, are significantly effected by bordering urban growth, or through the growth in core cities, are in process of becoming more urbanized.

DEFINING ZERO GROWTH

The Rural Planning Group adopted the term “zero-growth” as the name for communities with stagnant or declining populations or stagnant or negative economic indicators. The first step was defining what measurable components would help identify a community as declining or stagnant.

Demographics and economics are comprised of different factors and variables. Many factors that contribute to long-term population or economic decline were evaluated; however, many more factors that are not easily evaluated also play a role in demographic and economic change. This report examines issues surrounding rural zero-growth communities.

DATA DIFFICULTY

RPG recognizes and readily accepts that this data will fall short of comprehensively and accurately categorizing every community's current condition. Rather, it will present data that will help community leaders ask questions and think about their community’s overall health. More informed leaders will make better decisions to maintain quality of life for residents and ensure service provision, whatever the future holds.



Figure 1: Map of county classifications

Defining rural is a more complicated process than it first appears. By classifying certain counties and towns as transitional, it separates counties which still feel and act "rural" but have entered into an urbanizing stage in their socio-economic and cultural development.

COUNTY RURAL CLASSIFICATIONS

DEMOGRAPHICS

Population change can be viewed in absolute (i.e., total number of people declining) and relative terms (i.e., population is not growing as quickly compared to other places).

Absolute: a community's population is flat or declining over time.

Relative to Utah: defined as growth that is faster or slower than Utah's average community growth rate.

Relative to the United States: defined as growth that is faster or slower than the average community growth rate in the U.S.

Comparing individual community growth trends with Utah and U.S. trends illustrates whether a community is growing relative to the greater network of communities to which they belong. This is similar to maintaining market share for a private business, or earning interest on investments beyond the inflation rate: as the population grows generally, is a community keeping up?

The U.S. average growth rate represents a more dispersed average of growth. It acts as a base index of population growth for any U.S. community. Given Utah's strong overall growth rate, communities that grow as fast as or faster than Utah need strong growth management planning²⁰. Inversely, towns that grow more slowly than the national average should carefully examine their situation in a zero-growth context.

POPULATION INFLATION

Population growth in a given community can be viewed in terms of inflation. If a community maintains the same population year over year while other areas grow, the community will lose out on economic opportunities. As the population declines, interest in investment will increasingly move towards locations with higher populations and better markets. Unless some other influencer (such as a national park, extractable natural resource, nearby growth, etc.) impacts business decisions, they are more likely to situate in "safer" markets—closer to the population centers. Communities that do not keep up with growth trends can experience severe difficulty in economic development, ultimately compounding demographic challenges as people leave to find employment. These factors are particularly hard on very small communities. This impact is compounded by a transition to a service-based economy—service businesses (restaurants, shops, hotels, etc.) require a certain number of employees to operate but may not pay enough or be too seasonal to retain or attract employees.

DEMOGRAPHIC CHALLENGES

Zero-growth communities typically struggle with negative population trends. Population change is comprised of three main components: births, deaths, and migration. The combination of births and deaths is a community's natural change. Net migration is the measurement of people moving from one place to another²¹. Simply put, a population will shrink when people are lost at a faster rate than they can be replaced. While natural change and net migration are the essential components for calculating population change, other factors such as job growth drive and contribute to growth and decline²².

Rural areas continue to fall behind urban areas in many long-term demographic trends. As a component of natural population change, birth rates (or fertility rates) are normally expressed as number of births per 1,000 women²³. Between 2000–2010 the average Utah urban birth rate was higher than the average Utah rural birth rate. During the same decade over 60% of Utah's rural communities had a declining birth rate.

While Utah's birth rates are among the highest in the U.S.²⁴, they have dropped by 18% since peak numbers in 2008, reflecting the national shift towards lower birth rates²⁵. According to the Carsey Institute, recent decades have seen declines in rural birth rates to levels of decline close to that of urban areas²⁶. In general, rural women still marry younger and have children earlier than urban women, yet the fertility rates are increasingly similar.

In the greater historical context, shifting birth rates reflect the most recent, and possibly most damaging, change in rural demographics. From the 1920s to the present, consistent rural outmigration was only interrupted by the 1970's and 1990's—two decades of rural growth through in-migration. In all other decades, over the same time-period, high birth rates mitigated outmigration from rural areas. However, recent declines in birth rates have increased the importance of migration to bolster or even maintain rural populations. As in times past, rural towns continue to find it extremely difficult to attract new residents without employment opportunities²⁷.

In addition to employment driven out-migration, rural population loss has long been associated with the out-migration of rural college-age youth. A frequent quote from rural leaders articulates this phenomenon: "Our county's greatest export is its children." The out-migration of youth is common to both urban and rural places but what distinguishes declining rural areas are low levels of in-migration²⁸. Although in-migration numbers are generally low, one bright spot is return migrants who make up a significant number of the in-migrants to rural communities. Those who return are attracted by family, community, culture, and adequate job opportunities. Many who return are also retired, increasing community age without significantly increasing labor force.

Different age groups affect and contribute to rural population decline in different ways²⁹. Today, many rural areas have increasingly older populations due to out-migration and declining birth rates coupled with return migration of retirees³⁰. In this way, children are important for replacing the older generation as well as for filling schools. Having an appropriate balance of labor force-aged individuals (20–50 years old) is vital to economic stability and a healthy business environment and locally grown economic development³¹.

Age data shows that the older generation in rural Utah is growing, while the number of youth is slowly declining. In general, rural Utah has more youth and elderly than urban Utah³². The age contrast between rural and urban becomes most stark when examining prime working-age populations. The labor-force age group constitutes 36.7% of Utah's rural population compared to 43% of the urban population³³. For some communities, the gap is even wider.

Declines in school enrollment has forced a number of school closures. School closures and consolidations can be difficult for any neighborhood, but are particularly challenging for rural communities. As Leland Pollock, one of Garfield County's commissioners said, "If you lose the school, you lose the community³⁴." For small, rural towns, the local school represents not only a key asset for families with children, but is a major employer, source of community pride, and a community focal point. Urban environments do not typically face these kinds of challenges: when one school closes, another replaces it or one remains open nearby.



DEMOGRAPHIC DATA

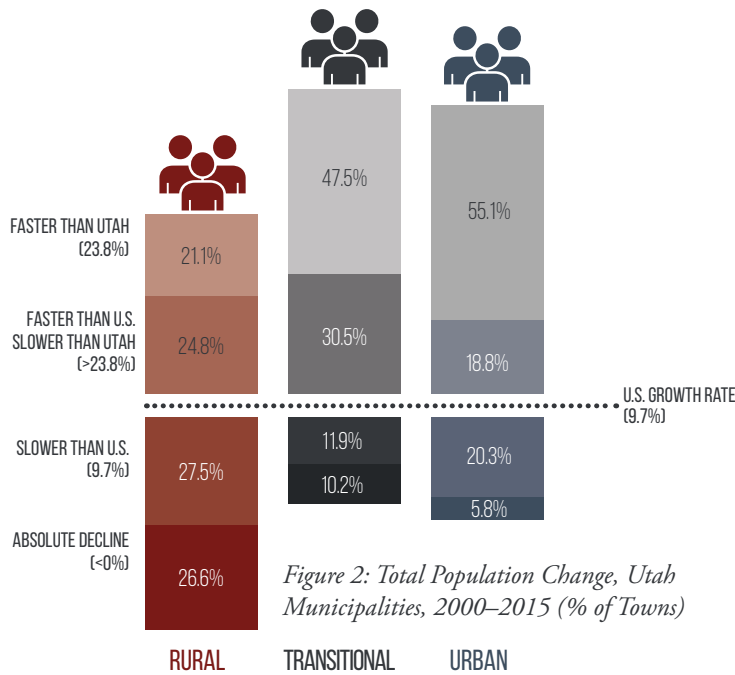


Figure 2: Total Population Change, Utah Municipalities, 2000–2015 (% of Towns)

Many rural towns are growing, some rapidly; however, when compared to urban and transitional communities, a significantly smaller percentage are growing faster than the U.S. average growth rate. Additionally, the percent of rural towns in decline is five times that of urban communities and two and a half times that of transitional communities. Absolute decline offers certain challenges. In addition, if communities are not growing at or faster than the U.S. growth rate, they lose a future competitive advantage that other regions capture. At least it should raise questions about the town's growth and trajectory.

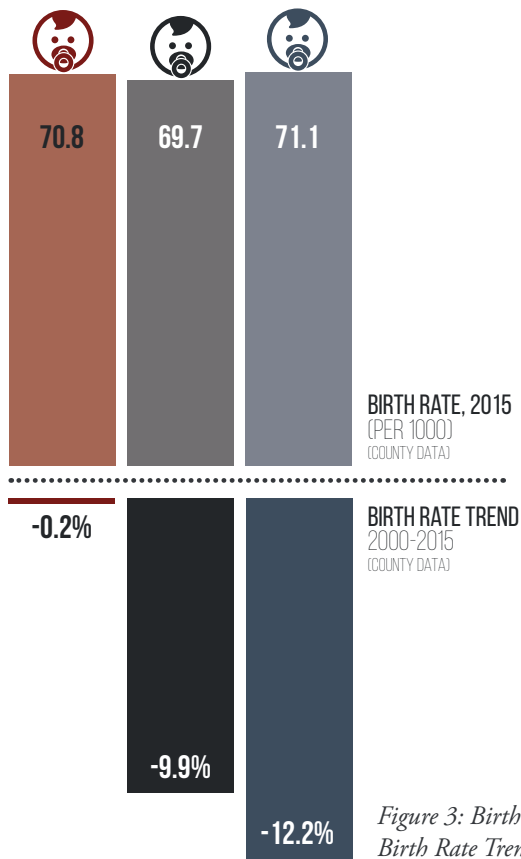


Figure 3: Birth Rate, 2015 and Birth Rate Trends, 2000–2015

Birthrates have long stabilized rural population. In addition, those that leave but have ties to a rural areas are more likely to return as adults. Utah has the highest state birthrate in the nation. While birthrates across the U.S. are falling, Utah's are following the trend, particularly in urban areas. Rural areas are also experiencing slight declines, and time will tell if Utah's rural birth rates will follow the rest of the state.



Figure 4: Total number of schools, 2015

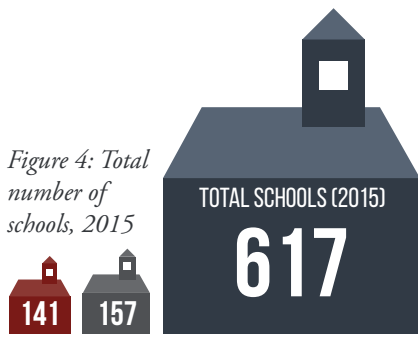
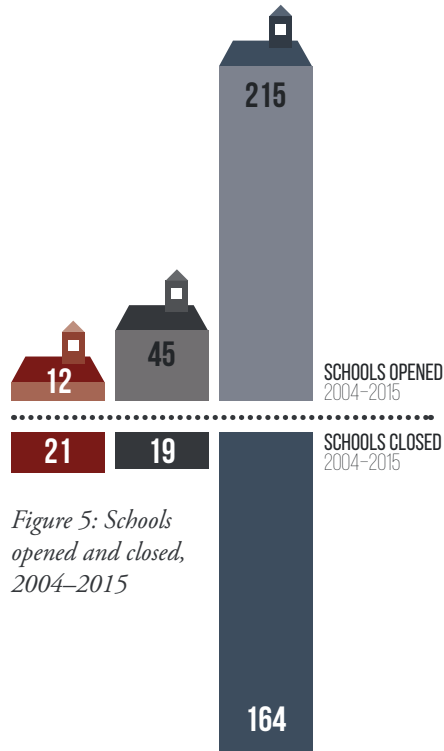


Figure 5: Schools opened and closed, 2004–2015



NET CHANGE
 RURAL -9 TRANSITIONAL 26 URBAN 51

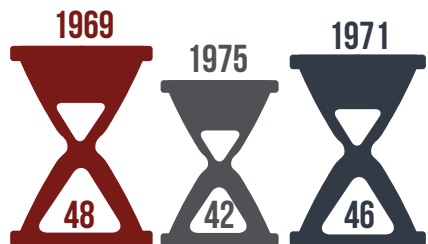


Figure 6: Average year school opened and average age, 2015

SCHOOL DATA

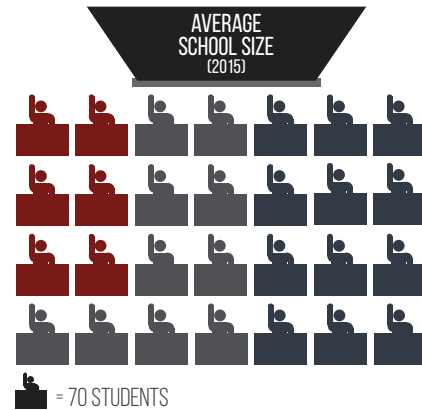


Figure 7: Average school size, 2015

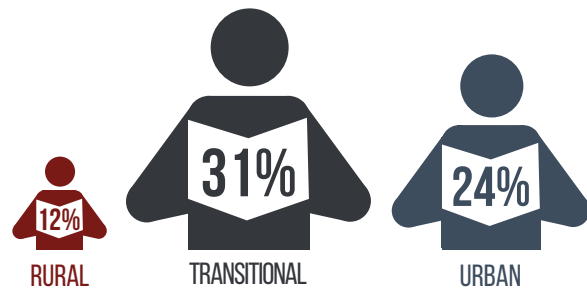
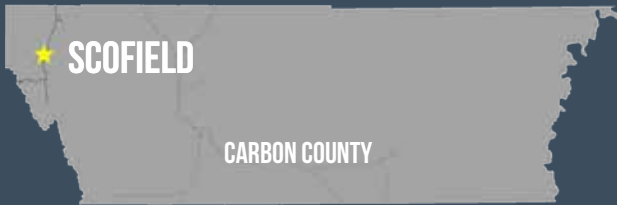


Figure 8: Net student population change, 2004–2015

Rural Utah schools are unsurprisingly smaller than their urban or transitional counterparts. Overall, rural student populations are growing, although at half or less the rate of other areas. While some new schools opened in the past ten years, rural areas saw a net loss in the number of schools, and schools are older on average than other areas.

CASE STUDY: SCOFIELD



Scofield, Utah's smallest incorporated town, boasts a year-round population of 24. Nestled between the mountains of the Manti-La Sal National Forest and the Scofield reservoir, the little town contains no more than a few dozen houses, a railroad line through the middle of town, and a handful of historic and abandoned nonresidential buildings. In a town this small, a few people leaving can mean a one-year population decline of 20% or more. Even though the town fills up in the summer months with seasonal visitors, reaching a population over 800, the year-over-year decline between 2000–2010 was -1.43%. The seasonal population of 800 is near the town's peak population in the early 1900s when coal mining and timber brought significant growth to the area. In 1900, the town survived one of the worst coal accidents in U.S. history when nearly 200 miners were killed in a massive underground fire. In the end, it wasn't the accident but a general decline in the regional coal industry which caused the town to shrink. One resident said that after the school closed in 1966, they started busing the kids to Helper, about 40 minutes away. Eventually, those families moved to Helper or elsewhere.

In Scofield, the few people who do stay year round are attracted by the scenic region and its accompanying peace and quiet. However, as Jim Levanger, one of the two non-retirees in town, said, "There's a culture shock you have to get over. We've had quite a few people move in and then move out the next year. It's laid-back up here, no question. You get used to it, you really do. You improvise. If you want something for dinner and it's not there you go, 'Well that's not what I'm having for dinner.' It's not like you can run to Walmart³⁵."

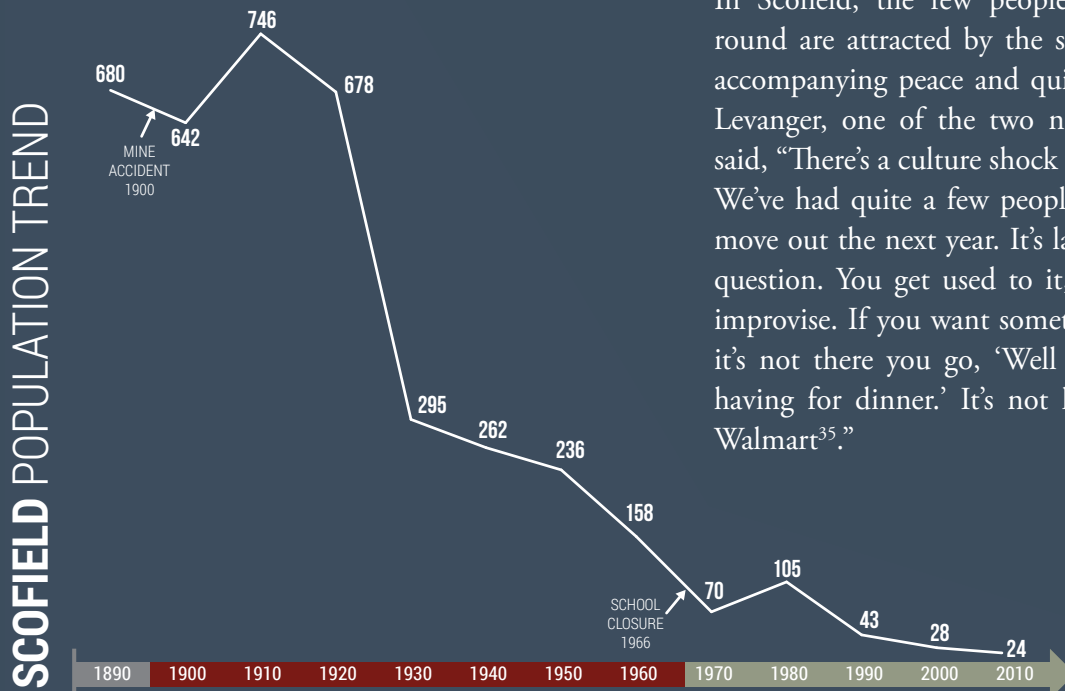


Figure 9: Scofield is Utah's smallest incorporated town

ECONOMICS

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Given the general data constraints inherent in examining small, rural towns, this study compensated by examining a range of available economic variables to help understand overall community economic trends.

Economic decline is more difficult to measure in absolute terms. As macroeconomic factors force transitions in local economic anchors (businesses that import wealth), the ripple effects disrupt entire communities. Anchor employment losses such as manufacturing, extractive industries, or tourism lead to secondary, population-dependent employment losses in industries like restaurants, retail, or construction as residents and capital leave the community. Available indicators only capture small glimpses into this process. By examining a broad data set, communities can get a better sense of their overall economic direction.

ECONOMIC CHALLENGES

Zero-growth communities may have a weak or vulnerable local economy. To understand the economic characteristics related to rural population decline, it is necessary to discuss economic restructuring. Traditionally, rural economies were heavily dependent on agriculture, ranching, mining, and other extractive or natural resource-based industries. Today rural economies have shifted towards service sector employment such as tourism, hospitality services, and retail trade³⁶.

Economic restructuring has a huge impact on rural demographics as farms disappear and manufacturing jobs migrate out of the community. Additionally, the shift from goods-producing industries towards service sector employment brings different wage structures, educational requirements, gender proportions, and relationships between owners and workers³⁷. Service-sector employment in rural areas is often categorized by tourism-oriented seasonal part-time jobs with lower wages, fewer benefits, and low economic impact. In many rural towns, tourism and recreation dominate the local economy and, as with any economic development activity,

have associated opportunities and threats³⁸. While tourism can generate millions of dollars in income, create new jobs, and stimulate population growth, often the economic consequences compete with the benefits. Wealth can become more concentrated and the lower wages and part-time work associated with tourism jobs often do not provide an income sufficient for supporting families³⁹.

Economic trends demonstrate that rural areas continue to fall further behind urban areas. Trends show that middle-income jobs are declining and that the numbers of high and low-paying jobs are rising. Consequently, economic shifts have led to greater income inequality in both rural and urban places⁴⁰. Income levels as well as poverty rates play an important role in predicting population patterns. Historically, rural places have had higher poverty rates than their urban counterparts. These trends continued as poverty rates between 2000 and 2014 experienced significant growth throughout the United States with the greatest increase in nonmetropolitan counties⁴¹. In 2014, U.S. poverty rates were estimated to be 15% while the rural poverty rate was estimated to be 18%⁴².

“It’s a tale of two economies within the boundaries of the same state—one experiencing the best of times; the other, the worst. While the Wasatch Front thrives, rural communities—particularly in southeastern Utah—are in upheaval...”

Deseret News editorial, July 8, 2015⁴.

Along with low income and high poverty rates, housing costs also contribute to population decline and economic stagnation. Housing affordability becomes a problem when residents pay more than 30% of their income towards housing. Home values that are too high contribute to a low quality of life for residents and forces others to seek housing elsewhere⁴³. In contrast, when home values are too low it can indicate a poor local economy. Finding a healthy balance in housing options is a challenge for rural places across the country, including many Utah towns⁴⁴.

Education is another important economic factor since labor market outcomes are closely linked to educational attainment⁴⁵. Those with more education are more likely to receive higher wages and are less likely to be unemployed or live in poverty. Nationally, the high school completion rate gap between urban and rural areas is closing, but the college completion gap is growing. Some of this gap may be explained by a smaller educational earnings premium: median earnings for college graduates in rural areas are 54% above the median for high school graduates compared to 83% in urban areas⁴⁶.

Just as educational attainment contributes to improved employment opportunities and wages, economic diversity contributes to greater economic stability. The Hachman index was selected for this study to examine economic diversity. Those with values closer to 0 are dependent upon a less diverse base, while those with values closer to 1 have a more varied base. Communities with low industry diversity are more vulnerable to single industry fluctuations or recessions. Compared to the U.S., the State of Utah is one of the most diverse economies in the nation with a score of 0.97 (U.S. = 1). At the county level when compared to Utah however, diversity varies: Duchesne County scores a 0.09 while Salt Lake County scores a 0.95. In general, urban counties have more diverse economies while rural counties are more dependent on fewer industries⁴⁷.

Today, rural America is a striking combination of the best and worst of times. Whereas some parts of rural America have fully participated in the nation's long-running expansion, many others have simply been left behind. Some rural communities struggle with growth pains, whereas others struggle to find any growth at all.

Mark Drabentstott, Center for the Study of Rural America, Federal Reserve Bank of Kansas City⁴⁸

DIVERSE



DISTINCT



Figure 10: County-level Hachman index scores

With Utah being one of the most diverse economies in the USA, most of the economic diversity at the county level is based around the urbanized areas with high populations. Some of Utah's counties, particularly those natural resource extractive-centered economies, are nearly dependent upon one industry.

COUNTY HACHMAN INDEX

SPECIAL TOPICS:
ONE-TRICK PONY ECONOMIES

.....
“We’re at a difficult crossroads, I have to ground people in a reality where the jobs won’t come back.”

Joe Grieshop, Harlan County, Kentucky, Elected Official⁵⁶.

A community that relies on a single commodity or resource such as coal, oil, or timber as its economic base will follow the highs and lows of that commodity’s market. When society transitions away from that resource, the community will be thrown into long-term decline that is unlikely to reverse without a new community economic driver.

Coal communities exhibit the effects of a single-commodity economy. Coal prices used to ebb and flow similarly to oil. Communities could expect price fluctuations but it remained a stable economic anchor. Many experts believe that coal has entered a period of prolonged decline that is unlikely to turn around for domestic producers, unless a major shift occurs in markets, global economics, market access, or federal policy. The result of the current prolonged downturn is community decay across coal country; some communities are decaying slowly, while others fall apart overnight as youth and families seek employment elsewhere.

Falling coal prices, increasing extraction costs and federal regulation devastated eastern Kentucky’s coal economy. Between 2009 and 2014, the region lost 49 percent of its 14,390 coal mining jobs. This number has certainly climbed in the interim. Job losses that devastated the regional economy and culture now raise questions about the future viability of eastern Kentucky communities. The communities have banded together in hopes of developing some new economic opportunities, but their success has been limited—jumpstarting the economy after losing those jobs is an extremely difficult prospect.

This long-term threat exists for all communities that depend on single commodities for economic stability⁵⁵. As Kentucky prepares for the future, it is faced with questions about paying for basic service provision, cultural shift in communities, and what to do next—questions that will eventually need answers from all zero-growth communities. The commodity-dependent communities that may survive these challenges are those that diversify their economies before the onset of long-term decline.



CASE STUDY: UTAH COAL COUNTRY

Utah's coal country has experienced a downward trend with the closure of the Carbon Power Plant in Utah and several coal plant closures elsewhere in the U.S. that formerly used Utah coal. This decline of in-state and domestic coal use has resulted in several coal mines closing or reduced operations. The ability of existing mines and power plants to remain open will be key to the success of surrounding communities in the short run, while economic diversification will be key in the long-run. New coal technologies and applications, as well as better international market access could be a refreshed economic support. Community members and leadership in coal country can continue working to secure a future for their traditional resource; however, federal regulation and global market conditions are largely out of their control. While advocating for coal's continued use, these communities must innovate new ideas to develop businesses and jobs in new, diverse industries.

ECONOMIC DATA

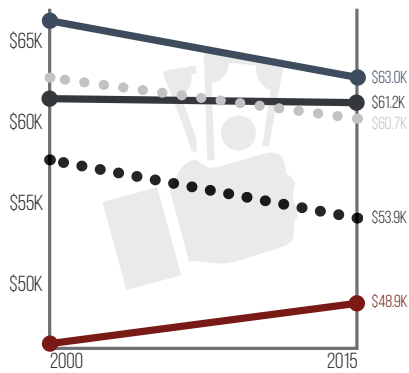


Figure 11: Median household income, Utah counties, 2000–2015

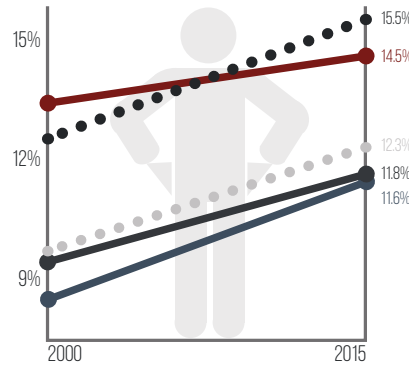


Figure 12: Average poverty rate, Utah counties, 2000–2015

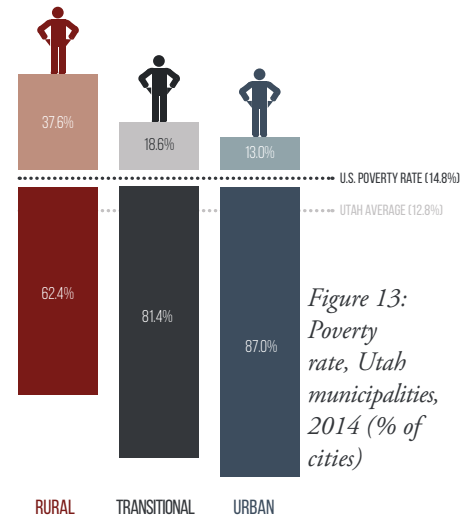


Figure 13: Poverty rate, Utah municipalities, 2014 (% of cities)

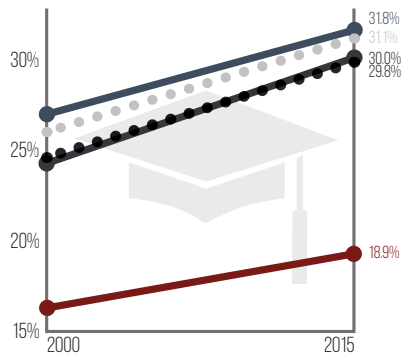


Figure 14: Percent population with a Bachelor's or higher, Utah counties, 2000–2015

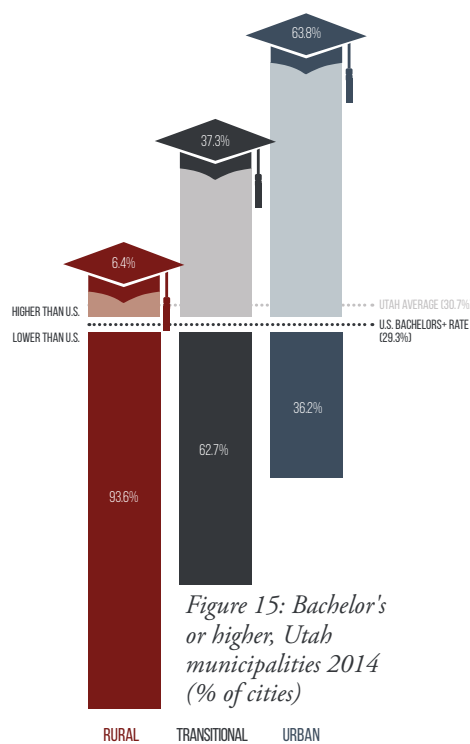


Figure 15: Bachelor's or higher, Utah municipalities 2014 (% of cities)

While inflation has overwhelmed gains in median household income across Utah and the U.S., real incomes in rural Utah have seen slight gains, although are still \$14K less than their urban counterparts. All poverty rates are increasing, although rural areas experienced a less significant increase. Poverty rates are generally higher in rural Utah, and a rural Utah has double the percent of towns with a higher-than-U.S. poverty rate. While long-term unemployment rates were increasing slightly throughout Utah and the U.S., rural Utah saw a decline between 2000–2015.

Rural Utah continues to struggle building, attracting, and maintaining an educated workforce. While the trend is increasing with the rest of Utah and the U.S., the percent of people with a bachelor's degree or higher remains 13% lower than Utah's average. In addition, nearly 94% of rural towns have education levels lower than the U.S. average. Education levels are widely correlated with higher earnings, lower unemployment, and will be increasingly important in a globally complex economy.

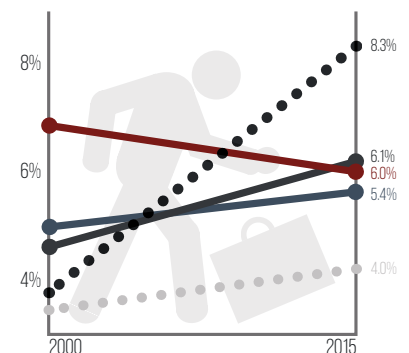


Figure 16: Unemployment rate, Utah counties 2000–2015

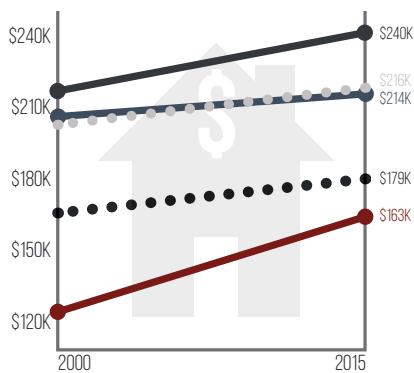


Figure 17: Median home values, Utah counties 2000–2015 (adjusted)

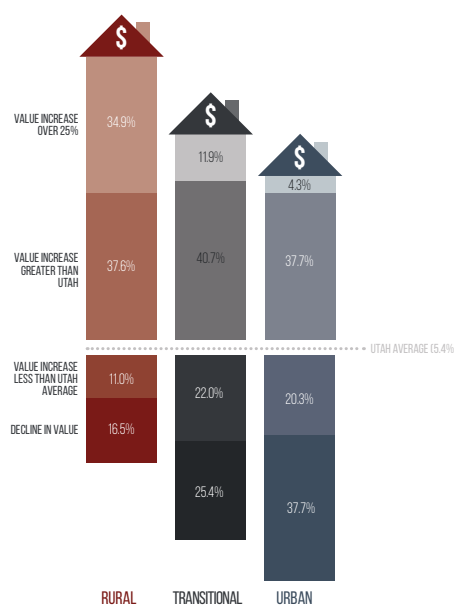


Figure 18: Change in median home value, Utah Municipalities, 2000-2014 adjusted (% of cities)

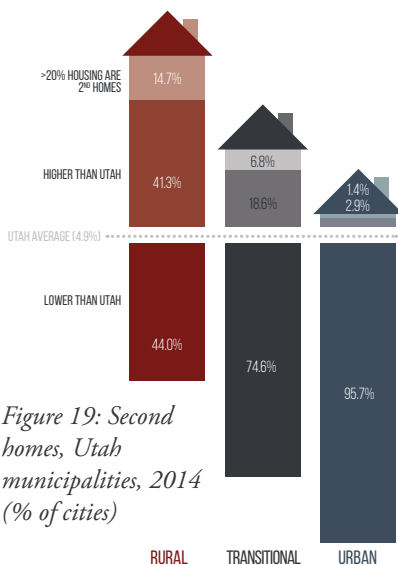


Figure 19: Second homes, Utah municipalities, 2014 (% of cities)

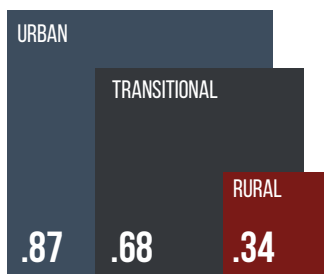


Figure 20: County Hachman index scores, 2016



Figure 21: Average number of large employers (+50 employees), 2017



Rural home values remain the least expensive of the examined groups, however, they did experience the highest price gains and the majority of rural communities experienced value increases higher than the Utah average. This can partially be explained by the much higher rate of second homes in rural Utah, which can create demand outside of normal housing factors experienced in more urban settings. High percentages of second homes creates its own set of issues including decreasing affordability for full-time residents and heavy seasonal service demands.

By definition, rural areas are more remote, are smaller, and thus have fewer employment options. They have significantly fewer large employers than other areas—nearly ten times fewer than urban areas. Rural counties on a whole are significantly more dependent on a few distinct industries, making their economies generally more vulnerable to recession.

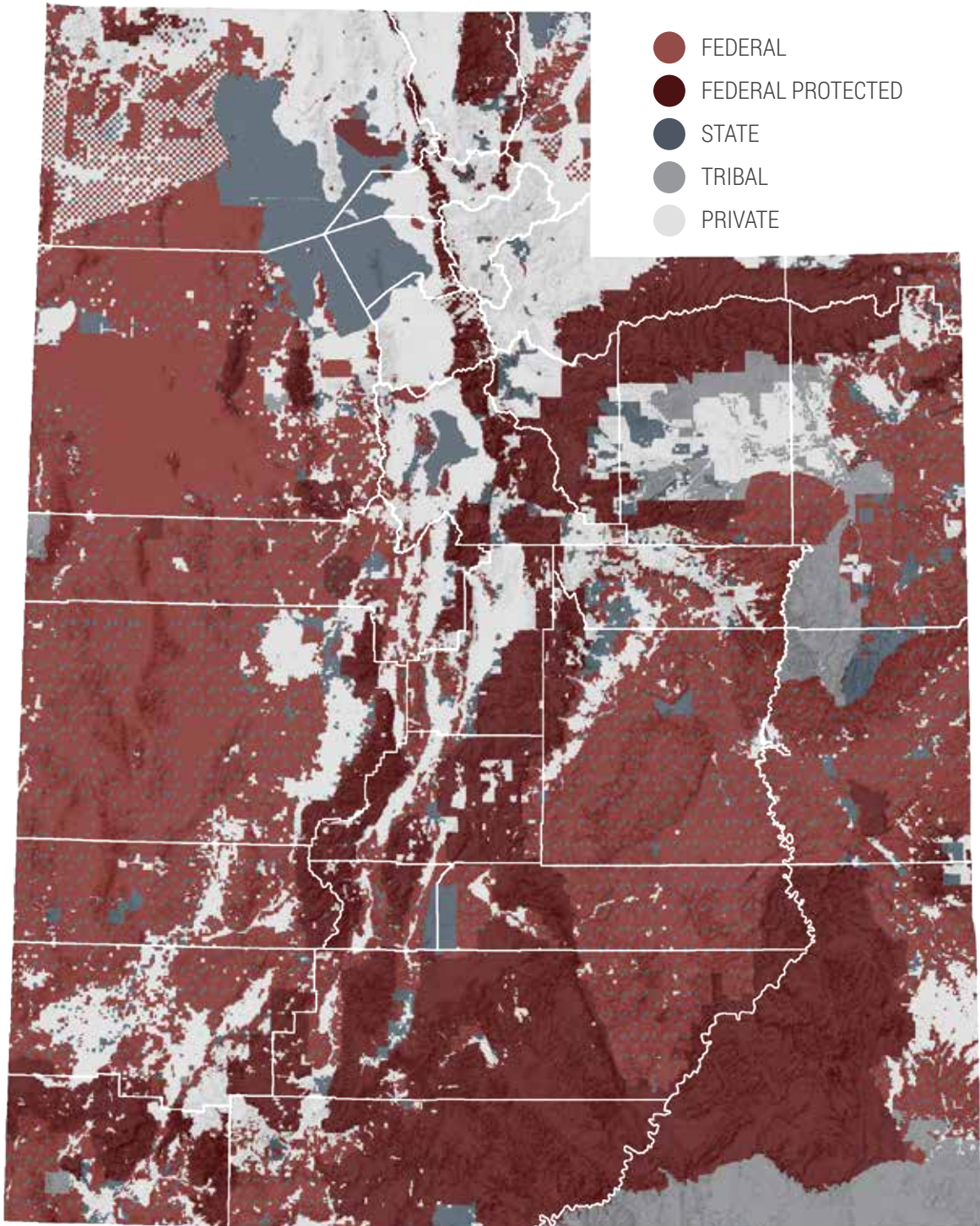


Figure 22: Land ownership map, focused on public lands
Utah's vast amounts of public land highlight ongoing concerns of local control and access issues. The latest designation of the Bear's Ears National Monument further inflamed a complicated issue.

LAND OWNERSHIP

..... PUBLIC LANDS

Rural areas have deep connections to their surrounding lands. Early rural settlement patterns reflect attraction to traditional natural resources such as minerals, timber, coal, oil, and especially water and soil⁴⁹. While the connection to land remains, recreation and scenery, not extraction, often drive relocation⁵⁰.

Many of Utah's rural communities face a real or perceived conflict over traditional uses such as farming, mining, and ranching versus tourism, recreation, wildlife habitat, military operations, and other public uses. Planning for natural amenity use has become even more difficult due to increasing contention and diverse opinions about public resource management⁵¹. Despite increased competition and frustrations, public uses and resource development are significant economic boons in some locations.

Utah consists of 79% public lands, second only to Nevada for the highest percentage of public lands of any U.S. state⁵². In Utah's rural counties, 65% of the land is federally owned. In Garfield County, 96% of the county is public land, leaving only five percent of the land for private development. Restrictions on grazing, harvesting lumber, and extracting natural resources have impacted local economies. Many local leaders and residents blame these restrictions and the high percentage of federal land as the leading cause of declining populations and economic stagnation. However, general economic trends in these industries have hurt companies elsewhere without these restrictions.

MACRO TRENDS VS. LOCAL REALITIES

Several studies concerning protected or public lands across the west suggest that proximity to protected lands have actually improved rural economics and demographics. The studies advise against alterations to public land management or ownership. Ironically, these national studies demonstrate the federal "one-size-fits-all" mindset that continues to frustrate local officials who are concerned with local realities. These local leaders contend that the findings of national studies have little benefit for localities where the general set of rules may not apply well. In addition, the studies ignore a lack of local influence by those most familiar with and affected by land regulations, and assumes that population and economic growth are the only important outcomes. However well intentioned, and as evidenced with the recent Bears Ears National Monument designation, local rural voices are frequently drowned out by those whose livelihood, culture, and way of life are not dependent on the lands. Utah has unique factors that alter the impact of federal and protected lands; those impacts can change from locality to locality, making the issue within the state difficult to address.

In most rural areas across Utah, a central frustration with federal land management is the reduction (and in some cases elimination) of self-determination for the community and its residents. Community members cannot elect to engage in traditional economic activities when those activities are prohibited on nearly all the

“Planning for the future of their communities is difficult as decision-makers face changing and increasingly diverse public perceptions about public resource issues. The viability and sustainability of many rural communities depends upon their ability to harmonize traditional uses of these lands with new economic opportunities.”

Kurtzman, et al.⁵¹

land near the community. Community members are forced to engage in the economic activities that are allowed, regardless of the impact on earnings, culture, and community. Some of these traditional economic activities supplemented low tourism-based wages in the past—without them, sustaining family becomes increasingly difficult.

The results of these economic and demographic changes alter future possibilities for the community by eliminating many potential outcomes while making others increasingly likely. These possibilities reinforce the feeling amongst leadership and community members that self-determination has been eliminated, being restricted to a few choices that match the circumstances provided by federal land management.

Another assertion by these studies is that logging, mining, and oil and gas extraction are declining industries irregardless of federal lands. This highlights another rural frustration: federal selection of economic winners and losers. Elimination of the opportunity to compete guarantees failure for anyone who was involved with the curtailed industries. Consequently, it eliminates any opportunity those individuals would have to adapt, improve, or otherwise compete in admittedly difficult global markets.

The Federal and State designations of new parks or monuments, the construction of reservoirs or other resource-based attractions, and other non-local development interests such as resort facilities are examples of outside forces that can stimulate economic and demographic change in rural localities⁵³.

Impacts on the economy and demographics have broader implications for culture and community trajectory. Eliminating industries through regulation eliminates a part of community heritage, the connected jobs, and as a result, the residents who are connected to a community's culture. Ranching, mining, farming, and logging are as culturally foundational to rural areas as investment banking is to Wall Street or tech jobs are to Silicon Valley. Many rural residents leave permanently, some work outside the region and leave their families in town, while others rely on government assistance. This can result in cultural changes that, whether slowly or quickly, alter community identity.

ACTIONS

Local frustrations are valid; they highlight serious community implications resulting from decisions that are well-outside the control of local leaders. Local leaders must also understand that final decisions on these lands are outside their control. County- and state-level efforts are underway to gain greater influence or control of public lands. However, to be ready for multiple potential futures, communities should prepare for the possibility of continued status quo or even increased regulation. Community plans, budgets, and long-range capital asset planning should reflect this possibility to ensure continued service viability and protect resident's quality of life no matter what the future may bring.



Legacy industries like ranching and logging require a strength of labor, specific knowledge-base, connection to the land, and willingness to work in difficult conditions. While the products from these industries are still needed, public land regulations continue to stifle local production—and change rural culture.



3. IDENTIFYING
ZERO-GROWTH
COMMUNITIES

This report identified zero-growth communities by examining rural communities, gathering and creating significant community-level data, analyzing that data, and constructing a series of indexes. A composite or index for each category of variables was created in order to compare data of various units and magnitudes. Indexes included population factors, economic factors, natural amenity factors, and community amenity factors. Individual factors and variables were also analyzed. Focusing on population decline, the relationship between 2000–2010 population trends and a variety of demographic, economic, and biophysical factors specific to the target communities were analyzed using both qualitative and quantitative methods.

Data visualization of population change and indexes through hotspot analysis (*see appendix E*) presented some strong spatial trends (*see figure 23*). However, community context and community-level knowledge must be factored in when examining individual zero-growth communities. After collecting and identifying the range of zero-growth communities, statistical analysis performed on the same data sought to verify theories on population, economic, and amenity-related factors contributing to zero growth.

Demographic and economic trends continue to show rural zero-growth communities falling behind urban areas. However, many rural communities are thriving. Demographic and economic indicators can help communities understand their situation and give them the opportunity to decide how to respond in a way that will either stabilize or alter their community's current trajectory. Some of the contrast between successful rural communities and zero-growth towns can be explained through their approach to several factors.

[R]ural growth havens generally have three key traits. Some are next to major cities and are being “suburbanized.” Others have striking scenic amenities, such as mountains or lakes. Still others are emerging hubs of rural commerce, providing retail, financial, and health services to an ever-widening rural area... Some rural communities struggle with growth pains, whereas others struggle to find any growth at all.

Mark Drabenstott, Center for the Study of Rural America, Federal Reserve Bank of Kansas City⁴⁸

..... THE 3 C'S OF ZERO GROWTH

Rural communities can become zero-growth in three primary ways: choice, constraint, and chance. Each situation comes with its own set of challenges and best practices. No matter the reason why communities are zero-growth, they must first understand how they ended up in their current situation before they can plan for their future.

CHOICE

In the case of zero growth by choice, the community has decided that economic or population growth are inconsistent with its identity. A town can choose to manage growth in order to maintain the status quo. A community may wish to preserve its rural character as a small town, an agricultural center, or a bedroom community. In order to manage its growth, the town may have drafted plans and passed ordinances that limit development. For example, it may not zone for certain commercial activities, or it may require large minimum lot sizes. The community cultivates its environment to meet the desires of its residents. Assuming growth pressure, the advantage of this type of zero growth is that the community can begin to reverse the trend simply by changing its laws, but not without consequences.

Communities that choose to limit growth must acknowledge the long-term consequences of their decision. Limiting new home construction, for instance, may lead to housing affordability issues, population decline in the future and perpetuate a financially and demographically untenable cycle of stagnation or decline. Limiting the tax base also limits the available funds to repair and replace capital infrastructure.

CASE STUDY: DEFENDING THE CASTLE

Castle Valley, Utah rests in a fantastic canyon just 22 miles from Moab. Despite being in a location primed for explosive growth, Castle Valley has made the explicit decision to stay small. To accomplish this, it has discouraged growth in as many ways as possible. As one resident put it “a lot of our ordinance is in place so we don’t become Moab.” For example, the town has soil septic field constraints that require a five-acre lot minimum for homes the town has considered increasing to 15 acres in order to protect well water and the sense of solitude community members expect. Whether this is the “proper” approach or not is less a quantitative question and more a qualitative question that residents have clearly and unequivocally answered.

CHANCE

The most common cause of zero growth is circumstance where outside forces create a zero-growth climate for the community. A prime example of such a force was the collapse of the U.S. housing market and subsequent economic recession which forced many communities into a deep decline. Other forces can include natural disasters, the closure of a local employer, regulatory changes to the dominant industry or a long-term shortage of affordable housing.

CONSTRAINT

A town may be unable to expand due to geographical limitations that physically restrict its ability to grow such as rivers, lakes, mountains, or other terrain unfit for development. Similarly, public or protected land may prevent expansion in the same way as a physical barrier. Not only do federal and state lands confine a town's borders, but they may also limit a community's ability to utilize the land for economic purposes. These barriers prevent new outward construction and limit a town's development to mostly infill development. Towns must look inward for growth and development and be creative with their space.

Springdale, Utah is an example of land constraints, surrounded by national park land on three sides and a neighboring town on the fourth. Without any room to grow out, demand has forced land values up. Although they have a small population, they welcomed nearly 3 million visitors in 2016⁵⁷. Much of the land is used to support commercial activities surrounding tourism, leaving little for housing development. Even though many rural communities touch public lands, very few are hemmed in on every side, making it a constraint that affects only a few communities.

A TALE OF TWO CITIES

One community in rural Utah passed up on a major retailer over a decade ago after deciding that the store did not fit with the character of the community. The retailer was the first of its size and scale that had shown interest in the region. A neighboring community welcomed the store and subsequently became the regional hub for services. As other stores have shown interest in the region, the majority of them have located in the community with the major retailer, increasing the "gravity" of that community. The community that denied the retailer has struggled to maintain significant commercial development and remains a secondary retail center.

Zero growth by chance is difficult to plan for—few community leaders even thought about, much less anticipated, a national housing crisis. The previously referenced community did not expect that decision to have such lasting consequences. Other chance circumstances can be expected but remain outside of a town's control, such as the closure of a mine or a sawmill. Towns can best prepare by following town management and planning best practices as outlined in chapter five to limit negative impacts of future market fluctuations.

HIGH



LOW

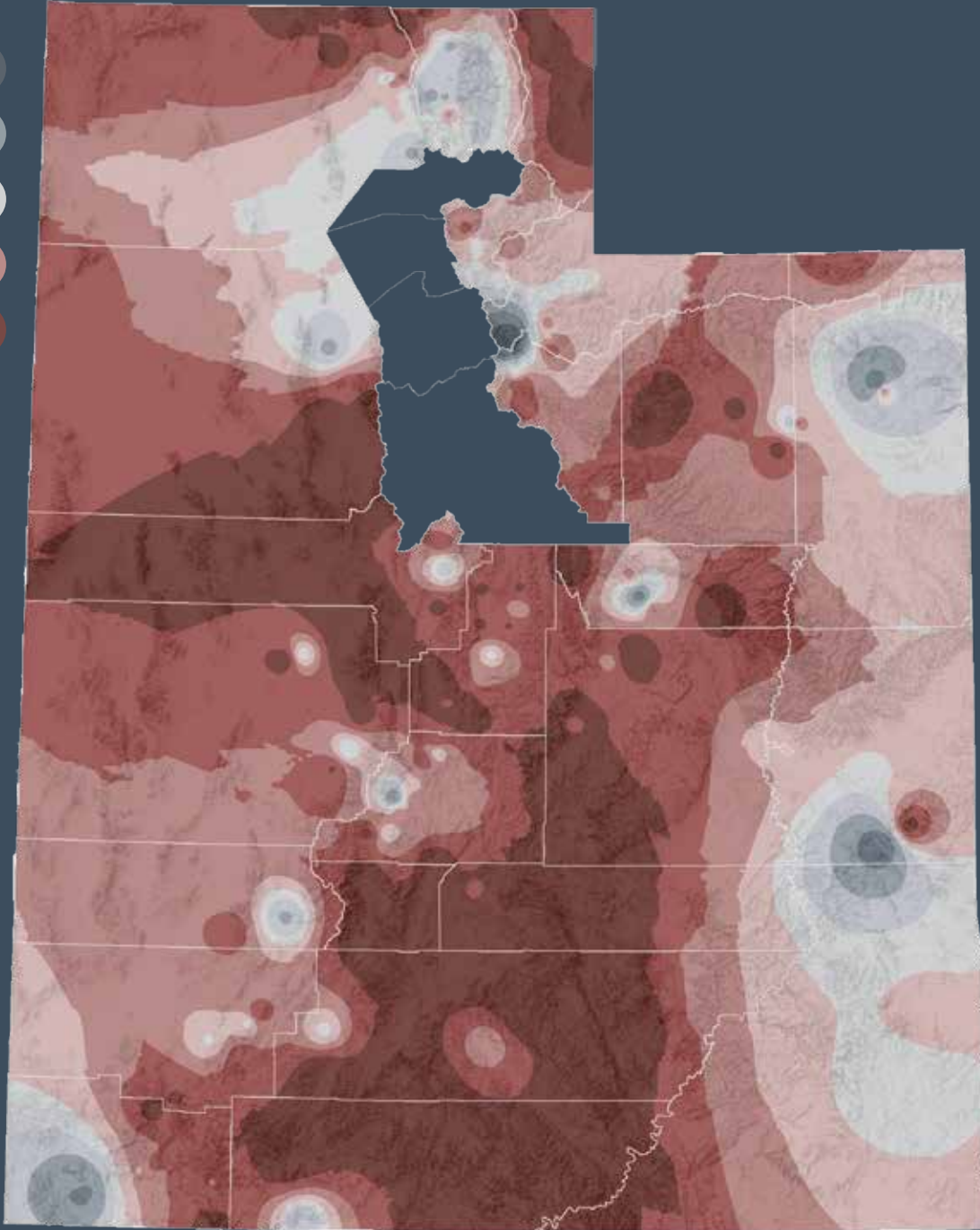


Figure 23: Community Development Index scores with a raster surface projection

Growing population centers like St. George, Moab, Vernal, Logan, and Heber City scored very high, with pockets of higher community development spread out, mostly along the I-15 corridor.

COMMUNITY DEVELOPMENT INDEX

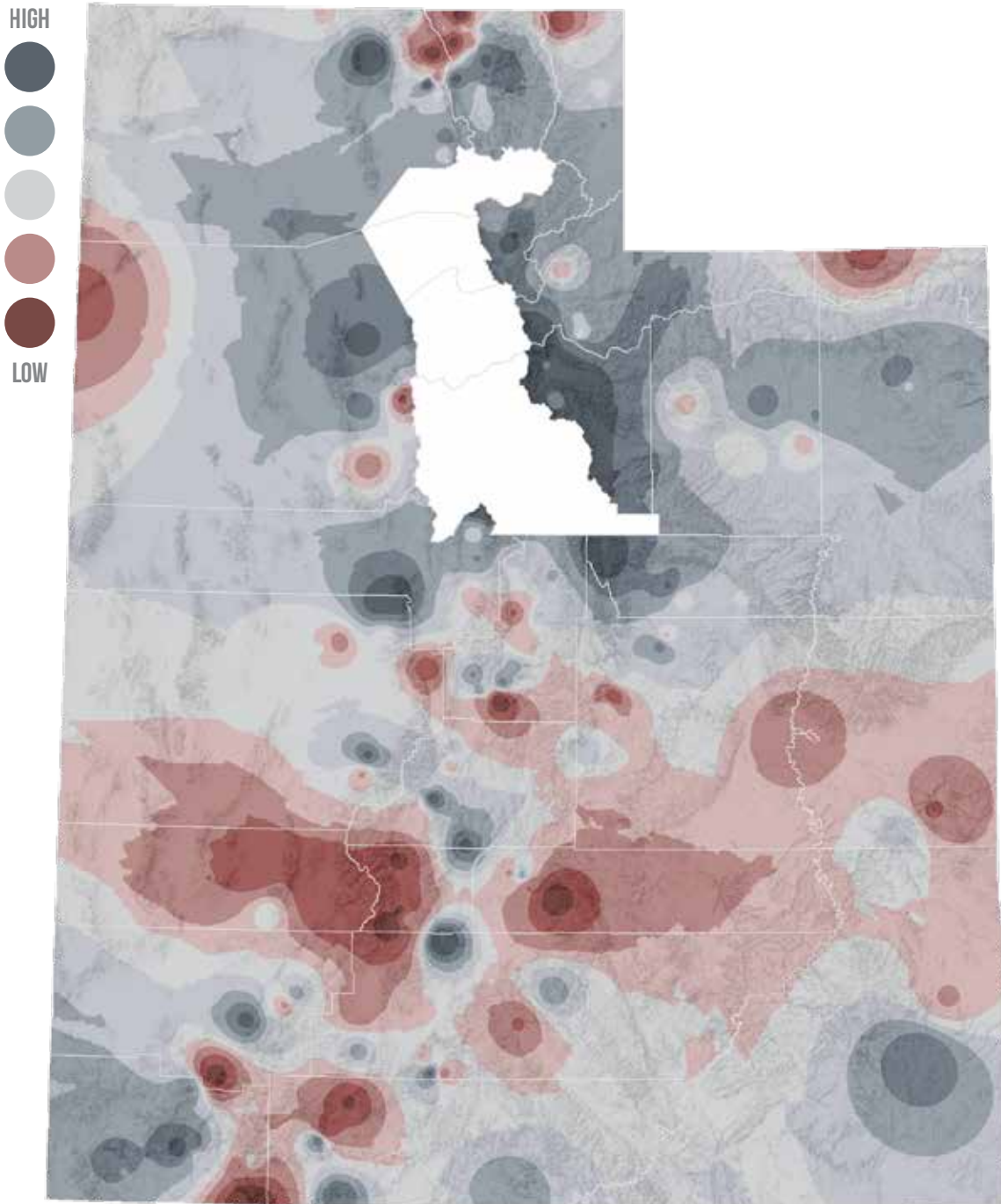


Figure 24: Economic Development Index scores with a raster surface projection
 Most of the state scored positively, partially due to the low and decreasing unemployment rates and other generally strong indicators. However, the lower scoring regions highlight areas of concern.

ECONOMIC DEVELOPMENT INDEX

HIGH



LOW

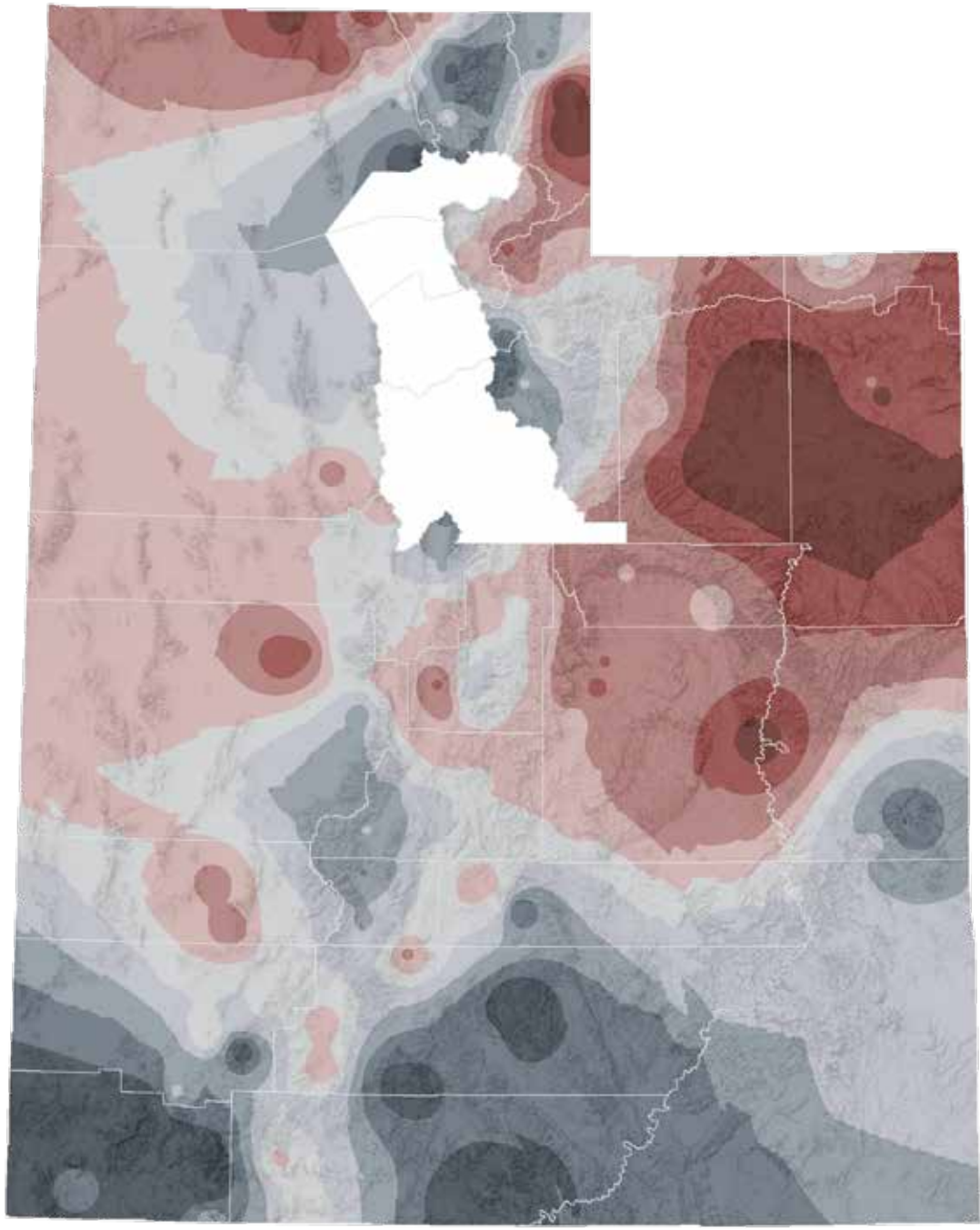


Figure 25: Natural Amenity Index scores, with a raster surface projection
Although not a perfect measure, the areas around Zion's, Grand Staircase Escalante, and Arches all scored high on natural amenities, as did the areas around the Wasatch Front and the more agricultural Cache Valley. Beauty remains in the eye of the beholder.

NATURAL AMENITY INDEX

HIGH



LOW

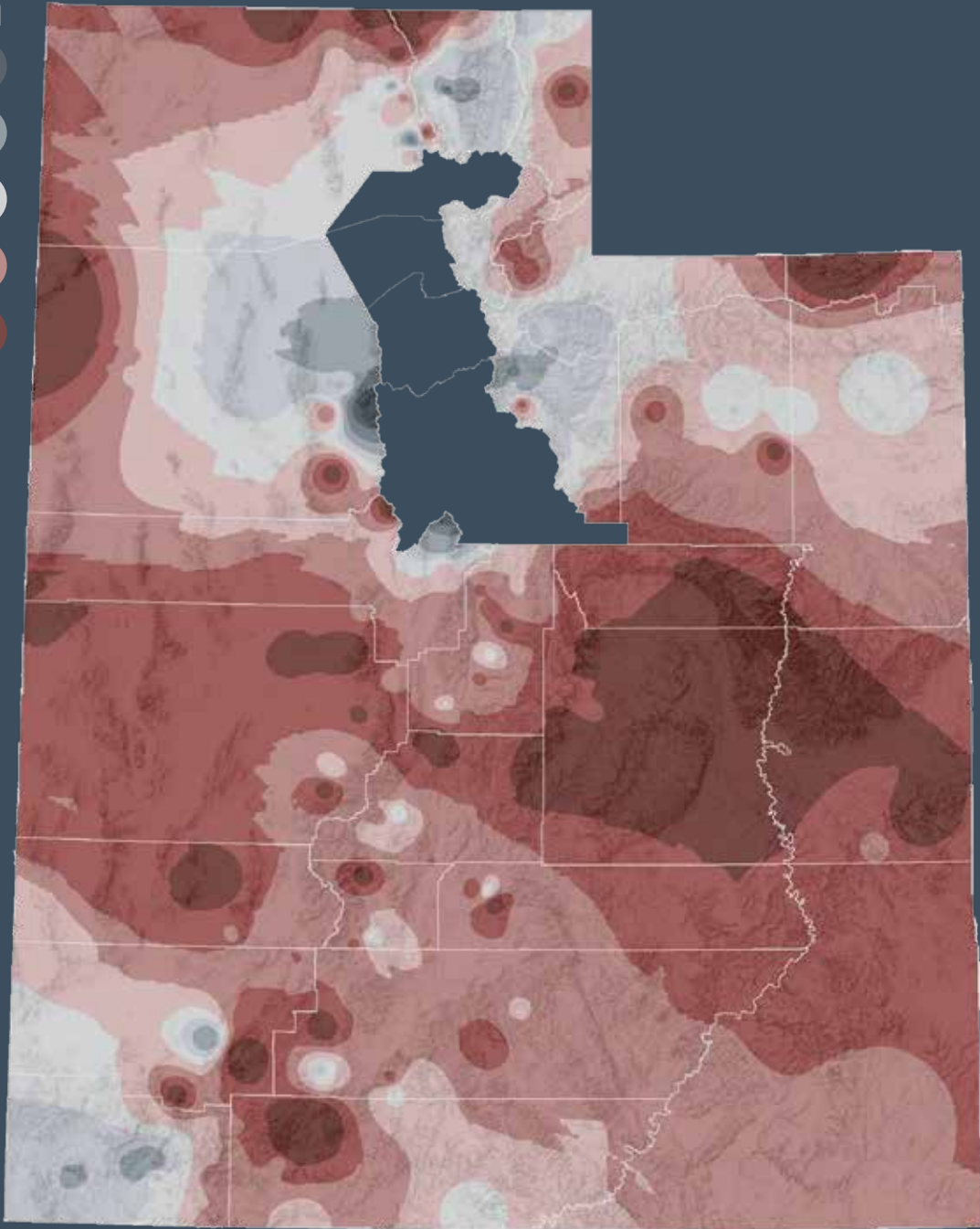


Figure 26: Total of all indices, with a raster surface projection

Areas around the urbanized Wasatch Front, and the high-growth regions around Logan and St. George all scored quite high on all indices. Most other areas of rural Utah did not.

TOTAL OF ALL INDEXES

4. FACTORS

Certain failings are common to zero-growth towns and inversely common to successful communities. Through research, case study analysis, direct experience, and discussion, these factors were identified. A negative performance in multiple factors may combine to cause a community to become, and stay, zero growth. Similarly, an unsuccessful approach to a single factor can drive a community to stagnation or decline. Each can have varying magnitudes of impact and, at the same time, grow increasingly difficult to repair or mitigate. Some are simple to fix while others are nearly impossible. Additional research, data creation and evaluation is needed to identify the relationship between these factors and decline.



*Figure 27: Factors considered on an ability to fix scale
These factors range from being nearly impossible to change, to relatively easy to change.
Towns should prioritize actions on factors which are more easily effected.*

PERCEPTION

“Folks often brag that, jobs are fewer and the pay is lower, the wind blows harder and it rains less when you need it, but always when the hay is down.”

Rural Town Website

While several communities around the Wasatch Front enjoy positive press from many national “Best Places to Live” lists, rural communities have struggled to maintain a positive attitude about their own futures. One community’s website states, “It’s an ideal place to raise a family. But it’s these same little children that grow up and look around and discover that their Heaven does not come equipped with jobs to support a family⁵⁸.”

The public holds mixed stereotypes about rural. No-service ghost town or idyllic cottage hamlet—stereotypes capture a portion of what rural actually is while missing the complexity of each community. So much of a community’s future depends on external perception. Internally, how community members and leaders view their community impacts external perception. This greatly influences the level of participation of current and future community members. Perception also impacts a community’s ability to attract and retain businesses, residents, tourists, and influences local confidence in starting a business.

RURAL LIVING

Demand for rural living appears strong. According to the National Association of Realtor’s National Community Preference Survey (2013), 30% of respondents said they would prefer to live in a small town or rural area compared to the 22% who actually did. In addition, 75% of those currently living in a small town or rural area wanted to remain—the highest of any area type⁵⁹.

However, the idyllic setting for many survey respondents does not necessarily reflect reality for many rural communities; rural areas face issues of perception and expectation when courting those unfamiliar with rural living. Rural respondents in the same survey noted a higher lack of affordable housing (52%) and community amenities like shops and restaurants (54%). One scholar noted, “When people in a national survey report that they would prefer a less dense setting, they may be envisioning rural Vermont, not rural Nebraska⁶⁰.”

When the exposure to your community is limited to a negative Facebook post, crime story in the news, or view from the highway, it remains the task of townspeople and leadership to make those brief experiences positive and memorable.

A town’s biggest champions must be their own community members. Towns should work with, but cannot rely solely on, county economic development, state tourism, individual businesses, or similar organizations to help shape perception. Communities need a positive, realistic promotion of their town’s offerings and community vision both internally and externally.

More research should be conducted on correlations between community perception and growth or decline.

SPECIAL TOPIC:

THE UGLIEST COUNTY IN AMERICA

Figures and statistics never tell the entire story. This was no more apparent than when Washington Post writer Christopher Ingraham described Red Lake County, Minnesota as “America’s worst place to live⁶¹.” Ingraham based this assessment off the USDA’s Natural Amenities Scale, a compilation of mild summers, low humidity, varied topography, and access to oceans, lakes and rivers⁶². The index positively correlated with population growth. Following significant protest by the county, Ingraham visited the area and wrote a follow-up article about his trip—he experienced first-hand the natural beauty and friendly “Minnesota Nice⁶³.” The trip changed his perspective and life: a year later, Ingraham moved there with his family⁶⁴.

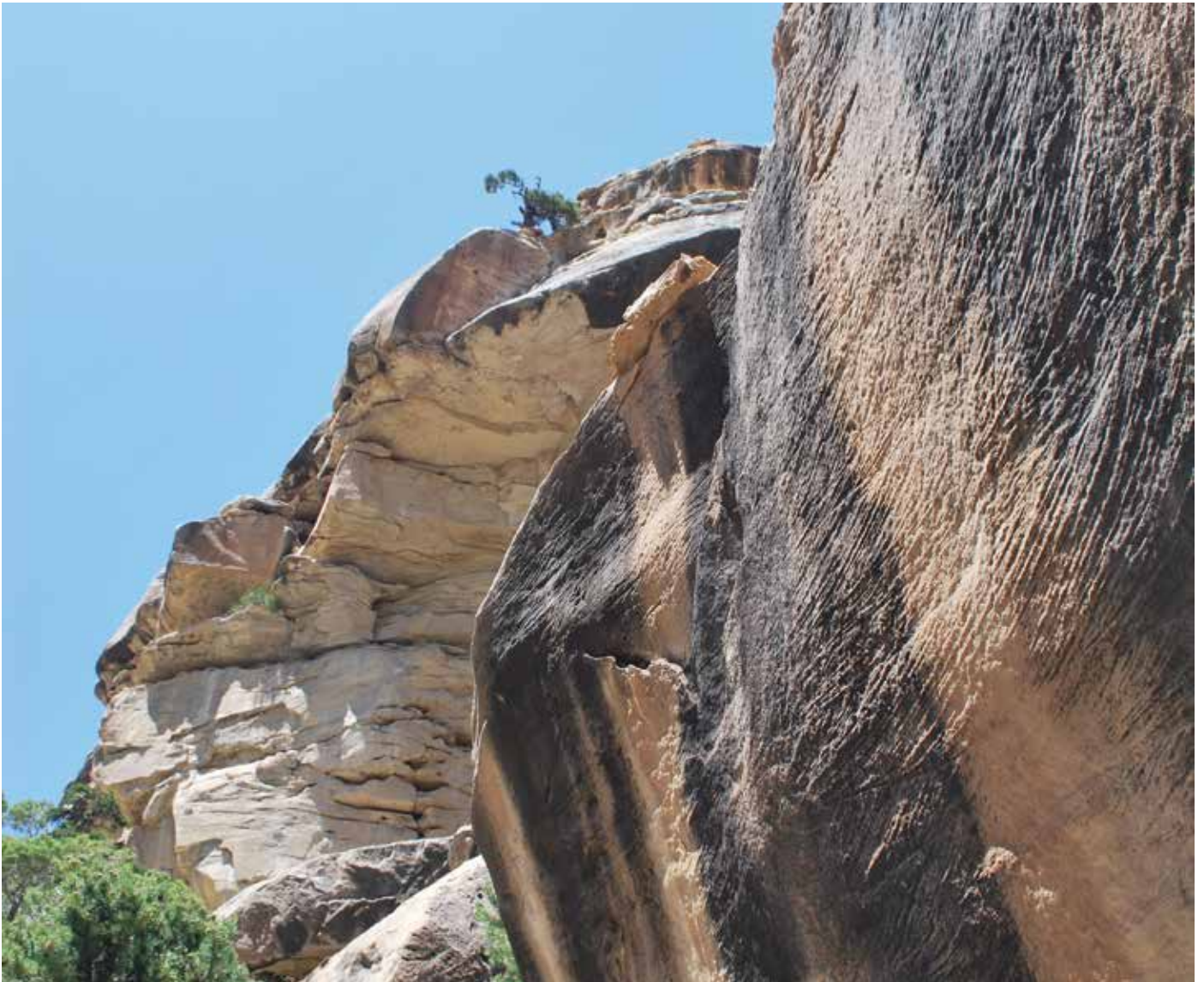
While compiling the research and indexes for this report, the authors tried to balance data with personal experience. While acknowledging this, anecdote and an individual’s preference cannot discredit the data’s overall message. Ingraham may have fallen in love with the area that was ranked at the bottom for natural amenities, but on a whole, there was a strong correlation between population growth and a high measurement on the USDA Natural Amenities Scale. This report found similar correlations in Utah. That does not make those areas with low scores in any index unlovable or less of a home for those that live there. It should, however, make those who love a place think twice about how they can unbiasedly improve their community and make those who push data-driven analysis recognize the inherent complexity behind the numbers.

.....
“So what’s the point in living here? Why not just move to the town where you actually get the stuff that you need.”

— High school student, rural Utah



Data doesn’t tell the whole story: Red Lake Falls, Minnesota—county seat to the ugliest county in the USA, according to USDA amenity data.



Castle Dale, Utah is situated near the world-class bouldering of Joe's Valley. Their new town slogan, "Get Dirty with Us" attempts to capture the access to this and many other nearby natural amenities.

CASE STUDY: CASTLE DALE REBRANDING

Castle Dale is situated near the world-class bouldering of Joe's Valley, majestic views of Utah's Little Grand Canyon, a beautiful fishing reservoir, and desert adventures in the San Rafael Swell. The community wanted to attract tourists by better associating these amenities with the town. The town drafted the slogan, "Get Dirty with Us." The committee believed it memorably captured the untapped outdoor recreational opportunities of the region. They have since developed a website to help promote these amenities and the town. While the initiative is not without controversy⁶⁵, it is laudable that the town is taking proactive steps to change the perception of their community. Visit www.getdirtywithus.org for more information.

CAPACITY

Without adequate capacity, towns can struggle to meet basic legal requirements and core service provision, reducing resident’s safety and quality of life. Capacity is the aggregated time, knowledge, and ability which community employees, leaders, and volunteers are willing to provide to the community. Frequently, in very small towns, the traditional leadership consists of an untrained, part-time, volunteer mayor who juggles executive responsibilities with professional, family, religious, and community commitments. The town council is similarly limited in time and capability. Leadership positions are not sought after with ambition, but essentially volunteered for out of love for the community. As rural mayors know, it can be a difficult and thankless position. The pressure or contention can be so great that, in some communities, it is difficult to retain a mayor for even one full term.

Compounding the capacity problem, the smallest of these communities do not have the funding to retain municipal staff. Many fund part-time staff to complete basic administrative requirements. Other municipalities rely wholly on volunteer labor, similar to volunteer fire departments across rural Utah. However, in an ominous sign for these communities, the number of volunteer firefighters has dropped 12 percent over the last 20 years nationwide⁶⁶. If these trends reflect in a reduction in local volunteerism, local governments will need to adapt capacity to continue services—fire, clerical, snow removal, public works, etc. For those with the finances, hiring outside consultants can help with components of the management process, but it may not

constitute dedicated, focused, ongoing capacity to move community efforts forward. Successful capacity increases should be local, in-tune with community aspirations, and ongoing.

Some communities are fortunate enough to have internal capacities outside of traditional leadership or staff capacities. These are typically highly-motivated or capable citizens who operate outside of traditional leadership roles, but organize community and economic development opportunities within their communities.

A study of several of rural Utah’s communities found that, “[v]ision for the future is key. The communities who hired staff were much better able to spend time considering the long-term, as opposed to [communities] who were always putting out fires⁶⁷.” The study found that in some communities where leadership’s outlook on the future was more optimistic, they associated it with having employees.

.....
“The communities who hired staff were much better able to spend time considering the long-term, as opposed to [communities] who were always putting out fires.”

Kurtzman, et al. 68

When examining Fairview’s needs, then Mayor Spencer Cox (now Lt. Governor of Utah) prioritized funding and hired a planner for their small town. “The old axiom that if you fail to plan you’re planning to fail, I definitely saw that as a mayor of a small town,” Cox said, “What we found was if we weren’t planning, the tail ended up wagging the dog.”

Communities who do not have leadership or capacity may simply ride the tide of macro-economic and demographic trends. Communities with capacity and leadership can work to alter their position and progress towards goals, even when the tide appears to be rising against them.



I think rural towns, with just a little bit of money, can invest in a person. It's that person that's already in town, that's already motivated—if we just invest in that person than they'll work hard for you every day.”

Jack Forinash, Principle of Housing, Epicenter.

Jack Forinash came to Green River as AmeriCorps Vista volunteers in 2009 and stayed to help form Epicenter—a nonprofit supporting the town.

CASE STUDY: EPICENTER

Epicenter is a nonprofit organization that aspires to improve the quality of life for residents of Green River, Utah. What began as a few AmeriCorps VISTA volunteers became a permanent organization that provides assistance and expertise that otherwise would not be available to Green River. Epicenter assists the community as they seek to diversify their economy, improve resident housing, along with other projects of community interest. They have greatly increased

Green River's capacity to obtain grants, consider future plans, and garner public opinion on subjects pertinent to the community. Epicenter is unique—few communities have its equivalent. Still, the ideas Epicenter provides can assist communities to develop their own organizations that improve community capacity and plan for the future.

Jack Forinash, one of Epicenter's founders highlighted the importance of local capacity by

stating, “[W]hat makes or breaks organizations, specifically chambers of commerce, is having at least a part-time person working there. If you are able to pay someone a twenty-hour work week, you all-of-the-sudden have someone working twenty hours a week, every week, on something better for the town. I don't think we can depend on the volunteerism, the same ten people, for the length of time it takes...to make a momentum shift in the outlook for the economic prosperity of the town.”

Similar to a lack of capacity, sometimes there may be capacity but no leadership. Without leadership, the choice of whether to fight or accept decline is null—the default position is passively embraced without a conscious thought—it simply “is”. The lack of deciding is a decision.

As with capacity issues, leadership does not have to originate from official roles. In a study of larger declining cities, Lorlene Hoyt and Andre Leroux found that formal leadership was critical in the support of informal leadership. However, the informal leadership was generally insulated from local political shifts and catalyzed positive community momentum⁶⁹. Informal leadership can play a similar role within rural communities, increasing community capacity significantly.

Regardless of the source of leadership, the tone of leadership must be one of realistic optimism. The community must understand the situation and accept it. At the same time, they also must have enough hope to compel them to action. That hope must be based in a realistic, attainable vision for the future. As elected officials, employees, or organized volunteers, leadership can enact vision as a key force against the lack of inertia or negative momentum experienced in zero-growth communities.

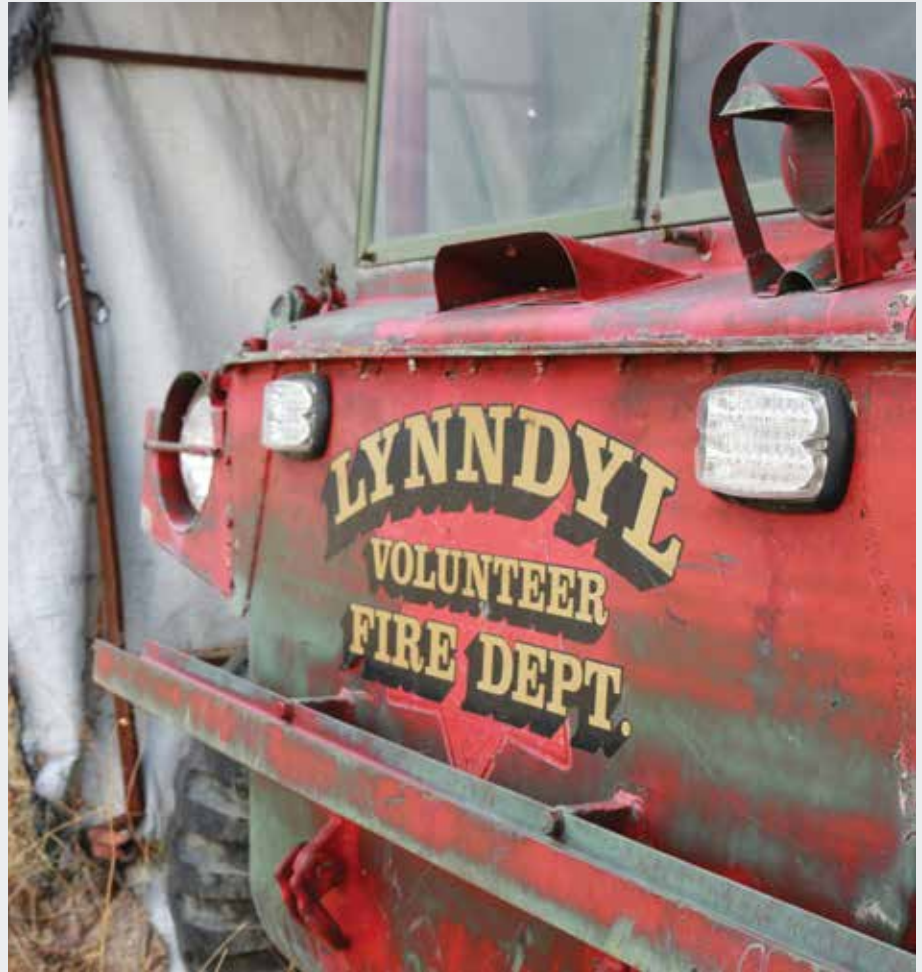
LEADERSHIP

“Civic leadership is incredibly important in placemaking, in planning, because the decisions really do matter. We know this from case studies, we know this from planning history.”

Dr. Joanna Ganning⁷⁶

CASE STUDY: LYNN DYL TOWN

A small town of just over 100 people, Lynndyl has taken strides to improve their fiscal situation. They recently brought their town into legal compliance to receive B&C road funds. Using the town-owned backhoe, typically reserved for snow removal and road grading, they prepared road and parking lot surfaces for paving, and dug out their water pipes for engineering inspection—all with volunteer labor. Their can-do attitude and actions stretch their small budget, reserving value-added steps for contractors.



ADAPTATION

Community preservation remains a common theme among rural communities. Particularly in zero-growth communities, where long-established residents remember the town's best times, there is considerable resistance to change. While there are many likely reasons for this attitude, it results in a significant barrier to any proposed solution that "hasn't been done before." Or if a solution has been tried and failed in the past, residents will likely assume that it will not work now. While they may preserve the charming character of the community, these attitudes block out any attempt at innovation.

After a bad year for crops, farmers get back to the field, work harder, keep focused on what they do, and hope things improve next year. Ranchers get up early to tend the cattle; miners work the mine—all do what needs to be done because it is required of them. Just "rolling with it" can help individuals get through tough times, but collectively this great strength of rural areas can become a weakness. These attitudes can impede the proactive adaptation necessary to address long-term negative trends or potential future disruptions.

In order to deal with large challenges (e.g., loss of major employer), communities may have to adapt in a significant, proactive manner. Communities may want growth, but think they can do it without changing. Again, another virtue of rural Utah—its connection and preservation of the past—can impede its adaptation into the future. As the world continues to change, communities need to adapt. Some of the problems facing communities today came from actions or inaction in the past; proactive planning can help avoid future problems, but it requires innovation. As Albert Einstein said, "The significant problems of our time cannot be solved by the same level of thinking that created them."

"The role of innovation cannot be overstated. If you're a community that has had a particular history, and it's not boding well for you into the future or maybe it is suggesting a future you don't want, then innovation is the way that you change it: innovation in the way you manufacture a new good, innovation in the way you reimagine who you are, innovation in the way you attract a particular residential base that you haven't attracted before—innovation cannot be overstated."

Dr. Joanna Ganning⁷⁶

MOMENTUM

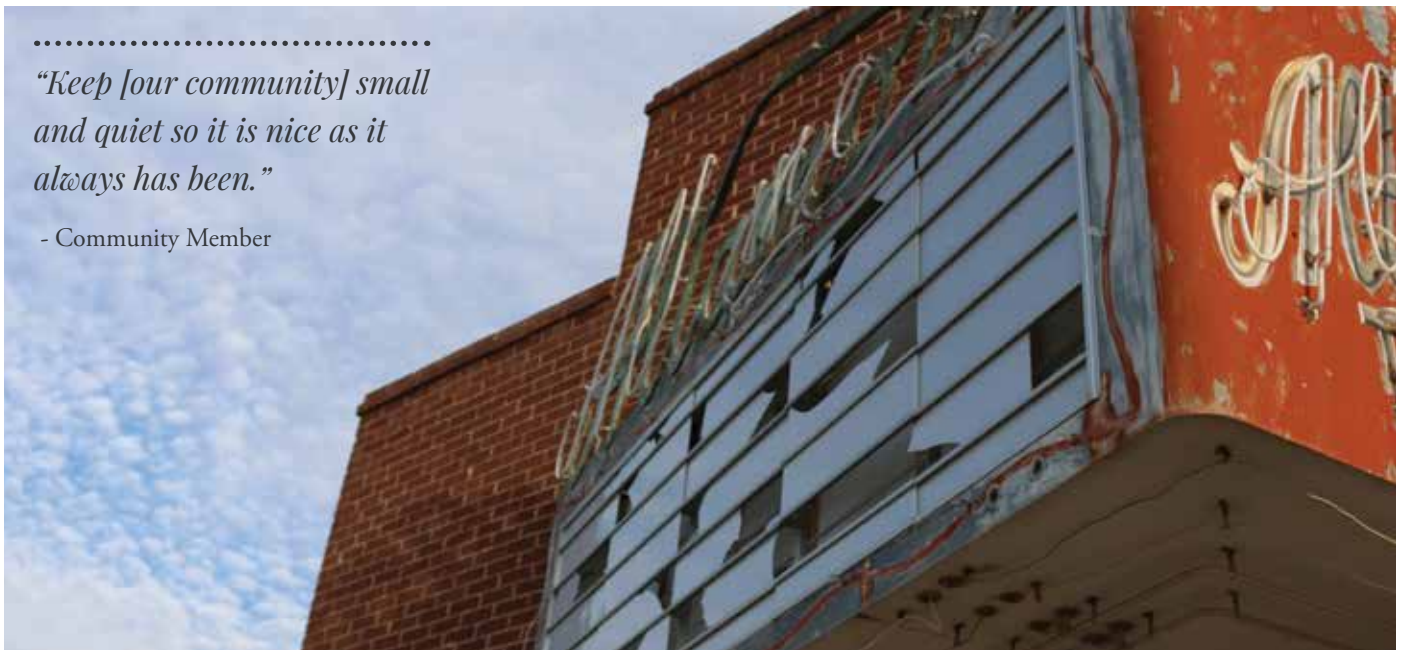
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Positive momentum can be difficult to build when the mass of community history, economics, attitudes and institutions are, by de facto, keeping a community heading in its current direction. All communities, but particularly small rural towns, have the propensity to want to remain the same. This propensity is exceptionally difficult for leaders of communities that desire growth but also expect things to stay the same. Many long-time community residents may remember the town's best times and believe that by not changing, those times may return. The quality of life may be high and community members think it can remain that way perpetually, neglecting the outside forces which inevitably encroach upon small town life. Kids grow up, businesses shut down, and infrastructure wears out.

.....

“Keep [our community] small and quiet so it is nice as it always has been.”

- Community Member



Once a town begins to decline, it is difficult to change without a significantly powerful counter force.

AMENITY

“The problem of access to services has increased over time as health, education, and retail services have consolidated into larger units and people have come to expect greater specialization and choice.”

McGranahan & Beale⁸⁵

Amenities refer to desirable features of a place, both natural and built. Community amenities refer to built structures through which public and private services are provided. Local services can include healthcare, banks, schools, restaurants, groceries, arts and entertainment, and other similar services and activities. While Utah is an outdoor mecca with incredible red-rock landscapes and snow-capped mountain ranges, not all rural communities have similar access to high-profile natural amenities⁷⁸. Nevertheless, for many communities, outdoor recreation tourism is a hopeful economic engine.

Sometimes, even a small, well-supported natural amenity can generate some growth and economic activity⁷⁹. While communities can do little to create new natural amenities, they can fully utilize and creatively capitalize on those they have. Relatively few know of the world-class bouldering in Joe’s Valley or the amazing, accessible slot canyon hike at Kanarrville Falls, yet the communities near these amenities have taken different approaches towards these phenomenal natural amenities⁸⁰. A tourism economy can be unpredictable. Macroeconomics play a significant factor to tourism and general tastes for different outdoor recreation amenities change over time

and with various demographics—the constant high winds in the Columbia Gorge were thought a nuisance until kiteboarding and windsurfing became popular.

Given the small size and isolated nature of rural towns, and their lack of infrastructure, “people often shop in one town, work in another, and live in neither⁸¹.” Zero-growth towns struggle to provide community amenities which remain important to those seeking to live in rural areas. As noted previously, the National Association of Realtors did a study indicating a pent up demand for rural living; however, studies have noted that most people likely want to live in small towns within 30 miles of a major metro⁸², and their vision of rural living is more New England hamlet than western mining town. Access to high-level community amenities remains a significant factor to attracting and retaining people⁸³. Rural areas continue to fall behind urban in this regard. Even for towns with good infrastructure and community amenities, maintaining their condition can be difficult. As modern consumers have grown accustomed to a variety of shopping, dining, and entertainment options⁸⁴, without significant community amenities, it will remain difficult for rural towns to remain competitive.

ECONOMY

.....
“Rural Utah has more programs and incentives for rural economic development than any other state in the nation.”

Wes Curtis, Executive Director of Regional Services, Southern Utah University

Economic factors remain the strongest and most obvious issue for zero-growth communities. Residents need income. Young adults with alternate options rarely stay in their hometown when there are no work opportunities. Low-wage or seasonal service sector jobs may be available for young people; however, while some areas provide unique natural amenities which may balance lower wages through quality of life benefits, there must be some level of economic opportunity within a community to be resilient.

Location: Although settlement patterns in Utah are unique⁷², many communities in Utah have their economic roots in ranching, farming, and natural resources. As national and global economics change, many of these foundations have waned or ceased altogether. Utah’s burgeoning tourism industry has buoyed up some communities, but others lack amenities or are ill-equipped to take advantage of nearby natural amenities.

Workforce: While education levels have increased, rural areas still lag behind urban areas in those with a bachelor’s degree or above⁷³. Innovations in extractive industries continue to increase productivity but decrease the needed number of workers. Hard working laborers in extractive industries find their skills less transferable in a highly specialized and digital age.

External Economic Influence: For many rural communities centrally tied to natural resource commodities, the local economy rises and falls on global economic trends. Agricultural consolidation, mechanization, and globalization have significantly altered U.S. rural economies. In the general shift to service sector employment, businesses have consolidated around regional population centers. Rural communities that remain isolated and without their own economic base to support local consumption struggle. Traditional economic development efforts based on business attraction have been tepid at best and wasteful at worst. New approaches have brought hope; however, fundamental macroeconomic factors have not dramatically changed and communities face an uphill battle.

Perspective must be maintained during these efforts. Research has shown that for isolated rural areas, entrepreneurship is the key driver of employment and income growth. As stated in Stephens and Partridge, “efforts to promote entrepreneurial capacity may be among the few economic development strategies with positive payoffs in remote regions⁷⁴.” However, as identified by McGranahan and Beale, “While rural development experts emphasize local initiative and entrepreneurship, and these factors may have contributed to growth in some areas, there are virtually no examples where growth in low-amenity frontier counties (counties with less than 10.1 population density per mile and not adjacent to any metro area) cannot be attributed to an external agent or new condition⁷⁵.” In short, total control of a community’s economic future does not generally rest in the hands of community leaders. However, establishing a climate and structure that supports local industry and prepares for possible future helps secure current economics and the capacity to take advantage of unforeseen opportunities that may arise.

Where the rural virtue of isolation brings solitude, few crowds, and wide-open spaces, it also creates significant barriers to connectivity with the outside economy. Extractive industries have maintained much of the population in Utah, with agriculture, ranching, federal safety nets, and tourism filling in gaps. However, without some transformative change, those communities based on a single economic driver and without greater connection to more complex economies will eventually see greater levels of decline.

In heavily urbanized Utah, the economic gravity of the Wasatch Front continues to influence the immediate region as the commute shed continues to expand. Development continues to follow. Challenges continue to mount for communities outside a reasonable distance from those job centers or other regional employment centers.

Even for communities with greater connection to major employment centers, those connections provide both a tether and a noose. Housing prices increase, residents stay, and more come searching for the greater quality of life. At the same time, development follows the increase in population, absorbing the original community and diminishing the lifestyle residents once sought there.

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“For counties close to cities or near Interstate highways, the prospects are good, and population and jobs are generally growing. But most everywhere else—about one-sixth of the landmass of the United States—populations are at modern lows.”

Timothy Egan ⁸⁹

For communities hoping to attract manufacturing companies, the lack of rails, highways, or airports form formidable barriers. Although broadband infrastructure is optimistically pursued as a growth strategy, researchers have not seen many of the promised benefits due to a lack of people with the skillset to take advantage of the access⁹⁰. The potential remains to build small economic gains through international market access for the craft economy, relocation of teleworkers, and development of independent programmers. Broadband internet improves quality of life for those who currently reside, but is an undifferentiated amenity for those looking to relocate. Some rural areas have been able to onshore various IT and business services like tech support and call centers⁹¹; however, the smallest communities face a lack of available labor (businesses won't locate where there isn't an available labor force and few will relocate for a relatively low wage job).

GRAVITY

.....
“...It is the counties with the fewest people that have been most likely to lose population, putting further strain on services in counties least able to bear it.”

McGranahan & Beale⁸⁶

Gravity refers to the inherent attraction of people to a place (economic, familial, amenity-based). Places with significant gravity attract opportunity⁸⁷. Initial opportunity spurs settlement, or initial settlement spurs opportunity. The more population a town gains, the greater the market gravity to attract services and businesses which in turn attract more population. Gravity is not a solution in itself, as demonstrated by Detroit and other rust-belt cities, yet it plays an important role in market feasibility that has strong ties to local economics. This process works in reverse, as opportunity diminishes, people leave, reducing the feasibility of community amenities and further reducing the gravity of a place; rural communities know this intuitively, if not expressly. Escalante, for example, knows that if the student population continues to decline, the school could close and any gravity for retaining or attracting families with children would greatly decline⁸⁸.

When communities fail to reach a certain population size during their growth cycles, or have deteriorated below certain thresholds, they lose

the gravity to hold and maintain community amenities necessary to sustain the community. Without other relatively close options, the gravity of these amenities elsewhere pulls people and opportunities away from the community. This becomes cyclical, and eventually, the community falls apart.

Being small is not all bad, though. Rural residents are attracted to the small nature that typifies their hometowns—the very “smallness” is an attractant to specific residents. Family and heritage are strong attractants to some rural areas. This is a primary reason why developing a community vision is so vitally important; if the community feels that they would rather maintain their smallness regardless the consequences, community leaders should listen to the community. Self-determination may be more important to a community than growth. The attractions of “smallness” and “hometown” do not typically offset the more powerful pull of economic opportunity and amenities, and many of the smallest communities continue to lose population.

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As zero-growth towns better understand their situation, they can make better decisions about their future. The preceding factors provide a framework for discussion on some of the challenges zero-growth towns face. Additional research is needed to identify the relationship between these factors and stagnation or decline. However beyond discussion, the following section outlines strategies towns should consider regardless of their current situation. These strategies should help communities develop a stronger foundation on which to move forward.

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5. PREPARED FOR THE FUTURE: NO MATTER WHAT

STRATEGIES AND TACTICS COMMUNITIES
SHOULD ADOPT IN ALL CIRCUMSTANCES

No matter the reason a city might be zero growth, it should prepare for its future. Towns have a choice. The town may choose to embrace zero growth and prepare to decline in a controlled, organized manner. A town may instead choose to fight against zero growth and encourage growth and development. Regardless which path a community chooses, there are basic steps every city should take to ensure that it is prepared to provide basic services into the future.

Every town needs to plan. Plans lay out the steps that a town should take in order to achieve a desired outcome. The principles of planning help community leaders and their citizens identify their current state, engage the public in constructive dialogue, and prioritize resources for future projects. These principles allow a town to shrink or grow in a safe, orderly manner that realizes its vision for the future.

“Some small communities, however are shrinking rather than growing. Planning offers a way to maintain a positive quality of life and revitalize the community or at least manage the decline as well as possible.”

Daniels, et al.⁹²

ASSESS THE SITUATION

Before a town can adequately make plans for the future, it must understand its current situation. This is not limited to understanding the cause of its lack of growth, but also its municipal performance. Local governments must understand in what areas they are strong and in what areas they need to improve before they can take steps to improve. For instance, a town will have difficulty in planning for the next twenty years if it has a history of budgeting issues. Likewise, a town will struggle in its land-use planning if it does not understand its shrinking population trends.

Towns should develop strategies to assess their situations in terms of economic, demographic, and administrative performance. This may involve gathering data from state and federal government sources, contracting with a consultant to conduct an assessment, or employing the talents of the community to get a comprehensive view of the town's

condition. Outside perspectives can be helpful in this process. Assessment should be an ongoing activity. A town's assessment strategies should establish how it will assess and what timeline it will follow for periodic assessments.

It is important that a community be honest about its current situation and the factors that brought it there. Identifying the community's strengths, weaknesses, opportunities, and threats establishes a real understanding of

Only when the community accepts the reality of its situation is the town empowered to plan for its future.

This can be particularly difficult for those residents that remember “the good times” when the town was at its best. In all cases, however, the town will never be “how it used to be”—the people will change, the economy will change, and the leadership will change. Change is the only constant in community development. Acknowledging that fact does not mean that “the

“Start planning. Just starting the process is the hardest part, but once you get started you'll be able to see the benefits. And then 50 years from now our children and grandchildren will be thanking us for the great work we've done to prepare for their future.”

Spencer Cox, Utah Lt. Governor

the community's past, present, and future. Much like a grieving process, the town may deny that it is zero growth, blame outside factors, or resign itself to the perception that the future is outside its control.

good times” will not return in new ways. Zero-growth towns can find success—whether in decline or growth—through good choices based in an honest and thorough assessment.

CAPITAL ASSET INVENTORIES

A lack of knowledge of current infrastructure and infrastructure conditions is a major barrier to the planning and budgeting efforts of community leaders. Without knowing when assets are scheduled for repair or replacement, leaders cannot properly understand or set the community's long-term budget or plans. Their plans will lack foresight and change constantly as unanticipated expenses and variables disrupt the community's path.

Communities can very quickly end up with more infrastructure to repair or replace than they can afford. This is especially true in zero-growth communities, where revenues may be stagnant or declining. Creating a capital asset inventory, as part of a broader capital asset plan, will help the community identify upcoming costs and make decisions about what, when, and how to either fund, or not fund, the repair or replacement of capital assets.

WHY INVENTORY

An asset inventory is a tool for long-range planning. It makes likely repair and replacement time frames comparable across assets so that leaders can prepare for when assets will need to be considered for assessment, repair, or replacement.

The information obtained from an inventory allows the community to develop a comprehensive community capital improvements plan. These plans then turn into action items: how much to save, what to fix, what not to fix, what assets need condition assessment, what to replace, what to demolish, what to repurpose, how to integrate assets with regional partners, etc.

HOW TO INVENTORY

The Government Finance Officers Association (GFOA) recommends that communities maintain twelve data points to assist leaders in managing their existing assets and make plans for their replacement in the future^{xx}. The Rural Planning Group included three additional data points and recommends the information be placed in a spreadsheet for quick reference (see below).

It is understandable and acceptable that most cities will have collected few of these data points on their capital assets. Filling out this, or a similar inventorying tool, will inform leaders of what information they have and where knowledge gaps exist. This enables the community to identify what information they may need to direct public works to create or hire an engineering firm to obtain.

Actually conducting an inventory takes a considerable amount of time upfront, but when the information is updated regularly, it is relatively easy to maintain. At any point in the process, engineering firms can provide expertise in evaluating current conditions, replacement costs, or repair costs. Inability to hire a firm should not stop a community from going through this process. Leaders and even volunteers can catalogue a large number of a community's assets, even without some special skillsets. Some assets will eventually require additional evaluation.

WHEN TO INVENTORY

Capital asset inventories should be conducted and updated as communities have capacity. Ideally, asset inventories would be completed every five to ten years and updated whenever repairs or replacements occur. Time and understanding are the two most difficult hurdles for communities to cross. Communities should collect what they are capable of based on available resources. Visit ruralplanning.org/cai for more information.

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- | | | |
|--------------------------------|--|--|
| 1. <i>Name</i> | 6. <i>Conditions</i> | 11. <i>Revenue</i> |
| 2. <i>Description</i> | 7. <i>As-built documents, warranties, & maintenance history location</i> | 12. <i>Usage statistics</i> |
| 3. <i>Location</i> | 8. <i>Replacement costs (or) original cost</i> | 13. <i>Book value</i> |
| 4. <i>Physical dimensions</i> | 9. <i>Operating costs</i> | 14. <i>Year completed</i> |
| 5. <i>Original useful life</i> | 10. <i>Remaining useful life</i> | 15. <i>Date the inventory was last updated</i> |

Figure 28: Capital asset inventory data categories.



ENGAGE THE PUBLIC



Community outreach is vital for stagnant or declining communities who are considering future alternatives. No one will be impacted more by a community's plan than the residents who live there. Similarly, no one knows a community's strengths, weaknesses, opportunities, or threats better than those residents. Their intimate knowledge of the community may provide insights and novel ideas to help. For these reasons, community leaders should seek out and integrate public opinion when planning for the future.

Community engagement is foundational to the long-term plans and vision a community should adopt. If decisions, such as capital improvement plans or code enforcement strategies, are made in a vacuum long-term plans can separate community direction from collective community desires. Communities that stress community outreach and take public opinion into account will create a sense of unity that will help the community rally together through current and future difficulties.

Increasingly scarce fiscal resources mean that community members need to prioritize. As zero-growth communities try to determine how to spend limited resources and make plans to fight or accept decline, the community's voice should be taken into account. This should reflect in the general plan, capital asset plan, and budget. Successful community engagement should focus on interaction, education, transparency, and decision making.

Engagement brings local leaders into contact with local residents and allows the town to share information and opinions with one another. This interaction will help the community articulate a vision and establish criteria that will be employed to measure the community's success. Community leaders can interact with the public in a variety of ways, and should identify the methods that will work best for the community.

When engaging with the public, community leaders should strive to educate citizens on the functions and processes of government. For example, community leaders could instruct residents on the source

and purpose of B&C road funds when discussing transportation issues, or the differences between a general fund and a water enterprise fund. Citizens that are versed in the language of governance will be better participants in government processes.

In addition to the government process, community leaders should educate citizens on the city's current situation. Though it may be daunting for leaders, transparency should be promoted. Citizens are more fully engaged when they are actively informed about the city's existing conditions. Without transparency, citizen ideas, input, and opinions run the risk of irrelevancy as they are based on a false premise.

The greater the level of public engagement, the greater likelihood of a plan's acceptance. Rural towns have a great advantage over larger cities in this regard: community members know one another and often know town leadership personally. Given their size, it is easier for rural towns to hear from a larger proportion of the populace than larger metro communities.

COMMUNITY VISION

Community vision is an important element of every community's general plan. Unfortunately, many small towns lack a current community vision. Outdated visions lead to a general lack of understanding of the community's desires and incorrect assumptions about the community's needs. As a result, leaders can make poor decisions that negatively impact long-term community goals. For these reasons, a well-defined community vision is important for both growing and declining communities.

For growing cities, community vision should shape development by influencing where new growth should occur, how transportation issues should be addressed and the scale of allowable development.

In zero-growth communities, a collective community vision should focus on realistic future scenarios. Leaders should temper visions of growth with the possibility of continued stagnation or decline. Visions should consider how to distribute resources to achieve community ambitions and be bound by realistic financial possibilities.

This is why assessing the current situation is so important: if residents are not informed about the city's capabilities, simply asking them what they would like to have happen will likely result in a vision that is not possible. Successful visioning will help communities improve resource allocation by establishing realistic goals. A community vision that helps optimize community investment requires citizens to understand their current economic and demographic situation in order to provide context for their vision and goals. Informing the citizens of the city's financial constraints will lead community members to think realistically and creatively about overcoming community challenges.

Broad community outreach is absolutely key when creating and honing a vision. Input from as many residents as possible will help the community collectively take ownership of the vision and become more likely to achieve it. If a community does not adequately involve residents, the "same ten people" will establish the vision for the community. This does not represent the broader interests that may exist, and will likely result in those same ten people being the only ones directly involved in achieving community aspirations.

Alice: "Would you tell me, please, which way I ought to go from here?"

Cheshire Cat: "That depends a good deal on where you want to get to."

Alice: "I don't much care where."

Cheshire Cat: "Then it doesn't matter which way you go."

—Lewis Carol, Alice in Wonderland⁹⁴

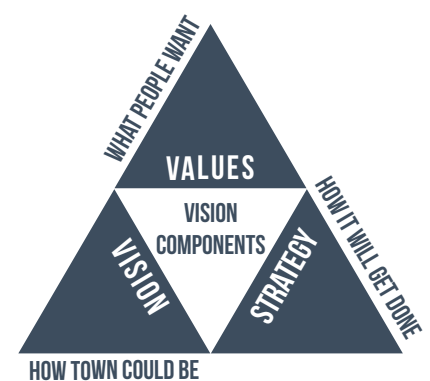


Figure 29: Basic components of a community vision⁹³

SPECIAL TOPICS:
COMMUNITY ENGAGEMENT METHODS

Community outreach is key to identifying and implementing community vision. There are many community outreach methods, and many more will undoubtedly be developed. There is no exact formula on how much community engagement is appropriate. Communities should meet legal requirements, then adapt outreach methods to their community’s culture and preferred communication methods. Additionally, the purpose of community outreach should dictate the amount of outreach a community pursues. Issues that will have a profound impact on quality of life should include more community outreach, while decisions that have little impact should simply comply with state requirements.

A few relatively standard ideas for collecting community feedback include:

<i>Method</i>	<i>Appropriate Use</i>	<i>Pros</i>	<i>Cons</i>	<i>Notes</i>
Surveys	Feedback for future decisions, citizen perspectives, follow-up on past projects	Relatively easy to distribute Low cost Can be anonymous for potentially more honest opinions Comparable over time	Historically low response rates Format limited on feedback outside of survey scope Little or no engagement or interaction with leadership Must be well designed to get best data	Typically distributed door-to-door, via social media, with the monthly utilities bill, or hosted on the community website.
Open Houses	Complex issues Sensitive projects	Provide context for decisions Interactive Potential face time with leadership More in-depth feedback	More expensive, complicated, and time consuming than surveys Dependent on those who show up Data gathered requires higher level of analysis	A variety of engagement techniques can be used at open houses.
Social Events	When broad involvement is desired Complex issues	Increases sense of community Informal time with leadership Can improve turnout and engagement	More expensive and complicated to carry out than other types Dependent on those who show up More difficult to collect consistent feedback	Presentations or informal information stations can help inform conversations. Refreshments are required. Can be combined with town events or festivals.
Public Hearings	When legally required When public questions and comments are needed	Simple to do Allows for limited interaction with leadership Accepted and common medium	Generally low attendance Significant outreach required for better attendance	Including an educational component can help so hearings do not degrade into simply airing grievances and not a constructive process.
Focus Groups	When in-depth information is needed on specific topics	Capture in-depth information on any topic Provide in-depth recommendations to leadership Can focus tightly on specific topics	Limited representation Results can't be easily generalized	Care must be taken to collect a broad representative group who can speak their mind, even when it is in opposition to the position of leadership.

COMMUNITY ENGAGEMENT METHODS (CONT.)

<i>Method</i>	<i>Appropriate Use</i>	<i>Pros</i>	<i>Cons</i>	<i>Notes</i>
Outside Institutions	Many communities have nonprofit partners (or even create the nonprofit themselves) that exist to achieving a town's vision. Other communities use local congregations, scout troops, and retirement clubs to inform residents about public meetings, encourage participation, and provide institutional perspective on community future.	<p>Generally easy point of contact (leader)</p> <p>Often reach diverse groups that make up large portions of the population</p> <p>Bring unique assets to community discussions that may not be available otherwise</p> <p>Occasionally have connections to larger organizations that have additional assets</p>	<p>Community leaders don't necessarily control the message; it can be spun to serve the groups ends</p> <p>If adequate outreach is not made to diverse groups, a single outside institution can skew results, leading to a conclusion based on only one community perspective</p>	In any circumstances, maintaining a list of current formal and informal institutions that exist within your community will help leaders know when and how to reach out to community members.
Steering Committees	When leadership needs recommendations	<p>Generates options on any topic</p> <p>Provide in-depth recommendations to leadership</p> <p>Can focus tightly on specific topics</p>	<p>Limited representation</p> <p>Limited to town capacity</p> <p>Doesn't provide general public engagement</p> <p>Turnover</p>	Similar to focus groups, steering committees should be independently minded and provide a range of possible options and recommendations.
Local Institutions	Local institutional leadership can help get people out to meetings, provide a different viewpoint on specific issues, and provide information back to residents who may not participate with city meetings.	<p>Invested group with community connections</p> <p>Can expand public engagement</p> <p>Can greatly increase capacity</p>	<p>Potential burnout, dilution of primary efforts</p> <p>Separate and potentially competing influence or agendas</p> <p>Increases complexity</p> <p>Limited availability in many rural areas</p>	Where they exist or can be formed, local non-profit institutions can be a great boon to local leadership if involved.
Incorporating Youth	Incorporating youth (through schools, scouting, youth city council, etc.) is a natural way to look at the future of what the community would like to become.	<p>Youth bring unique perspectives that will help develop a community that is attractive to their age-group</p> <p>Inclusion of youth in decisions helps educate the youth, their friends, parents, and siblings about community issues</p> <p>Community members may be more forgiving of youth efforts</p>	<p>Youth aren't always motivated to get involved in local issues</p> <p>Youth do not represent the voting populous</p>	Permission from parents needs to be obtained before engaging in major outreach initiatives with youth. The community should take precautions to protect the youth from dangerous or intimidating situations and protect itself from liability while possible.
Comment Box	<p>When people frequent one location</p> <p>When passively collecting information is adequate or useful</p>	<p>Inexpensive and easy to set up</p> <p>Can be anonymous</p> <p>Can help inform leadership generally</p> <p>Can identify general issue areas for future evaluation</p>	<p>Low capture rates</p> <p>Limited data collection</p> <p>Sometimes you get a nasty note.</p>	A passive but easy way to collect information. Should be placed at the local post office, grocery store, town hall or other public information hub
Street Displays	<p>When presenting a somewhat complex idea</p> <p>Generating public interest in a project</p> <p>When holding a public festival or town event</p>	<p>Can generate interest in a project</p> <p>Can be interactive</p> <p>Can reach some non-participators</p> <p>Can inform for long time periods</p>	<p>Requires significant preparation</p> <p>Adverse weather can ruin it</p> <p>Typically, passive, doesn't collect active information</p>	These can be public booths, places for written public comment, or just informative street signs.

Figure 30: Community engagement ideas

PLAN COMPREHENSIVELY

Once a city has completed the visioning process, city leaders should identify the goals and action steps that will help the city realize that vision. These should be goals that are realistic, measurable, and actionable. It is important that the community understands what it can control, influence, or only advocate for. For example, a community cannot will an interstate highway into existence. Goals and action items provide a roadmap for resilience that the community can realistically follow.

To help craft that roadmap, cities should list the resources needed to achieve each goal and coordinate them with an overall timeline. Specific responsibility for each action should be given to a community leader or volunteer and determined when the city will follow up. This will help the community understand the full scope of action required to achieve the vision.

Comprehensive planning also means that a city's various plans coordinate with one another, as well as with regional plans. For instance, if the economic development plan calls for an industrial park to attract manufacturing, the city should make sure that the water master plan and the general plan support that goal.

SCENARIO PLANNING

Planning helps communities prepare for the future, but the future is difficult to predict. Unmet expectations can delay, alter, or even cancel projects. Scenario planning can help communities readily and confidently pursue their vision despite changing circumstances. It is important to note that communities come into the scenario planning process with a significant weight of history, past decisions, macroeconomics, and demographic trends.

Scenario planning allows communities to examine multiple potential outcomes and strategize what they will do in different situations. For all communities, the future involves growth, no change, or decline. Zero-growth communities typically have a history of stagnation or decline that makes significant growth unlikely. Factors inside and outside of their control should be identified and considered. Though a community may choose to pursue an aggressive growth plan, that plan may not be viable in the future. For instance, a prominent business may close or a national monument may be created in the vicinity. In other circumstances, the town may be unable to obtain the necessary easements or may have to use resources on an emergency. Inversely, a town that is planning for decline may have to address a sudden influx of retirees or tourism.

Scenario planning provides direction to a community if new conditions develop. In addition to its formal plans, towns should understand alternative scenarios to prepare for if the formal plans are no longer feasible. These scenarios should describe under what conditions they will likely occur (i.e., “If property taxes fall 10% over the next five years, scenario B is most likely.”) and how they differ from the assumptions in the primary plans. Plans should be revisited as time goes by to ensure that the community is prepared for any future.

ADDRESSING CHANGE: ACKNOWLEDGING THE PAST, ACCEPTING THE FUTURE

At times, long-term residents resist changing the community in any way. However, in order to respond to a changing socio-economic environment, towns will need to soften resistance to change. When addressing change in the community, towns should provide mediums for long-term residents to describe and document how the community was at its peak. Leaders should engage with the community and provide multiple

mediums for expression (public chalkboards, public hearings, photo documenting, prompting questions). Using this information, have a group write the official history of the community. Consider highlighting how the community changed in the past. Leaders should seek to understand the specific concerns of residents in resisting change. Sometimes perception and assumptions create needless fears for residents. Once identified, leadership can work on explicitly mitigating the core concerns of residents.



Figure 31: There are an infinite number of past and future decision points.

GETTING PRIORITIES STRAIGHT

Once a community has conducted an assessment and received public input, it must decide what projects to undertake. Effective planning helps communities prioritize and focus their limited resources on critical needs first. Those critical needs will vary by community. However, leaders generally should prioritize essential infrastructure, then basic services such as public safety, and finally desired, quality-of-life amenities. In all cases, improvements should be made when they can be responsibly financed.

Towns also should understand over which projects they have control, over which they have influence,

and for which they can only advocate—prioritizing projects over which they have direct control. This increases the probability of success and allows communities to tailor projects to their specific needs and resources. Next comes projects that fall within the town’s direct influence. For example, communities can influence projects undertaken by the county or a special service district. Finally, towns should identify those projects for which they can only advocate. This includes many decisions made by the private sector, and state or federal government.

.....
“People have unrealistic expectations of plans in part because they lack clarity about what plans are and how they work.”

Lewis D. Hopkins ⁹⁵

	URGENT	NOT URGENT
IMPORTANT	MANAGE important and urgent <i>crises, deadlines, problems</i>	FOCUS important but not urgent <i>relationships, planning, recreation</i>
NOT IMPORTANT	LIMIT not important but urgent <i>interruptions, meetings, activities</i>	AVOID not important, not urgent <i>time wasters, needless activities, trivia</i>

Figure 33: The Eisenhower Decision Matrix

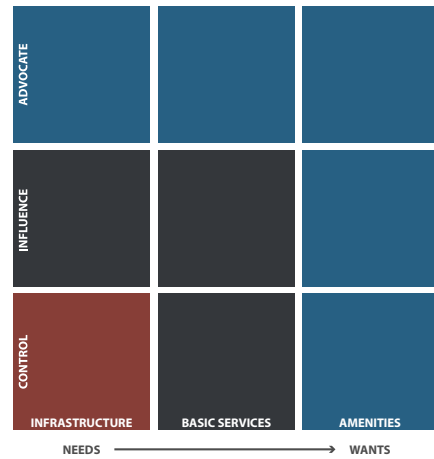


Figure 32: Decision-prioritization matrix. Towns should focus on core needs that they can control.

..... BUILD CAPACITY

Capacity is tough for zero-growth communities. Foremost, leadership should be positive and optimistic about the future. Next, in order to guide their communities, cities should first make sure that the existing city leadership and staff are fully trained in their duties and current on legal requirements and best practices. Various state government agencies and professional associations provide training to local elected officials and staff. As leaders increase their knowledge, skills, and abilities they will be able to run the city more efficiently and effectively. Resources are available to help with training, like luau.utah.gov.

If leaders are aware of them, current innovations and research can be adapted and help improve a town's situation. Leaders should subscribe to resources that identify current town management and rural town innovations⁹⁶. Networking with other towns in similar situations can help leaders identify innovative ways of approaching similar problems. Remember, one size

rarely fits all. Critically review ideas brought from other places, try to identify the principles involved in their implementation, then identify how those principles can be applied to your community.

Increasing informal leadership is another aspect of building capacity. Formal leadership should identify other informal or non-traditional leaders in the community (business owners, retirees, youth, stay-at-home parents, etc.). Leadership can reach out to a broad group of community members and discuss community plans and vision with them. Leadership at the county and regional level can help empower local informal leadership.

The Eisenhower Decision Matrix [left] illustrates this dilemma—most leaders end up spending their time dealing with issues that are important and urgent (emergencies), but leave little time for issues that are important, yet not urgent (long-range planning, community visioning, and strategic planning). Not addressing all important issues (both urgent and non-urgent) can result in more emergencies over

time, compounding the challenge of finding time for important, non-urgent activities. Without a shift in their personal responsibilities (as an employee, spouse, parent, etc.) this pattern is unlikely to change.

To address this, leaders should work toward better time management through appropriate task prioritization, delegation, and prioritizing time for non-urgent activities. Increasing municipal capacity, even with just a part-time employee, can help community leaders remove their “firefighter” caps and put on their strategic thinking caps. This enables communities to be proactive instead of reactive to the troubles they face.

Working on the important, non-urgent is fundamental to good management because leaders need to establish goals, develop strategies to attain those goals, and then actually take the steps necessary to achieve those ends. Good time management and increased knowledge can help leaders do more with less.

OPTIONS TO INCREASE CAPACITY

	<i>Ideal for...</i>	<i>Example</i>	<i>Cost</i>	<i>Comments</i>
Hire full-time staff	General operations or specific goals	Town clerk	\$\$\$\$	Generally desirable for towns with the needs and means.
Hire part-time staff	General operations or specific goals	Part-time economic development director	\$\$	Generally desirable for towns with the needs and means.
Increase skill in existing staff	General operations	Community development course	\$	Formal or online courses can be supplemented with training and tools, like those available from ruralplanning.org/toolbox and luau.utah.gov .
Temporary staff	Specific goals or short-term projects	Pioneer Festival coordinator	\$\$	Clear and well-defined scope and project goals are very important when working with temporary staff.
Volunteers	Specific projects	Spring main street clean-up		Youth and retirees are often eager to employ their talents in a meaningful way.
Youth council	Specific goals or long-term projects	Youth Parks & Rec Committee		Creates a sense of community among youth; may get parents involved. Requires ongoing support and coordination.
Volunteer Committee	Specific goals or long-term projects	Beautification committee		Support, direction, and empowerment from elected officials is essential.
Shared staff	General operations	Code enforcement officer	\$\$	Shared staff who splits time in and is paid by several towns.
Summer interns	Specific goals or short-term projects	Town process modernization intern	\$	Similar to temporary staff, but may require additional oversight to be effective.
University students	Short-term studies or projects	Swimming pool feasibility study		Usually limited to one semester's time; limitations on skillset, scope, and capability.
AmeriCorps VISTA	Specific goals or long-projects	Affordable housing coordinator		If awarded, full-time paid position for three years. Must focus on poverty alleviation.
State agencies	Training, technical assistance, specific projects	Planning commissioner training		Wide range of resources available; difficulty identifying proper contacts.
Regional (AOG) Staff	Technical assistance, specific projects	Review of planning-commission generated general plan		Availability varies in different regions, but capable of providing local support.
Non-profit groups	Long-term goals and projects	Affordable housing		If opportunities and funding exist to form community non-profits, can support multiple initiatives and provide continuity between changing town leadership.
Private consultants	Specific projects	Transportation Master Plan	\$\$\$\$	Best used when technical expertise in specific areas are required.

Figure 34: Ideas to increase community capacity

FISCAL MANAGEMENT

Sound fiscal management is a key role for local leadership. Leadership must manage the community with a prudently allocated budget, make strategic financial investments, and avoid unduly burdensome debt. Communities with shrinking budgets face increased difficulties in maintaining service standards across the community. The existence and condition of community assets and services play an important role in framing the community perception of current residents and outsiders.

Municipal finance is complex. Leaders need to understand the long-term position and trends of their financial situation. A balanced budget does not healthy finances make. Without adequate training and understanding, community leaders can unwittingly sabotage the future fiscal health of their community. Poor management will eventually impact resident quality of life and, in some cases, reduce economic opportunities and population growth.

Have a plan: Good finances begin with good plans and policies. Municipalities should have short-

and long-term budget goals and plans to achieve their community goals. Plans can include the timing of major purchases, annual fund balance goals, a rainy day policy, and revenue trends.

Be informed: City leaders don't need to be financial experts, but they do need to understand the basics of budgeting. Leaders should understand budgeting terms and key financial indicators. They should also review the town's finances regularly and know how to read their financial statements. Comparing a town's finances to other similar communities can help identify opportunities for cost savings or needed policy changes.

Involve the public: The annual budget illustrates a community's goals for the upcoming year, even if stated community goals differ. As a result, the public should play an important role in setting the budget to ensure the budget and community ambitions align. As communities develop their budgets, public opinion should not only be heard and listened to, but sought after. Leaders should also make

sure that city budget and finance documents are publicly available and easily accessible. See UCA 10-6-118 for the requirement to post financial budgets and statements with the auditor's office.

REVENUES

Property Taxes: The State of Utah limits how high taxes can go; however, a good property tax balances community capacity to pay with the need to acquire sufficient funds for current and planned community services and actions.

Fees & Rates: Inadequate and improper charges for services contribute to financial vulnerability. While there is not a universal guide on setting utility rates, rates should not be regressive (i.e., get less expensive the more you use) and should cover specific utility project costs (e.g., water rates should increase to cover the loan payments to replace water pipes). Planning ahead and increasing rates slowly and steadily over time can preclude the need to shock residents with an enormous, one-time rate increase.

Grants: While any revenue may appear to benefit the community, there are times when a community may choose to forgo grant opportunities. Grants are often used to replace or upgrade infrastructure that the town cannot afford to operate or maintain in the short-to mid-run, or replace in the long-run⁷⁰. Grants often create a “sky’s the limit” attitude where a limited investment may be adequate but available funds drive leaders to a much larger project scope.

Similarly grants generally do not force a community to think flexibly about alternative solutions, or consider whether the community can succeed without the project. Grants should be focused on one-time special projects, and not relied upon for basic services or ongoing infrastructure costs.

Loans: Loan best practices are very similar to personal finance. Loans should be sought when a community is in need, can afford the terms of the loan, and will maintain appropriate debt amortization so they can seek additional funding for future needs. Loan terms should not exceed

the life of an asset in duration. Understanding what future needs will exist and how a loan under consideration will impact future ability to access capital is key. See page 56 for information about capital asset inventorying.

EXPENDITURES

Operations and Maintenance: Communities should fully consider the maintenance costs on new assets to not over-extend themselves. To estimate, contact communities with similar assets in a similar situation and discuss their experience and rough maintenance costs. Maintenance costs generally increase with an asset’s age and communities must remember replacement costs—leaders need to plan accordingly.

Bonding / Debt: Debt should be strategically leveraged. Communities should not obtain loans with terms longer than the expected life on an asset (e.g., do not get a 30-year term on a fire truck with a 15-year lifespan). Additionally, communities should avoid overburdening themselves

with debt that would jeopardize their ability to make payments if revenues decline or unexpected expenses arise.

Services: While many service contracts were put in place decades ago, community leaders need to understand the fiscal impacts of providing services. Understand and critically examine the costs and fees related to all service provision. Ensure that costs are being captured on contracts for services outside the community, and that services do not place a larger burden on one portion of your population when compared with others.

.....
“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”

James W. Frick

.....

SELF-ASSESSMENT: UNDERSTANDING FISCAL HEALTH⁷¹

Answer the following questions:

1. Do we routinely review our financial health?
2. Do we have a formal definition for near-term and long-term financial health?
3. Does staff have the regular opportunities to explain changes in financial health?
4. When the fiscal situation changes dramatically, is it due to loss of grant, new service, change in practice, or economic cycles?
5. How much do we depend on grants and transfers from state and federal governments?
6. Do we have a fiscal policy in place?
7. Do we compare our fiscal community health to other similar communities?
8. How do we define our financial trends?
9. How do we measure our cash solvency?
10. What are our main assumptions on how the local, regional and international economy impacts our financial health?
11. What is our current credit rating?
12. How do we define debt capacity? Do we self-impose restrictions to it?
13. What is the current amount of debt we could take out?
14. Do we have a structural deficit? Is that good given our current and future financial health?
15. How do we measure the condition of our infrastructure? Does that affect our financial planning?
16. How can we build resilience into our budget process?

.....

Figure 35: Community self-assessment for fiscal health

OPERATIONS AND MAINTENANCE

(O & M)

Operation and Maintenance (O&M) costs are the ongoing costs associated with maintaining, cleaning, repairing, staffing, operating, and insuring an asset to continue its operation after it is built or acquired.

Operations and maintenance are vital considerations for projects in every city, but they take on special significance for zero-growth communities. A zero-growth community generally lacks the financial flexibility that exists in growing communities. As a community remains stagnant or declines, its revenue loss increases (often compounded by inflating costs of goods and services), bringing the community's financial obligations into conflict as different assets and services compete for limited revenues.

Additional factors intensify this problem. For instance, many grant and lending programs exist to help communities improve community assets. Typically, these programs only fund capital asset development, with limited to no funding for operations or maintenance. The communities that

receive these grants are in danger of over-obligating themselves by accumulating “free” assets that they cannot afford to operate or maintain.

ADEQUATELY CONSIDERING O & M

There are two key steps for communities considering the operations and maintenance costs of capital projects:

1. Accurately analyze long-term operations and maintenance costs and
2. Accurately and completely communicate costs, benefits, and impacts to leadership *and* community members.

A simple and effective method for assessing long-term operations and maintenance costs is to reach out to communities with similar facilities and collect information on their experience (see questions below). This information will give communities an idea of what their O&M costs will be. Since all communities are different, these cost estimates should also include a buffer to ensure that costs are not under estimated.

Leaders should then communicate their findings to the community through a public meeting to help everyone be informed about what obligations come with each new asset—whether or not the initial construction costs are already covered. Residents' expectations for the value of some assets exceeds their willingness to pay. Leaders need to ensure residents understand the costs and long-term obligations of the asset or service—not the benefits alone.

After this information is accurately collected and communicated, the town council can request more information, more community input, or decide to pursue or not pursue the project. While none of these steps can fully prevent fiscally questionable decisions, they do increase leadership's knowledge of financial obligations and demonstrate due diligence in assessing impacts. This is the best way to protect zero-growth communities against inadvisable asset development.

See the guide and learn more at ruralplanning.org/om

COMMUNITY LEADERS SHOULD ASK *A simple self-assessment when considering O&M costs.*

What will the impact of this asset be on the community over the life of the asset?

Can it pay for itself? If not, what funding options exist?

What is the opportunity cost for using funds on this project (i.e., what else could we have done with the money)?

How much will this increase tax burden on current residents?

Given demographic trends, what is the likely burden on residents in 10–15 years?

Figure 36: Self-assessment questions when considering operations and maintenance costs.

STRONGER TOGETHER

Some projects may just be too big and costly for a single town. Others projects might not make sense for one community, but would be a good fit for a neighboring town. Communities that struggle to finance capital projects may want to consider collaborating with neighboring jurisdictions to adopt innovative strategies that share the risks and rewards. Regional coordination can allow entities to work together to pool resources or prevent service overlap in order to benefit the region at large. Regional communities are fundamentally connected demographically, economically, and culturally. Rural areas frequently participate heavily in regional economies that are made up of regional resources, employers, and industries. Although difficult, municipalities should work together to optimize services and conserve resources. Don't compete regionally—regionalizing services and amenities enables pooling resources beyond municipal and county borders. In many cases a single amenity in one location can service the whole region. Competing regionally dilutes the market, decreases financial feasibility for assets, and wastes public funds. For example, communities can jointly operate an airport, or collectively decide which community should operate, and how to share costs for, a costly public swimming pool that draws visitors from the entire region.

..... RUNNING THE BASELINE

There are certain items that a community should have in place and certain actions completed to prepare for the future. In many cases, the baseline level of performance is the state or federal government's legal requirement. In other cases, the baseline level is best practice. Basic management, administration, and financial practices are critical to a town's performance and the foundation for further community development. Towns should prioritize reaching baseline performance as the first step in any zero-growth strategy.

PUBLIC ENGAGEMENT

Public engagement can come in many forms (see page 59), but there are three important ways for communities to engage their citizens: public meetings, public records, and municipal websites. Public engagement promotes transparency and educates the public on community business.

Public meetings are an important stage for engaging the public. Utah's Open and Public Meetings Act or OPMA (*UCA 52-4-101 et seq.*) dictates how public governing bodies, including municipal councils, should notice, hold, and record their public meetings. It ensures that public business is conducted openly and in an organized manner. All communities should ensure that they receive annual training on OPMA and follow its requirements.

The Government Records Access and Management Act, or GRAMA (*UCA 63G-2-101 et seq.*) honors the citizen's right to information regarding the conduct of public business. It is intended to provide the public with easy and reasonable access to public records. Communities should make sure that they educate the public on how to request access to records and should also work to honor those requests in a timely manner as outlined in the law.

Finally, communities should make sure that their websites are well maintained for the public's benefit. The internet is the primary source of information for most Americans, and can be a valuable outlet for a municipality to share news, solicit opinions, and answer questions. Websites should be clean, navigable, and updated regularly.

FINANCIAL MANAGEMENT

Communities need to maintain a stable financial position in order to succeed. Even when revenues and expenditures are volatile, cities can maintain financial stability. Municipalities should strive to balance their annual budgets—expenditures should not exceed revenues. Utility rates should be regularly examined and adjusted as needed to avoid large one-time increases. Additionally, cities should ensure that they can afford their annual debt payments and should avoid taking on excessive debt.

Finally, cities should ensure that they submit all required documents to the state auditor on time and in the manner prescribed.

ECONOMIC DEVELOPMENT

Zero-growth communities should prioritize optimizing city zoning and ordinances to promote business in a manner consistent with the city's vision. This can include changing zoning to allow business in certain areas, or to promote home-based businesses. Cities should streamline the application process for business licenses and ensure that residents understand how to apply for a business permit.

HOUSING AND COMMUNITY DEVELOPMENT

State law requires that all charter cities have affordable housing plans (*UCA 10-9a-403-2(ii)*) that describe the need for affordable housing and how that need will be addressed. Although state law does not require municipalities of less than 1,000 people to develop affordable housing plans, they will still benefit from the plan. Even small, zero-growth communities can face shortages of affordable housing. In some cases, the lack of affordable housing may be a major barrier to growth. Affordable housing plans allow zero-growth communities to anticipate and address future housing needs, as well as provide safety and security for their residents.

PLANNING

Every municipality in Utah should have a general plan that addresses current and future needs in subjects related to growth and development (*UCA 10-9a-401 et seq.*). The general plan must address land use and transportation, and may address issues such as housing, historic preservation, public safety, recreation, and economic development. For baseline performance, zero-growth communities should ensure that their general plan meets state requirements and that it aligns with their goals and vision. If a community has chosen to shrink gracefully, it should not have a plan that predicts increasing commercial development. Zero-growth communities should also update their general plans at least every ten years, or as needed. A plan that is over ten years old is a questionable guide for the future.

LAND USE ADMINISTRATION

The general plan requirement is part of the State’s Land Use, Development, and Management Act, or LUDMA (*UCA 10-9a*). LUDMA also requires local governments to establish planning commissions which advise the city council on land-use decisions, and appeal authorities which deal with land-use decision disputes such as appeals and variances. In addition, LUDMA establishes the criteria for noticing the public on land-use decisions. Zero-growth communities, even those that plan to decline, should prioritize LUDMA compliance. Land-use administration impacts old structures as well as new ones. Up-to-date land-use ordinances also protect the community from potential legal issues with current community members or new developers.

PUBLIC ASSET MANAGEMENT

To assist in assessing and prioritizing capital asset projects, zero-growth communities should create capital asset inventories and a capital improvement list. A capital asset inventory is a listing of a community’s capital assets, such as playground equipment, fire trucks, or a water pump. For each asset, the capital asset inventory should describe the asset, its maintenance needs, and a timeframe for repairs or replacement. The inventory helps leaders to know when to address capital asset issues (see page 56).

That knowledge is documented in a capital improvement list. The capital improvement list prioritizes capital asset projects according to need and feasibility. The list should identify which projects the community will actively pursue in the next year and in the next five years.

<i>Role</i>	<i>Responsible</i>	<i>Function</i>
Land Use Regulation	City Council	Governs restrictions on land use
Advisory Body	Planning Commission	Formed by ordinance to make recommendations to City Council
Application Decisions	Land Use Authority	Designated by City Council to act on land use applications
Appeal Decisions	Appeal Authority	Designated by ordinance to decide appeals of land use application decisions or variances

Figure 37: Basic roles and responsibilities outlined in LUDMA

CODE ENFORCEMENT

Rural Utah communities share a common concern in blight. This is especially true for zero-growth communities. Blight is magnified in these communities by abandonment, which leads to lower property values and higher likelihoods of vacancy. This becomes cyclical, with problems slowly increasing as the cycle moves forward.

Blight, abandonment, animal control, and other code violations affect community image and can degrade the overall sense of community by creating conflict between community members. These impacts are felt across town by becoming the subject of gossip, frustrating efforts at community improvement and economic development, and in worst-case scenarios creating health crises and attractive nuisances that threaten children. Addressing these concerns is vital to improving quality of life and efforts to grow the community.

THE CODE ENFORCEMENT STRATEGY

Communities can address these problems through the creation and implementation of a solid code enforcement strategy. A code enforcement strategy lays out why, how, and who will enforce code within the community.

Development of a solid code enforcement strategy starts with a good general plan. When a community's general plan truly directs the community towards a shared vision and their code works to implement that vision, code enforcement becomes the key to reaching many of a community's goals. Good community outreach in the planning process and through the process of creating a code enforcement strategy will help small towns overcome some of the difficulties they face in enforcing code. When community members have participated in establishing the rules and the manner in which the rules are promoted and enforced, they are more likely to assist in achieving community-wide compliance.

Code enforcement strategies should be tailored to a community's most common violations, pressing issues, community culture, and be vetted through public opinion in a public hearing or meeting.

Code compliance is generally achieved through "sticks" which are disciplinary (such as punitive administrative fines or legal actions), or "carrots" which are incentives (like a community clean-up contest) for compliance. Community leaders should prioritize carrots in their strategy, but require sticks to ensure community-wide compliance.

BENEFITS

Zero-growth communities should prioritize code enforcement for the same reasons as growing communities—it directly impacts the property values, health, safety, and perception of the community. These impacts directly affect a community's ability to attract business or new residents; few people want to move to a community where their property values and quality of life will be negatively affected by their neighbors. Learn more at ruralplanning.org/codeenforcement.

Communities must make a formal decision to fight or accept decline. It must be explicit and deliberate, to avoid the lack of action that comes with indecision. This decision should be formalized in a town's general plan.

Once a decision has been made, the community must decide to what degree they will pursue the choice to fight or accept decline. Communities can complain about decline, but until they are willing to prioritize and dedicate time, energy, and money, the status quo will probably continue.

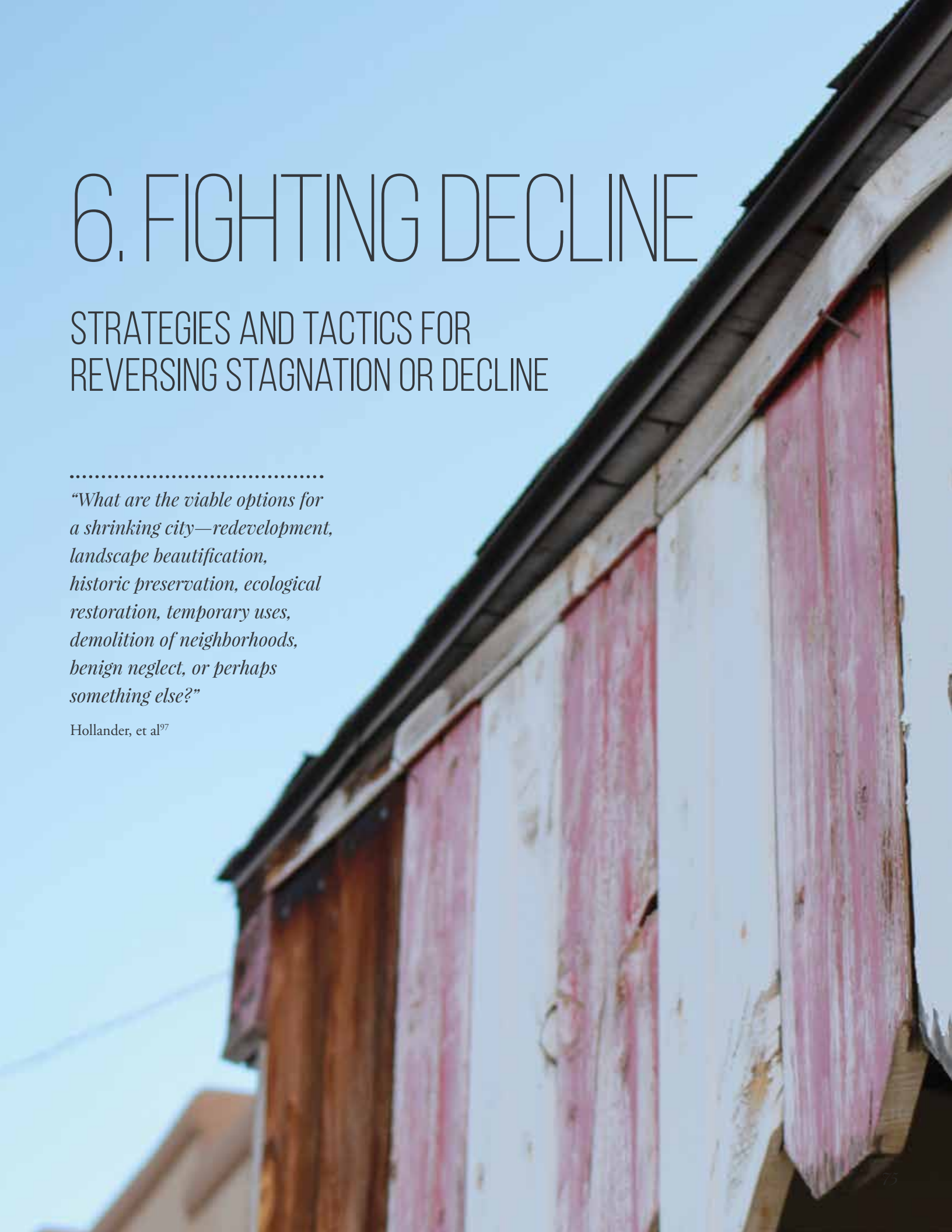
For example, in a small community, there was consistent and emphatic concern about the loss of a regional employer. Concerns were addressed to a consultant, who asked if the town would be willing to support paying for a part-time economic development professional, or reallocate town leadership's time to pursuing economic development. The answer was a nearly as emphatic no. In this case, leadership is left with a decision to address the long-term concerns of community members, or go through with the community members' stated desires, which was to leave the future of their community's economic development completely to outside forces.

6. FIGHTING DECLINE

STRATEGIES AND TACTICS FOR REVERSING STAGNATION OR DECLINE

.....
*“What are the viable options for
a shrinking city—redevelopment,
landscape beautification,
historic preservation, ecological
restoration, temporary uses,
demolition of neighborhoods,
benign neglect, or perhaps
something else?”*

Hollander, et al⁹⁷



Declining communities find themselves in a harsh cycle: the more they decline, the more difficult it is to overcome decline. Although difficult, cities can break out of this cycle. Cities that want to be self-sustaining must implement sound governance practices and invest in their community.

When a town chooses to fight decline, it accepts a challenging task. Some communities are brimming with untapped potential, while some others must work diligently over many years to improve. Regardless of their condition, zero-growth communities should remain positive, despite the current gloom. Efforts to fight decline can be exceptionally unique and diverse. While there is no silver bullet to fighting decline, these basic steps will help prepare communities to break out of the cycle of decline. The following guidance is based on strategies identified by the Utah Governor’s Office of Economic Development. Town leaders should contact their local, regional, or state economic development office for further education and support.

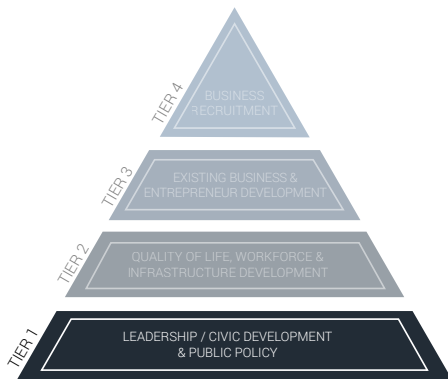


Figure 39: Economic development pyramid.

FOUNDATION

The foundation begins with commitment, capacity, and planning. Residents and leaders should be unified in their commitment to fight decline. Ideally, a town should allocate resources for a community and economic development director. A chamber of commerce can fulfill a similar role but will need similar support. Leadership should fully support the individual or group and their efforts.

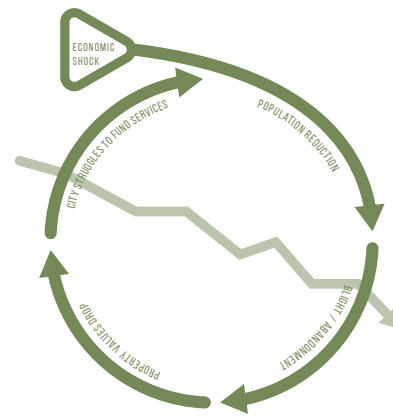


Figure 38: Towns must work to break the cycle of decline

If resources don’t exist for hiring, communities can explore other venues for increasing capacity (see page 65).

An economic development plan formalizes the vision of the community, action steps, and the resources available for implementation. The most effective plans take a regional approach, examining regional strengths and opportunities to coordinate. Whether it is cleanup and beautification funds, or creating a revolving micro-loan fund, these strategies should be outlined in an economic development plan. Towns committed to reversing decline should use available finances to help fight decline, improve quality of life, and retain and grow businesses. County economic development staff should be part of the process and can help facilitate this effort. Businesses typically gain benefits from regions and have a regional impact; markets don’t respect county or municipal boundaries.

Part of the economic development planning process should be an examination of the town’s ordinances and zoning to remove unneeded restrictions and requirements, while still protecting the health, safety and welfare of the community. The planning commission or assigned person can review the code for elements required by the state, and unneeded or unclear elements. The planning commissions recommendation should then be provided to the legislative body for adoption. Budget priorities and policy adjustments will need to be made as part of the plan to support leadership to move projects forward. See slchamber.com/businessfriendlycities for a more information.

SPECIAL TOPICS:

FINANCIAL TOOLS FOR ECONOMIC DEVELOPMENT

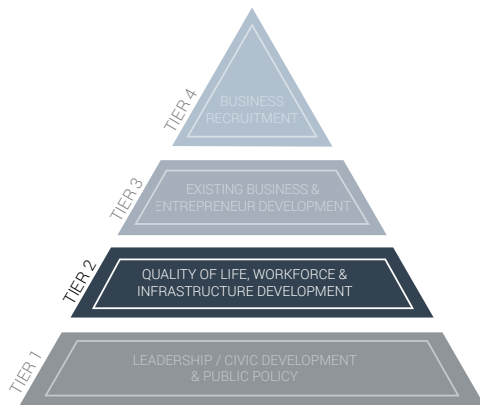
Below is a table explaining various financial tools for economic development

	<i>Explanation</i>	<i>Appropriate Use</i>	<i>Example</i>
Municipal Bonds	Government's primary means of raising funds for various projects.	Infrastructure projects	Widening a local road connected to a highway
Tax Increment Financing (TIF)	In a defined—typically blighted—area, property tax values are held steady for a determined term. Any taxes above that which would otherwise have been redirected to the community general fund are spent in the defined area for improvements. Increasingly controversial.	Targeted public or private infrastructure improvements	Improved sewer capacity for a new commercial building
Business Improvement Districts (BID)	Specifically defined area which pay an increased tax to fund local improvements.	Targeted neighborhood improvements	Improved sidewalks and stylized lighting as part of main street revitalization
Directed Tax Credits	Reduction of an entity's tax burden after providing a desired outcome.	Incentivize businesses to help achieve particular public goals	\$750 job creation tax credit for each new job created
Payment in lieu of taxes (PILT or PILOT)	Payment of an agreed amount instead of the typical tax rate.	Publicly owned land with private businesses operating on them	A tax-exempt organization pays a negotiated fee to the municipality instead of full property taxes
Revolving loan funds	Self-replenishing gap financing fund; new loans are dependent on interest and repayment of old.	Small supplemental funding outside traditional lending	Gap funds for the purchase of new equipment
Microloans	Small business loans (typically < \$50,000 can be very small < \$1,000) typically lent in disadvantaged communities.	Small business start-ups with small capital requests	Purchase of a food truck to start a street vending business
Land Leasing	Publicly owned land is leased to a private entity at a reduced rate.	Provide inexpensive land for needed services	A business sells land to a town who then leases it to the business
Loan Guarantees	Public entities help private businesses who do not qualify for business loans obtain them. The public entity/agency guarantees loan repayment to the bank in case of business default.	Help businesses who are higher risk but viable to obtain financing	A small business seeking to expand but doesn't quite qualify for a bank loan, but can with a loan guarantee

Figure 39: Financial tools for economic development.

BUSINESS ENVIRONMENT

While many theories exist to create a business-supportive economic environment, widely-supported theories revolve around workforce development, quality of life, and supportive infrastructure.



WORKFORCE

A quality local workforce is an asset to any business, whether existing or new, and exists when education, skill, and work ethic combine to meet local business needs. A basic regional evaluation can be done through educational statistics available through the U.S. Census or county economic development coordinator. More in-depth analysis should be done by conducting a skill set inventory to identify the technical skills of residents. These can be used to form a labor force baseline as well as entrepreneurial support, mentorships, job matching, and business attraction.

Some rural Utah towns have identified a lack of quality labor as their top issue moving into the future. Various resources exist to help train and improve local labor force, including the Department of Workforce Services, technical colleges, and Utah State University extensions. These organizations can offer skill refreshing and

retooling, and other labor force training support. New online resources, including distance learning and open-source courses, can be helpful and may be coordinated through the local library or school.

QUALITY OF LIFE

Quality of life refers to characteristics of the community which motivate people to stay in or move to the community. These may be subjective; however, good schools, affordable housing, access to healthcare, adequate shopping and restaurants, access to recreation, good community amenities, and a clean attractive community all contribute to a high quality of life and are identified as important elements of economic development.

Each of these factors should be addressed separately. Some may be a significant and difficult struggle to improve. In general, a person or committee that can work toward goals in a variety of areas may help. Each of the factor's positive qualities should be identified specifically as both a starting point to measure growth and potential promotion of the town. Policies and strategies for maintaining and improving quality of life should be laid-out in a community's general plan.

Every town needs—and has—something to offer residents or businesses. When crafting a vision, zero-growth communities need to consider the advantages they have, as well as the advantages they can create. How can the city best make use of the nearby state park, or its historic downtown? What businesses may be interested in the hard working labor-force or the interstate that runs near town? Zero-growth cities need to sell their strengths first to themselves, then to others.

Cities frequently need to invest in their amenities, or develop new ones. This can require dedicated manpower, resources, and time. Some natural amenities only need small improvements in order to be marketable. For instance, a city may capitalize on a local hiking trail by improving a parking lot at the trailhead, or install a sandy beach at the nearby reservoir. These small steps can vastly improve the utility of an amenity and transform it into a marketable feature for the community. Other cities may need to develop new amenities to achieve that purpose. Zero-growth communities may need to create services such as a clinic or a university extension office in order to spur development. Some need to work to remove blight or abandoned and polluted sites⁹⁹.

For towns that are significantly isolated, embrace isolation. There are ways towns can capitalize on the benefits and not waste resources fighting to build an interstate or rail line. Towns can improve their current access by coordinating with regional UDOT officials to ensure state highways are properly sized and well maintained. While isolated, niche economic strategies can help attract outside revenue through export or tourism (e.g., small quantity craft economies, specialized tourism, etc.).

COMMUNITY STRENGTH

Cities in decline benefit from a shared sense of community among residents. As citizens come together to work towards common goals, they can increase dedication to, enthusiasm for, and engagement in the city and its projects. A community visioning process is important for residents and leaders to discuss their identity and build a sense of community moving into the future.

Many zero-growth cities have a strong identity, but that identity may not be realistic today. For example, pioneer towns that were largely dependent on coal extraction may have to redefine their identity if the coal mine has been closed for twenty years. If the city retains its identity as a coal mining town, it may miss out on important opportunities for progress.

As communities transition, new residents arrive from outside of the community. Newcomers to the area may respect the community's identity, but may not always adopt the traditional city culture. Rather than ostracize newcomers, communities that fight decline should find ways to include all residents. Frequently, residents old and new can find that they appreciate many of the same attributes in the community (e.g., not all residents appreciate coal, but all may value the work ethic and community's connection to the land).

A shared community identity can strengthen ties between residents, government, businesses, and other community groups and create momentum for positive change. A unified community improves the odds of achieving the city's goals to improve the community as residents participate in local government, frequent local business, and improve the community's image.

INFRASTRUCTURE

Basic infrastructure supports residents and businesses alike. Without some infrastructure types, many industries will be untenable. However, just having the appropriate infrastructure does not guarantee any business will succeed or relocate—many more factors influence business success¹⁰⁰.

Towns should conduct a capital asset inventory to determine the current condition of their infrastructure (see page 56). Towns should remember to plan for long-term maintenance and replacement costs when estimating new infrastructure costs.

If the utilities are not operated by the community, include the utility company in all planning. Forming a special service district may be appropriate for some services and areas.

For business expansion, formation, or relocation, identify specific sites that are appropriately zoned and have appropriate infrastructure access. Town leaders should have good relationships with the landowners but do not need to acquire the land. If businesses expand or relocate, the town may want to acquire the land, or merely facilitate a transaction between land and business owner. Towns should retain flexibility and responsiveness to potential business land and infrastructure requests. Leaders should ensure county- and state-level economic development representatives are aware of ideal sites.

In general, optimism and a positive attitude can help communities in this process. There will be numerous challenges and setbacks. Working regionally, making use of county, state, private, and federal resources, and networking with other communities through state and interstate professional and support organizations will help towns move forward over the long-term.

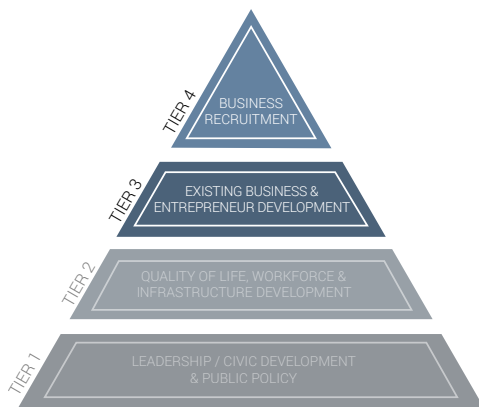
BABY STEPS

Action steps should be small and incremental. Cities may ask themselves, “What is the next easiest step we can take that progresses our goals?” Starting small is beneficial for five reasons:

1. Test possible remedies in a low-risk setting (e.g., placing decorations in an abandoned store front).
2. People are willing to try small things which can then motivate them to try harder things in the future.
3. Creates a history of small wins that leads to a can-do culture, and builds the belief and expectation that the community will succeed.
4. In communities where residents cling to the status quo, small changes can help residents recognize the benefits of limited transformation in town.
5. It keeps communities from spending all of their resources on one “do-or-die” project.

STRATEGIES

While many theories on economic development strategies exist, direct economic development support strategies should generally follow a prioritized progression of retaining and expanding local businesses, entrepreneurial support, and finally business attraction. If possible, towns should conduct rough market studies to identify regional purchasing power, regional industrial clusters and producers, to assist existing or future businesses¹⁰¹



BUSINESS RETENTION AND EXPANSION

Existing businesses are the most promising for growth due to one important fact: they are currently succeeding in the town. An estimated 60-85% of new job creation comes from current business growth. Economic development or chamber of commerce staff should regularly interview local businesses to find out about potential issues or opportunities for expansion where the town could help. This type of in-depth understanding can help identify other possibilities.

Utah's Business Expansion and Retention (BEAR) program actively reaches out to rural businesses and connects them to existing resources from agencies, higher education, and other similar resources. They also train local economic development representatives on the resources and how to conduct the interviews. Community leaders should ensure local business owners are aware of such training and encourage participation as appropriate.

ENTREPRENEUR DEVELOPMENT

While many new businesses fail, when successful, local entrepreneurs are much more likely to stay in the community. Some areas have business incubators which are usually associated with a college or university. Business resource centers and business development centers also serve and support new businesses as “one-stop” education, resource, support and coordination hubs. If they are not already available, county or local economic development coordinators can assemble these resources along with various community business mentors and link start-ups with these services. Community leaders should work with these services to reduce the risks of and barriers to business start-up.

“Despite strong barriers to growth...our empirical results suggest that self-employment is positively associated with employment and income growth, and that efforts to promote entrepreneurial capacity may be among the few economic development strategies with positive payoffs in remote regions.”

Heather Stephens and Mark Partridge¹⁰²

SPECIAL TOPICS: ENTREPRENEURIAL ECOSYSTEM

Economic gardening is a strategy that focuses on nurturing existing small business and providing a healthy business environment for creating and growing businesses. The following are elements of a healthy business environment which towns can help develop.

ACCESS TO CAPITAL

Banks	The primary source of small business credit in local communities.
Micro-Finance Lenders	Non-traditional lenders usually loaning < \$50,000; typically target disadvantaged communities.
Private Investors	Individuals purchasing part-ownership of a company; can also include crowd-sourced funding.

EDUCATION

Community Colleges and Universities	Provides research, high-level education and training for entrepreneurs.
Coaches and Mentors	Provide direct advice to guide business owners.
Trade Groups	Typically industry-specific groups which help with industry technical knowledge, business opportunities, and networking.
K-12 Schools	Increasingly including entrepreneurship courses, clubs, and support for young entrepreneurs.

TECHNICAL & LOGISTIC SUPPORT

Chambers of Commerce	Generally works to increase opportunity for local businesses. Provides information on local business trends, coordinates services, networking.
Business Incubators	Provides low- or no-cost space and shared services (marketing, accounting, administration) to lower upfront business costs.
Non-profit Support Agencies	Typically provide education, training, and consulting for low or no cost.
State and Local Economic Development Agencies	Provides training and helps businesses access and coordinate incentive programs, grants, and export assistance programs.
Technical Professionals	Consultants which provide expertise in marketing, accounting, business law, computer technical support, inventory management, etc.
Utility Companies	Increasingly involved in growing local industry and providing necessary services (power, water, internet, etc.).

DATA

Libraries	Resource for data access, market research, industry analysis and other published research.
State and Local GIS Mapping	Access to specialized maps and data on demographic, property, and market conditions.
Federal Government Agencies	Agencies with significant data resources and some funding sources (e.g., Small Business Administration (SBA), Bureau of Economic Affairs (BEA), Census Bureau, and Department of Agriculture (USDA)).

Figure 40: Elements of an entrepreneurial ecosystem, a community that can nurture entrepreneurship.

Adapted from Gines, Dell (2012). Grow Your Own Guide: Entrepreneurship-Based Economic Development. Federal Reserve Bank of Kansas City.

BUSINESS RECRUITMENT

Towns fiercely compete and expend significant resources for business relocations. Even in 2003, an estimated 15,000 cities and counties competed for any given business relocation and municipalities, counties, and states spent \$70 billion on incentives annually¹⁰³. In order to be competitive, towns typically need to have certain infrastructure, market or supplier access, strong labor market, or other attractive quality, and must expend significant time, energy, and resources towards preparing to respond to inquiries.

When towns choose this strategy, they should ensure strong relationships with state and county economic development groups who typically field relocation inquiries. Most businesses who are relocating have already visited their potential sites without notifying public officials. Unless there is a compelling reason for a single site, often these businesses will select a few sites which meet all their criteria and then formally approach officials. Often their timeline is short; towns must be ready to respond “at the speed of business.”

Towns using this strategy should have specific sites that are “shovel-ready”, or ready to build on or occupy, with good transportation access and utilities. These do not need to be owned, but towns should ensure they have the consent of the property owners to promote their land. A digital library of maps and GIS shape files can be helpful for developers. Towns should identify available incentives and know their limits, legally and financially. All this information should be in

a simple, short and attractive brochure and on the town website. Moreover, towns will need to have a positive online presence with an attractive, modern website. This should include the above information for relocation (i.e., workforce, incentives, available utilities, shovel-ready or near shovel-ready land). Regular local news and event posts can help reflect the dynamism of the town. Finally, towns should have a diplomatic group of leaders who are prepared to host visitors.

Successful relocations to rural areas frequently come from business owners with personal ties to the area or region, or owners originally from rural areas seeking other compatible rural areas. Some states and regions have enacted efforts to contact previous residents and ask them to “return home¹⁰⁴.” With any economic development strategy, communities should establish baseline data and measure improvement in key areas over time. If strategies do not perform to predetermined standards after a set time period, those strategies should be re-evaluated.

With a unified community, thoughtful strategy, resilient optimism, and good luck, towns can slow the cycle of decline and work towards reversing it. While no community should be under the illusion of an easy turnaround, some communities have been successful using a variety of methods¹⁰⁵. Towns that once thrived can once again become self-determined, self-sufficient, and prepared for the future—even if it's a different form than expected.

“When asked what was the most critical component of a successful redevelopment effort ...almost all [planners from several towns with successful redevelopment] chose either leadership or community involvement.”

National Association of Counties⁹⁸

7. SHRINKING WITH STYLE

STRATEGIES AND TACTICS FOR
PRESERVING QUALITY OF LIFE WHILE
IN DECLINE

.....
*“Explicitly, purposefully, planning for less—
fewer people, fewer buildings, fewer land
uses—demands its own distinct approach.”*

Deborah and Frank Popper¹⁰⁶

All successful communities do not look alike. Communities may reinvent themselves multiple times and remain successful. One strategy for zero-growth communities to remain successful is to accept decline. This does not necessarily mean the acceptance of perpetual decline towards dissolution; instead the focus of the community shifts to preserving quality of life for remaining residents, and declining in prepared and intelligent ways. This includes planning and preparing the best way to provide services, protect financial health, and focus on the community core. This positive action will maintain quality of life while positioning the town for potential opportunities.

In general, planning in a declining context is similar to planning in a growth context. Plans should be comprehensive in scope and systematic in approach. Those planning should recognize the influence of the factors contained in this report, and others they may identify, acknowledging the changing importance of factors through time. Also, they should acknowledge the importance of economic factors to community health and promote both the social and physical aspect of community development.

Understanding these guidelines, communities that choose to embrace decline are encouraged to update their general plan to explicitly plan for a future with less people and fewer resources. They should select and adapt the following strategies to their own unique circumstances, or identify their own strategies, to plan for a better, but smaller, future. These should be outlined in the general plan.

Declining strategies fall along a spectrum of service provision. Moving from continued provision to eliminated provision, communities can prioritize, optimize, or discontinue. These strategies focus on two areas: public services and physical infrastructure. Retaining a certain level of service provision is necessary toward maintaining quality of life for remaining residents. Below are some potential strategies. Adopted strategies should seek to maximize quality of life according to community desires and to the extent fiscally feasible.

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“Western civilization may indeed have a tropism toward growth in planning, economics, personal life, and many other fields. Shrinkage or at least its perception thus becomes a threat or a taboo.”
 Hollander, et al.107”



Figure 41: Potential strategies for planning for decline range in involvement from better prioritizing resources to discontinuing services.

PRIORITIZE

The most basic response to decline is prioritizing how to allocate limited funding. Prioritizing repairs is vital to the health of every community, yet declining tax revenues and large, low-density service areas make prioritization essential to zero-growth communities. General plans should provide a framework for deciding which projects to fund based on community prioritization. This framework should change the questions leaders ask:

Example:

General “Which roads should we prioritize for repairs?”

Specific “Given our current funds, we can only repair about 2,500 ft of road; should we prioritize Main to 2nd or the stretch on Ash between 3rd and 4th?”

Zero-growth communities should develop their own prioritization process that takes into account the speed of their decline and their community goals and vision. Doing so ensures a measure of consistency over time for the community, and ensures the community does not invest in unvetted projects.

When examining infrastructure repair, Charles Marohn of Strong Towns asks a simple return-on-investment question: “Based on the direct payments by property owners serviced, how long will it take the town to recoup its expense?” He finds that the payback periods frequently outlast the life of the asset¹⁰⁸. Community infrastructure represents a community’s largest financial investments and long-term liabilities. Investments should be thoroughly scrutinized.

Communities that desire to remain the same or embrace decline should evaluate the services they provide and then identify methods to ensure service delivery. Foremost is understanding what services are the highest priority for community members. Cities that prioritize service delivery make their highest priority services more effective, cost efficient, and fiscally sustainable so they can continue operations into the future. Cities in decline should balance long-term fiscal health with overall cost-burden to residents through simple increases to revenue or decreases to costs. Grants can be strategically pursued for particular projects and extend town finances; however, reliance on external funding leaves towns financially vulnerable. Cities embracing decline should examine service contracts for services they receive and for services they provide to ensure fiscal solvency. For service contracts they receive, communities should ensure they are paying a reasonable amount for the level of service provision. For service contracts they provide, towns should ensure they are receiving a reasonable amount for the level of services provided. When required, towns should renegotiate contracts for appropriate payment of service provision.

Additionally, cities should examine their service fee structures to make sure that the services generate revenues equal to their costs, while accounting for depreciation. In general, municipal rates should not be regressive, where users pay less per unit the more they use. Lastly, cities should examine the condition of buildings and equipment required for service provision. It is important to prioritize funding maintenance, equipment and assets for essential services first. Proper and regular maintenance can save costs in the long-term.

OPTIMIZE

Optimizing your physical infrastructure is also key to the long-term viability of zero-growth communities. Communities can optimize resources internally by removing redundancies, or creative adaptation of community amenities. Externally, they can optimize through sharing with neighboring entities.

Service optimization is different for every community. Optimized services are ensured at the desired level long-term, at the lowest cost possible for achieving that standard of service. Prioritizing services prior to optimizing their provision ensures that community funds work towards securing the highest priority services at the desired level first, then using any remaining resources to provide lower priority services at a fiscally sustainable level. The following are strategies for optimizing infrastructure and services.

PARTNERING

Partnering allows neighboring communities to diversify their financial base for infrastructure. Water, sewer, roads, garbage, fire, and other services and costs can all be shared with neighbors, depending on their physical location and their neighbor's priorities. Normally, these are most effectively accomplished through the creation of special service districts (SSD), though many municipalities successfully own their own services and provide those services to neighboring cities.

CONSOLIDATION

Consolidating services involves working with regional service providers to avoid overlapping service areas and to create a small economy of scale. For instance, clustered towns can typically share services through inter-local agreements or special service districts for services such as garbage, animal control, and police. Remote towns may find this approach potentially less fiscally sound than the difficulty of providing the service themselves. Forming a special service district for certain services can also reduce costs and improve service quality¹¹⁰.

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“You could call it declining gracefully, but I like to think of it more as looking to be competitive and having the potential for growth in the future.”

Anthony Kobak, Mayor,
Youngstown, Ohio¹⁰⁹

A photograph of the Castle Dale City Hall, a two-story brick building with a gabled roof and arched windows and doorways. The name "CASTLE DALE CITY HALL" is inscribed on the brickwork above the entrance. The building is set on a green lawn under an overcast sky.

CASE STUDY: CVSSD

Castle Valley Special Service District (CVSSD) manages water, sewer, and roadways for multiple cities in Emery County. The communities have combined their resources to have better regional services than any could create on their own. The combination was a success. CVSSD operates these assets efficiently, decreasing the burden on local leaders to manage complex systems. Additionally, CVSSD provides full-time employment opportunities for the district's management and employees—something most of the communities would be incapable of doing on their own.

CVSSD receives annual, prioritized capital repair and improvement lists from member cities, and after examining overall system needs, it applies available funds. The CVSSD Board, comprised of elected officials from each community, ensures that each community receives fair treatment.

Over time, CVSSD has developed a fiscally sound debt repayment structure that ensures there is sufficient funds to cover improvements, replacement, and construction costs while maintaining an appropriate debt-to-revenue balance. CVSSD is a model for rural area service provision.

Service districts can prioritize funding and focus on regional assets. For example, multiple towns within a short drive of one another can collaborate on municipal parks and a connected trail system through a recreation service district. The service district could designate a sports park in one town, a tot lot in another, and a park focused on retirees in the third. Maintenance and construction budgets could be prioritized regionally. They could work to transform the three parks into a greater collective amenity than any of the three towns could have individually.

After prioritizing their finite resources and services, communities should adopt innovative strategies to share resources and amenities with adjacent communities and work with other communities for the benefit of the region. Particularly with rural areas, regional economies are knit together through regional employers and economic factors. Although difficult, regions should work together to optimize services to conserve vital resources. Every community does not need (or can afford) a community pool—most of the time a regional pool can effectively service an entire region.

REDUCE SCOPE

Another cost-savings approach is to reduce the scope of services provided. This can include reducing the frequency of service, reducing services to a very basic level, charging higher fees for non-essential services, or providing at-request services. Any scope reduction should be applied fairly. Cities should not reduce services only to certain areas of towns or segments of the population.

Weekly residential curbside garbage service can be relatively expensive. Towns could reduce garbage collection to every other week, or charge higher fees for weekly service than for bi-weekly or monthly pickup. Alternatively, the town could provide neighborhood dumpsters so that garbage trucks only have to stop at a few locations rather than every home. Depending on a city's location, residents could be required to take their own garbage to the county or regional landfill.

VOLUNTEER

Similar to the all-volunteer fire departments that operate in many rural areas, other services can operate on a largely volunteer basis. Services like animal control or parks and recreation can operate using volunteer staff. Although this does require a significant amount of time from community members, it is an option when service demand remains high and municipal finances fall short.

Training and strict guidelines are necessary to ensure quality service and mitigate conflict. Staff can operate on a rotating schedule, on a pooled work benefit like a co-op¹¹¹, or individuals can volunteer or be appointed to fill a position. If funds are available, the town could also reimburse direct associated costs.

DISCONTINUE

When some services become too burdensome to continue in any way, the town can consider transferring them to the county or discontinue them entirely. However, communities must understand the consequences of not providing these services. For example, if local law enforcement services can no longer be provided, county sheriff response times to law enforcement issues will probably increase significantly due to the size of their enforcement areas.

Decommissioning infrastructure protects financial interests, but at a great cost to the community’s quality of life. Decommissioning should only occur when the community is certain that it is incapable of providing the service and has thought through ways to adapt and to phase out.

Before deciding to decommission, cities should examine ways to adapt. Sewer systems can possibly be replaced by community septic systems or natural treatment systems that are typically much less expensive to build and maintain. Parks can be reverted to natural habitat. Businesses may be able to rent out subdivided space in the town hall.

DEPAVING

Road construction and maintenance are costly. Communities can eliminate roads, or revert them to dirt or gravel, which are much more cost effective to maintain. Estimated cost comparisons of gravel and pavement show that gravel can save roughly between \$7,000–\$28,000 per mile in construction and maintenance over the life of the road¹¹². Utah and 26 other states have had active depaving efforts saving significantly on construction and maintenance costs^{113 114}.

Cities should consider typically low-volume roads for depaving. Many road engineers use a 150 annual average daily traffic (AADT) count to define a low-volume road. Gravel roads are most effective below 170 AADT¹¹⁵. Roads should be carefully analyzed as part of the transportation network of the community and leadership should continually consult with and inform local residents about plans and projects.

The following should be considered before depaving (adapted from Faye and Kroon, et al. 2016):

- Road condition
- Safety
- Residents directly serviced by road
- Traffic volume and type (e.g., heavy trucks, farm equipment, etc.)
- Total and future ownership costs of pavement and gravel
- Land use of adjacent land
- In-house maintenance capability
- Environmental issues
- Dust and erosion control
- Commercial and other economic uses that may be affected
- Availability and quality of aggregate
- Public issues
- Role in transportation network

For more information on depaving, read the Transportation Research Board’s report “Converting Paved Roads to Unpaved, <http://www.trb.org/Main/Blurbs/173716.aspx>.

.....

“Gravel roads have the advantage of lower construction and sometimes lower maintenance costs. They may be easier to maintain, requiring less equipment and possibly lower operator skill levels. Potholes can be patched more effectively. Gravel roads generate lower speeds than paved surfaces. There is nothing wrong with a good gravel road. Properly maintained, a gravel road can serve general traffic adequately for many years.”

Federal Highway Administration ¹¹⁶

CASE STUDY: CASTLE DALE CORE NETWORK

The Rural Planning Group performed a GIS core network analysis on Castle Dale, Utah—Emery county’s seat. This identified roads that would maintain basic access to medical services, schools, and stores. Local population centers and zoning were also considered in the analysis. As six communities surrounding Castle Dale lack some of these core services, it would be important to maintain good connectivity to these services regionally. Three scenarios came out of the analysis: “The Bare Essentials”, “Population Perks”, and “In the Zone” (see maps left). This type of analysis could be used in a road maintenance, regional optimization or depaving program.

The intent of the analysis was to demonstrate how different community priorities could impact repair and paving decisions. Far from a recommendation to Castle Dale or any community, the analysis demonstrates different sets of principles that community leaders could use to prioritize road maintenance. Other communities are encouraged to think about and analyze their own situation similarly.

Infrastructure construction and maintenance is costly. The more spread out the town’s development is, the longer and costlier it is to support infrastructure and service provision. By prioritizing a hierarchy of infrastructure development and maintenance, communities can optimize limited funds. This can eventually lead to channeled town development, increased sense of place, and decreased infrastructure costs (compared with widely dispersed development). Maintaining and making efforts to increase density through stagnation or decline can help a community increase its long term financial viability while maintaining community services.



Figure 42: Three scenarios in a Road network analysis

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SPECIAL TOPICS:

INTERNALIZING THE TRUE COSTS OF INFRASTRUCTURE

Development on the edge or outside of town increases service provision costs for cities in capital facilities (pipes, asphalt, electrical, etc.) and in operation and maintenance costs. Many communities require developers to bear the burden of putting in the initial capital facilities, yet the community takes responsibility for those assets shortly after completion.

The long-term operation and maintenance costs regularly exceed the economic benefit of the development for the community, despite the upfront costs being covered by the developer. This burdens communities with services that must be subsidized with taxes from residents elsewhere in the city, and other sources available to them. Still, residents expect the same level of service in these areas, at the same price as those in the lowest cost locations.

Requiring developers to pay for upfront materials and labor costs is a good first step, but rural communities can also consider protecting their core by incentivizing people to live there. An increased service fee equal to the costs of service provision to these outlying developments protects the city by putting the burden on the beneficiaries of the capital facilities or city services. The same thought process could attend county residents who hook up to city services; they would be charged increased costs to help absorb the operations and maintenance and replacement costs for the assets they are using.

Zero-growth communities will be forced to make these decisions with dwindling populations and revenue streams or will have to rely on the good graces of granting institutions to maintain their capital facilities. By increasing the price of service provision to the actual cost for those outside the community core, the community highlights its commitment to its core and protects the community from over-obligating its financial resources.

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CONSOLIDATION, DE-ANNEXATION, AND DISINCORPORATION

Although most towns that remain in decline will remain for decades, and others indefinitely, some communities take further steps and combine, secede areas, or disincorporate.

CONSOLIDATION

Consolidation occurs when two or more separate municipalities join together and form a single municipality. This action requires a significant amount of coordination, persistence, and political will. Consolidation removes redundancies in both governments, consolidates services, and combines budgets. Obviously, it does not remove all the problems, but opens up new possibilities for the combined municipality. Consolidations are covered under UCA 10-2-6¹¹⁷.

REGIONAL CONSOLIDATION

Service provision and fiscal responsibility come into conflict for zero-growth communities for a wide array of services. Although highly controversial, regional consolidation is a cost-saving solution that works for some assets and services. As noted previously, service or asset consolidation requires regional collaboration and tough decisions by residents and leaders alike, however these difficulties can be overcome when fiscal realities force communities to act.

DE-ANNEXATION

Passing territory back to the county is possible. Since 2008, fourteen Utah municipalities have successfully de-annexed¹¹⁸ segments of their towns. These de-annexations are frequently instigated by the property owners, sometimes through litigation, but mayors can also petition for sections to be de-annexed with the resident's support. This limits costs to the community, but also removes the associated property taxes. However, legally or procedurally there are a number of difficult steps which need to be taken (covered in UCA 10-2-5)¹¹⁹. Additionally, taxes may be levied against the de-annexed properties to pay their proportionate share of municipal debts built up while the area was part of the town.

Given the process, and that most residences would likely still receive services from the community, de-annexation is a unique strategy. However, this option may make sense for communities with isolated neighborhoods and those who wish to decrease financial burdens.

DISINCORPORATION

Disincorporating is the most drastic measure communities can take. This eliminates some of the municipality's problems by eliminating the formal municipality and all the legal requirements that entails (except for financial obligations, see UCA 10-2-706). While disincorporation is not common in Utah, some of the state's smallest towns do consider it: Ophir disincorporated in October 2016, Apple Valley voted down disincorporation in 2012, as did Big Water in 1990¹²⁰. In other regions of the United States, specifically the Midwest, successful disincorporations are increasingly common. In Iowa, there have been six disincorporations since 2000¹²¹. All of the communities that voted to disincorporate had populations of less than 100. Communities may want to consider disincorporation when they are exceptionally small, have shrunk to an unrecognizable form, or have significant budget shortfalls and no potential for remedy.

This is not a solution to the town resident's problems—the county likely absorbs the responsibilities previously held by the community. When disincorporation is undertaken, the community is accepting that the community's viability is completely compromised.

Given our general assumption of continual growth, expressly planning for decline can cause apprehension. However, the complete decline of communities is not a new phenomenon, nor should it be vilified. Nationwide, there are an estimated 3,700 ghost towns; over 130 in Utah alone¹²². While the majority of these were small settlements that declined in the 1800s and early 1900s, there is precedent for the complete or near-complete abandonment of a place. What is important is to retain quality of life to the greatest extent possible for those who decide to remain.

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CASE STUDY:
EAST CARBON-SUNNYSIDE CONSOLIDATION

Consolidating can broaden the tax base, reduce redundancies in closely connected communities, and provide more stability for the future.

local economy did not improve and the idea persisted in the minds of leaders and residents, swinging in and out of consideration.

The communities of East Carbon and Sunnyside were situated next to each other. Coal extraction served as the primary economic driver for both, and each community has suffered years of stagnation and decline due to declining markets and regulatory pressures on coal. In early 2000, county leaders, city officials, and residents began thinking about integrating the two cities as a way to strengthen both. The communities already shared several services, and it appeared that consolidation could decrease long-term costs, promote unity among residents, and increase stability.

Sunnyside and East Carbon City debated the idea of consolidation for years. Residents of both communities feared a loss of identity, disappearing city jobs, disappearance of political voice, and worried about having to fulfill the other city's debt obligations. Still, the

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“Our towns are dying. Both of them are dying. We need something to get them going again and maybe together we can do it.”

Sunnyside resident Delia Marquez¹²³

Eventually, in 2013 both city councils placed the question on the ballot. It passed convincingly in both communities, and by July 2013, the towns had requested and obtained the state's approval to include the initiative on the ballot that Fall. The vote was a resounding yes, inaugurating the first community consolidation in Utah since the 1930's.

WHY

The possibility of dividing rising costs for city services between more residents appealed to both leaders and residents who voted to consolidate. Police and fire services were already integrated, decreasing the shock factor that consolidation would have on city services. Most significantly, declining populations and uncertain futures drove the communities to consolidate in hopes that it would increase vitality in both small towns.



After a complex process to combine communities, East Carbon looks forward to a more hopeful future.

HOW

Both communities’ councils passed resolutions stating their intent to place the consolidation vote on the ballot in November 2013. Both cities’ councils and employees began work on the consolidation plan (see *UCA 10-2-6* for details on requirements) to prepare for the possibility of the communities officially joining.

When the ballot measure passed, local elected officials and city employees had much to do. The consolidation process resulted in a million questions, many of which did not have clear answers. Nevertheless, the consolidation effort illustrated that where there is a will, there is a way. Community leaders worked with the Utah League of Cities and Towns, the Office of the Lt. Governor, Carbon County, and their legal counsels to navigate the requirements of integration.

To ensure both communities were adequately represented, council members from both communities formed the new East Carbon-Sunnyside city council until January 2016 when the town held new municipal elections. Although the sustained involvement of some leaders ensured proper representation for the community as a whole, it was not without difficulties—some council members even resigned office.

RESULTS

Economic forces have not been kind to the region in the last fifteen years. Regional mining operations have all but disappeared, especially in the area surrounding East Carbon and Sunnyside. The disintegration of the local economic staple added to the difficulty of integrating two town’s politics, budgets, plans, and services.

Despite these difficulties, the consolidation effort has succeeded thus far. The intent of the consolidation—to bring stability and ensure fiscal solvency—is an ongoing process. In 2016, the combined community, now known simply as East Carbon, elected new leaders and adopted a new general plan that is helping the community achieve its shared vision for the future. While economic and demographic challenges persist, East Carbon is on its way to being a healthier, more successful community. As one resident put it, “it worked out.”

.....
“I was really nervous about it...I was like, we don’t even know what we are doing!”

Town citizen involved in the consolidation process

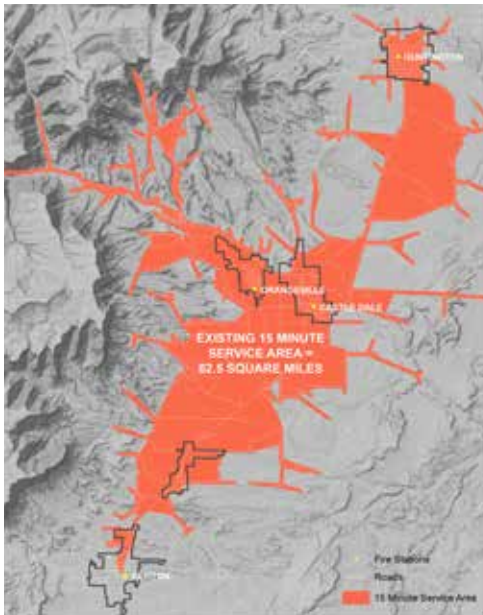


Figure 43: Fire Response: Castle Dale and Orangeville Overlap

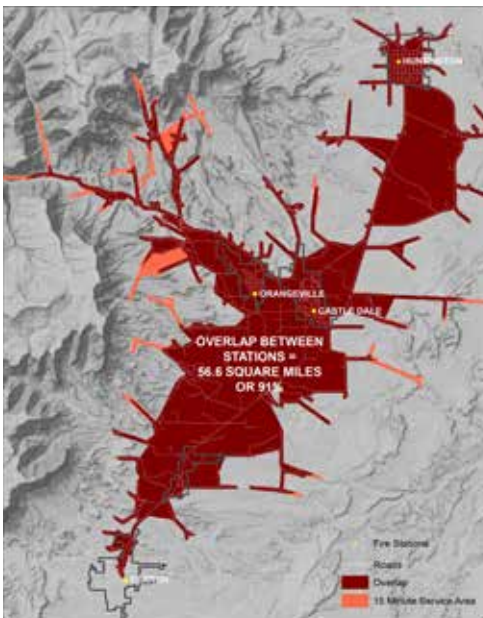


Figure 44: There is a 91% service overlap between the Castle Dale, Orangeville, Huntington, and Ferron Stations

REGIONAL VIEW

Consolidating services requires leaders to take into account spatial data, fiscal considerations, political factors, and decision criteria that are extremely difficult to create. These barriers require leaders to look beyond today and tomorrow, to consider how services are going to be provided in the long-term, and what service provision will mean for community finances.

EXAMPLE OPPORTUNITY

Emery County, Utah illustrates a prime possibility for service integration. Over 90% of Emery County's 10,700 residents live in eight communities on the west side of the county. One example for potential integration is fire service consolidation. As noted previously, the communities in this corridor are already part of CVSSD, illustrating a regional mindset that could make service integration more feasible.

There are seven fire stations in the area (see map). Castle Dale (4-bay fire station) and Orangeville (5-bay fire station) are the two closest stations, located 3.3 miles apart, or a 6-minute drive.

The National Fire Protection Association produces recommended response times for "demand zones," or population blocks. For "rural" population blocks, the recommended response time is 14 minutes. Rural fire districts tend to disagree with the timeframe because each rural area has unique circumstances. Even using the somewhat stringent and non-individualized 14-minute response time, Castle Dale and Orangeville's stations cover roughly 96 percent of the same region.

This suggests that integrating these two stations, when one or the other requires replacement, would not downgrade regional services in a meaningful way or preclude any part of either community from being within the 14-minute response time. Integrating these two stations could save both communities (and potential granting institutions) millions of dollars over the next two decades. Those funds could potentially be used to hire one or two full-time firefighters to help the remaining station maintain or improve its response time and service capacity.

Both stations have volunteer crews of which the communities are fiercely proud; those familiar with local fire services and with rural fire service provision suggested that firefighters from both stations would probably want to remain independent. Still, financial considerations, expected response times, and the low level of calls these stations receive could make integration possible in the future¹²⁴.

If the fire stations were consolidated, and once the remaining fire stations exceeded their useful life span, optimal service locations for additional fire stations could be considered which would reduce capital costs for stations and assets without significantly increasing response time. It would potentially allow the communities to redirect those funds to personnel. For instance, the remaining station could be located 11 miles down the road from Huntington's current fire station. An optimized location could potentially allow Orangeville, Castle Dale, and Huntington to be covered by the same fire station. Local considerations should be analyzed and local leaders should make decisions based on the best information available. Ultimately, local leadership will determine the best location for future fire stations; however, regional coordination with technical assistance could help save money and potentially improve services.

This information raises the issue as a question for further consideration. Fire coverage is but one of many services that can be considered for consolidation. Leaders should discuss similar service and asset provision in their region and consider ways in which they could reduce capital and service costs through optimal site selection and shared provision.

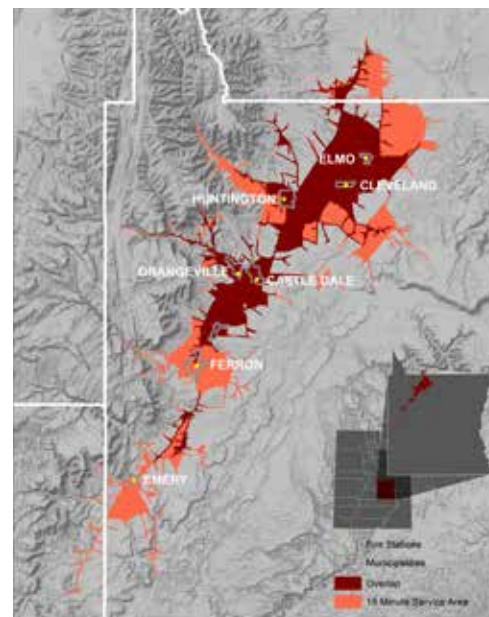


Figure 45: There is a 51% overlap in the service area of Emery County's fire stations.

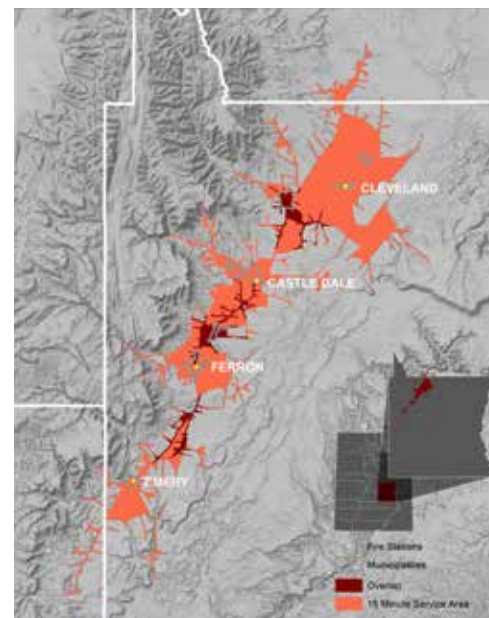


Figure 46: The elimination of the Orangeville, Huntington, and Elmo stations preserves 84% of the original service area.

CONCLUSION?

While some rural areas continue to fall behind high-growth urban areas, each declining community has a choice to accept or fight decline. Regardless of the situation, community leaders are charged with preserving the quality of life for residents. When community leaders better understand their community's situation and a broader range of potential options, they can make better decisions towards that end. The thoughts and ideas presented in this report can help leaders understand the factors behind decline and help generate ideas towards either fighting or accepting it. Many questions remain, but informed communities can move forward to become self-reliant, self-determined and prepared for the future.

“Smart decline requires thinking about who and what remains. It may entail reorganizing or eliminating some services and providing different ones. It may involve promoting certain land uses and landmarks more as historical remnants than as sources of growth.”

Deborah and Frank Popper¹²⁵

APPENDICES



ENDNOTES

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- 10 Economic stagnation is defined as a composite economic index score at or below 50% of the median index score.
- 11 2000–2010 population increases, Rural: 20.3%, Urban: 102%, Border: 32.5%.
- 12 A term coined to refer to states where the industrial manufacturing sectors have radically declined leading to physical and economic decay and significant depopulation.
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Rural: 36.3 percent
Urban: 34.7 percent
- Over 50
Rural: 27 percent
Urban: 22.3 percent
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- 102 Stephens, H., and Partridge, M. (2011). *Do Entrepreneurs Enhance Economic Growth in Lagging Regions? Growth and Change*. Vol 42, No 4. December 2011. pg 431-465.
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Hurwitz, J. (2015). *Incentives for the Twenty-First Century*. International Economic Development Council. Washington D.C.
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- 105 After a cursory analysis of small town success stories, a large portion were still in population decline, although many have revived their economies to some degree. This should serve as a cautionary tale to towns that concerted efforts may still result in population decline.
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- 108 For a case study on a rural road, see Marohn, C. (2009). *The Cost of Development, One Example. Strong Towns*. March 30, 2009. <http://www.strongtowns.org/journal/2009/3/30/the-cost-of-development-one-example.html>
- Strong Towns suggests three steps for avoiding long-term liabilities from infrastructure:
1. Adjust your budget to include realistic funding for replacement of existing infrastructure systems. It will be difficult for people to tax themselves now to help replacement thirty years from now, but it is critical that it be done.
 2. Do not allow for the extension of utility systems where it can't be justified through a long-term cost/benefit analysis (must include at least one replacement cycle). In other words, don't dig the hole deeper.
 3. Look at ways to increase development where there is existing infrastructure. Make better use of those existing infrastructure investments. Learn more at <http://www.strongtowns.org/journal/2009/2/3/the-small-town-ponzi-scheme.html>
- 109 Swope, C. (2006). *Smart Decline*. Governing Magazine. November 2006. pg. 46-52.

- 110 State code allows for special service districts for multiple services. These include water, sewer, drainage, flood control, garbage, healthcare, roads maintenance, parks and recreation, fire protection, correctional facilities, street lighting, emergency dispatch, animal control, and cemetery (*UCA 17D-1-201*).
- 111 Cooperative ownership is where people who derive benefit from a service contribute through labor and funds to the function of the service. This is a common form of ownership in rural farming areas.
- 112 This assumes the six-year construction and maintenance costs on a gravel road are \$18,065. The respective costs of Chip Seal-Double Surface Treatment are \$20,533 per mile, Bituminous Concrete-Hot Mix are \$58,080 per mile, and Cold Mix are \$48,390 per mile. For more information, see U.S. Department of Transportation, Federal Highway Administration. (2015). *Gravel Roads: Construction and Maintenance Guide*. August 2015. Pg. 121.
- 113 Gravel roads are still relatively common, with 35 percent of all roads in the United States remaining unpaved as of 2012.
U.S. Department of Transportation, Federal Highway Administration. (2015). *Gravel Roads: Construction and Maintenance Guide*. August 2015.
Fay, L., Kroon, A., Skorseth, K., Reid, R., and Jones, D. (2016). *Converting Paved Roads to Unpaved: A Synthesis of Highway Practice*. National Cooperative Highway Research Program. Transportation Research Board. National Academies of Sciences. Washington D.C. Available at <http://www.trb.org/Main/Blurbs/173716.aspx>.
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- 115 Fay, L., Kroon, A., Skorseth, K., Reid, R., and Jones, D. (2016). *Converting Paved Roads to Unpaved: A Synthesis of Highway Practice*. National Cooperative Highway Research Program. Transportation Research Board. National Academies of Sciences. Washington D.C. Available at <http://www.trb.org/Main/Blurbs/173716.aspx>.
- 116 U.S. Department of Transportation, Federal Highway Administration. (2015). *Gravel Roads: Construction and Maintenance Guide*. August 2015.
- 117 Utah Municipal Code: Title 10, Chapter 2, Part 6. <https://le.utah.gov/xcode/Title10/Chapter2/10-2-P6.html>
- 118 Utah's official term is disconnected. Information has been researched from the Utah Lieutenant Governor Municipal Certifications (see <https://municert.utah.gov/>).
- 119 Titled municipal disconnection and outlined in Utah Municipal Code Title 10 Chapter 2 Part 5. <https://le.utah.gov/xcode/Title10/Chapter2/10-2-P5.html>
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124	Castle Dale	Huntington	Orangeville
(2016)	21	0	0
(2015)	10	2	0

Source: NFIRS 5.0 National Reporting System. Summary by Incident Type.

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APPENDIX A: ECONOMIC DEVELOPMENT RESOURCES

<http://business.utah.gov/programs/rural/resource-information-2/other-state-offices/>
<http://business.utah.gov/programs/rural/resource-information-2/federal-offices/>
<http://business.utah.gov/programs/rural/resource-information-2/business-financing/>
<http://business.utah.gov/programs/rural/resource-information-2/grant-resources/>

Rural Fast Track: Grant (<\$50K) for existing companies that create new jobs. Used for building construction, equipment, agriculture, or hospitality and leisure.

Business Expansion & Retention (BEAR): Assists businesses by providing enhanced technical services (marketing, workforce training, exporting, outsourcing, etc.).

Recycling Market Development Zone: Tax credits (5% for equipment; 20% for operating expenses) for businesses to use recycled materials in manufacturing.

Enterprise Zone: Tax credits for job creation (\$750–2200 per position) and capital investments (vacant building: 25% on first \$200K; equipment: 10% of first \$250K, 5% next \$1M).

Targeted Business Tax Credit: Tax credit (<\$100K) for businesses generating a substantial number of new jobs.

Economic Development Tax Increment Financing (EDTIF): Approved in 2005, EDTIF is a state incentive program that allows local governments to create “economic development zones” in order to encourage job creation and capital investment. New or existing businesses creating new jobs or significant capital investment within these zones may apply for a partial rebate (30%) for up to 20 years of taxes paid to the state. The rebate may apply to “new state income” generated by the job growth or capital investment, including the payroll tax of the new employees, corporate income tax, and sales tax. Qualifying companies must create new jobs paying at least the median state wage. All EDTIF incentives are evaluated and approved by the Governor’s Office of Economic Development Board. (Section 63-38f-1304)

Utah Aerospace and Aviation Tax Increment Financing (AATIF): The Utah Aerospace and Aviation Tax Increment Financing (AATIF) program was created to encourage the growth of the aerospace and aviation manufacturing industry in Utah. Companies creating new aerospace and aviation manufacturing jobs in Utah may apply for a partial rebate (30%) for up to 20 years on state revenues. The rebate may apply to “new state income” generated by the job growth or capital investment, including the payroll tax of the new employees, corporate income tax, and sales tax. Carbon County Airport is certified to participate in AATIF. Qualifying companies must create new jobs paying at least the median state wage. All EDTIF incentives are evaluated and approved by the Governor’s Office of Economic Development Board.

Research Tax Credits: Provides an income tax credit of up to 6% of a taxpayer’s Qualified Research Expenses for the tax year in excess of the Taxpayer’s Base Amount. The definitions are the same as defined in the Internal Revenue Code, Section 41(c-g) (Utah Code Section 59-10-132)

Sales and Use Tax Exemptions: Manufacturers (SIC 200-3999) are exempt from paying sales tax on the purchase of new equipment. The purchase of replacement manufacturing equipment is also exempt from sale tax. Previously paid sales tax can possibly be refunded. This amounts to a 6%+ cost savings.

Utah College of Applied Technology: Custom Fit: Custom Fit is a dynamic partnership between the Utah College of Applied Technology, its college campuses, select sister institutions across the state, and the local business community. Its mission is simply to provide customized employee training.

This unique program offers you, your company, and your employees the benefit of state-of-the-art training and development, customized to meet your specific needs, and does so at a cost that you can afford. How? The Utah State Legislature appropriates funds each year as an investment in Utah's economy through Custom Fit, which means your tax dollars are coming back to serve you! The Custom Fit program funds a large portion of the training costs.

There is a Custom Fit Training office serving every region of the state with a staff ready to meet with you to discuss your business: What's working? What's not? Where are your biggest frustrations? And how can Custom Fit help?

Your Custom Fit representative works with you to determine if Custom Fit is right for your business. Then the Custom Fit representative decides who the best service provider(s) will be, figures out the logistics, and establishes a Custom Fit budget. Your Custom Fit representative will calculate the cash contribution required of your company.

Over the years, Custom Fit has worked with many types and sizes of businesses from mom and pop shops to the largest employers in the state. Whether you need specific technical training, safety certifications, computer skills, leadership / management skills, or just help in how to get along with others at work, Custom Fit can provide training with industry experts to meet your needs. Custom Fit's goal is to assist you in building and maintaining a quality workforce to meet your demands and strengthen your competitive edge.

Short Term Intensive Training (STIT): STIT programs are customized and designed to meet full-time job openings. Programs are usually less than one year in length and will be designed to meet the specific training needs of a company while matching needs with people seeking employment. STIT gives the option of training at 50%-70% discount of normal training costs.

Industrial Assistance Fund (IAF): The State Industrial Assistance Fund (IAF) can be used for relocation costs. This incentive can be earned as Utah jobs created meet the IAF requirements resulting in higher quality jobs, and as Utah purchases. Two programs are applicable: 1) rural Utah program with funding up to \$100,000 for relocation expenses; IAF will pay employee moving costs to disadvantaged areas outside the Wasatch Front, St. George, or Cedar City and 2) Corporate Funding which is dependent on the amount of Utah purchases and wages.

Industrial Development Bond Guidelines: Industrial Development Bonds (IDB's) are a financing tool used by private sector developers for manufacturing facilities. The applicant must meet federal guidelines; however, the State of Utah has no additional requirements. The federal tax code places a limit of \$10.0 million per project on IDB financing. The Internal Revenue Code also specifies that the sum of all other IDBs used by the developer cannot exceed \$40 million nation-wide. 95% of bond proceeds must be used for manufacturing facilities. The end purchaser of an Industrial Development Bond does not pay Federal Income Tax; consequently, the savings passed through may result in lower cost of money to the company.

Job Service: The local Job Service office utilizes a computerized job matching system that quickly screens applicants to ensure that they meet the qualifications set by a company.

APPENDIX B: RESEARCH SUMMARY

This study analyzed the relationships between 2000-2010 population trends and a variety of demographic, economic, and biophysical factors specific to rural communities throughout the state of Utah . A community-level natural amenity index was also developed in order to understand the significance of place-specific variations . Findings suggest that planning for rural population decline should be comprehensive and systematic, recognize the joint influence of factors and variables, understand that different factors will be more important in different time periods, promote physical and social geographic linkages, and acknowledge the leading role of economics.

Because community specific data was gathered, some adaptations were made when specific data points were either unavailable or not in an accessible format . GIS was used to analyze and collect geographic data as well as to produce preliminary maps . Indices were created and regression analysis were performed using Micro-soft Excel . Escalante, UT was used as a case study in order to make place-specific recommendations .

While similar analyses of variable influenced population change have been performed, this study provides a more place-specific analysis approach and compares population trends to a more extensive list of related variables. Composites of variable groups (indices) as well as individual variables were analyzed.

Research Questions and Objectives

1. What kinds of demographic, economic, and biophysical variables are most strongly related to rural population change?
2. What recommendations should be made to a community with a declining population based on the results?
3. A zero-growth planning approach seeks to answer how communities:
 - maintain the quality of life over time
 - mitigate negative effects of decline
 - plan for potential futures
 - become more resilient.

Study Communities

Taken from USDA definitions, a “rural” community was defined as (1) any community outside of Weber, Davis, Salt Lake, and Utah Counties; (2) any community less than or equal to 10,000 people and; (3) at least 20 miles from an urban center as defined by census designated core based statistical areas (CBSA).

Data

Data for this analysis was obtained from a variety of sources. The community was the unit of analysis and all incorporated rural Utah communities with available data on all determined variables were included in the sample of data analysis (n=116).

Indices

A composite or index for each category (population, economic, and amenity-related variables) was created in order to compare data of various units and magnitudes . Individual variables were analyzed later.

Z-score was calculated by subtracting the mean from each examined data point and dividing that figure by the standard deviation . An Index was then created by combining the Z-scores in Excel based on the variables within each index category.

Variables

1. Population Variables

- a. The population classified variables included birth rates, based on American Community Survey (ACS) 5-year estimates, as well as ACS 2009 actual rates, and age divisions operationalized as the percent of the population classified as children (0–19 yrs.), labor force (20–59 yrs.), and retirees (60 yrs.+).
- b. The initial population index included each of these variables as well as 10-year percent population change (2000–2010) and 14-year percent population change estimates (2000–2014) for each community.

2. Economic Variables

- a. Economic classified variables included trends (percent increase or decrease) in median income, median home value, unemployment rate, and poverty rate (based on census definitions). Additionally, economic diversity was analyzed using a community-level Hachman Index (see figure 4).
- b. In creating a community level Hachman Index, each community was used as the subject region and Utah was used as the reference region against which employment distribution was compared. Confining the geographic scale to Utah made sense relative to the make-up of local economies. The Hachman Index was used as both a variable component of the economic index, as well as a separate index.
- c. Number of large employers (50+ employees) was used as a separate variable to test whether large employers have an effect on population growth. Finally, educational attainment, measured as the percent of the population with a bachelor's degree or higher, was included.

3. Natural Amenity Variables

- a. The community-level natural amenity scale that was developed to be more relevant to Utah's unique environment and local amenities (see figure 5). Natural amenity-related variables were included based on data availability, relevance, and recommendations by McGranahan (1999), Albrecht (2010), and Ganning and Flint (2010). The Utah AGRC and GIS analysis were the main resources for geospatial data collection. Natural amenity-based variables included:
 - i. Climate-related variables including average January low and average July high temperatures, annual snowfall in inches, number of sunny days per year, and comfort index rating (based on afternoon temperature and humidity). The comfort index was used in place of humidity since community-specific humidity data was inaccessible.
 - ii. Topographic variation measured as the difference in elevation within a 10-mile radius.
 - iii. Area in open water within a 1-mile radius.
 - iv. Area owned by the U.S. Forest Service within a 10-mile radius.
 - v. Recreation potential based on proximity to a National park, State Park, and/or National Monument.
 - vi. Recreational opportunities within a 10-mile radius including total number of ski resorts, golf course, trailheads, parks, boat launches, and campsites.

4. Community Amenity Variables

- a. In addition to natural-amenity related variables, data was collected for a variety of non-natural amenities classified as community-amenities or local services. Community-amenities were included based on the hypothesis that proximity to and availability of services is positively correlated with population growth.
- b. The variables were postulated and compiled by members of the Rural Planning Group (see figure 6). Buffer distances (mile radius) for both natural and community-amenity variables

was based off of recommendations by Ganning and Flint (2010), emergency response times, commute distances, and best judgment . Data accuracy and availability were important considerations and adaptations were made to fit the scale of this project . Community amenity variables included:

- i. Health Care Services including medical centers (within a 10-mile radius) and hospitals (within a 30-mile radius).
- ii. Cultural Services as the number of libraries, museums, movie theaters, and places of worship within city limits.
- iii. Educational Services as the number of schools (K-12) and higher education facilities within a 10mile radius.
- iv. Civic Services as the number of fire and police stations, Emergency Medical Services (EMS) and community centers within city limits.
- v. Food services as the number of grocery stores and restaurants
- vi. Financial Services as the number of banks within city limits.
- vii. Gas Stations within city limits
- viii. Proximity to a Highway determined whether a state highway was within 5 or 10 miles from city limits.

Analysis of Indices

1. Method 1: Hotspot Analysis (n=160)

- a. The Getis Ord-Gi hotspot tool was used to determine statistically significant clusters of positive and negative scores . First, a hotspot analysis was performed on percent population change between 2000-2010 and then population estimates between 2000-2014. This method determined where population decline “hotspots” had occurred between 2000-2010 and 2000-2014 estimates based on percent population change.
- b. These preliminary population change hotspot maps were then compared against a hotspot analysis of each additional index as well as the “total” index . This method was used to provide a quick assessment of the visual relationships between the variables (indices) and percent population change and to determine clusters of high and low scores

2. Method 2: Regression Models (n=116)

- a. After the initial hotspot analysis, linear regression modeling was used to determine the significance of the relationship between population change and each index (see figure 10). Additionally, the population, economic, and amenity indices were combined into a “total” index which was also tested . Modeling was done using Microsoft Excel where each index was tested against percent population change (2000-2010 and 2000-2014) . Significance was determined from R-score, F Significance, and a P-score values less than .05 or within the 95th percentile.

Analysis of Variables

1. Regression Models

- a. Final variable tests were done in three phases, maintaining 2000-2010 percent population change as the dependent variable.
 - i. Separate, category-based regression models
 - ii. Top 3 variables from each category (based on lowest p-scores)
 - iii. Only statistically significant variables
- b. For reasons outlined, it did not make sense to determine which variables were most significant within the population category since each variable was already correlated . Between the three age divisions, (children, labor force, and retirees) the labor force (20-59) age division improved overall statistical significance of the model the most . For this reason, the labor force age division was included in the final regression tests.
- c. The top three variables from each category were tested followed by a final model that tested only statistically significant variables.

APPENDIX C: RESEARCH CHALLENGES

Reliable community specific data, especially for small rural areas, is not readily available. To overcome that hurdle, Rural Planning Group had to make adaptations in some cases. For example, the comfort index, a composite of summer afternoon temperature and humidity, was used as a substitute to measure humidity because humidity data by itself was not readily available at the local level. Other adaptations included limiting the time covered by the data. For instance, birth rate trends were limited to the years 2000-2006 and data was not available after that time. Statistical failings may account for other errors. Given the limitations of data and exceptionally small populations involved, margins of error can be greater than estimates. For example, those with dramatically increasing birth rates may be the result of skewed data and an aging or decreasing population (e.g., Lyman, pop. 251 (2014)). The city of Lyman, Utah went from 10 births per 1000 in 2009 to 200 per 1000 in 2014; during that same period, Lyman's population was slowly declining and aging, going from 1 birth (± 4) in a population of 103 women (± 39) of childbearing age to 13 births (± 16) in a childbearing population of 65 (± 30).

Geographic data also presented limitations since many data points were precise locations within a small radius. The accuracy and precision of these data points, such as campgrounds and local parks, were affected by the availability of high resolution elevation data. It was also difficult to establish appropriate metrics for some of the biophysical variables such as topographic variation. Measuring topographic variation as the difference between the highest and lowest elevation points within a 10-mile radius may not capture the value of topographic variation as a community specific natural amenity. Future research is needed to establish a methodology for determining appropriate place-based metrics.

Variation in population size is another factor that may need to be considered in future studies. For example, it is hard to explain why the number of churches within a community would be negatively correlated with population change until you look at the population size of the communities. A negative 1% population change for a town of 10,000 is very different from a town of 100. The town of 10,000 would likely have more churches already built than the town of 100. In this way, negative population change in larger communities would show seemingly odd correlations between certain variables such as churches or schools. Future studies should account for variations in population size in order better understand the relationship between specific variables.

Additionally, some variables were found to be unreliable indicators. For example, proximity to higher education showed a negative correlation when evidence suggests that the opposite should be true. Upon reviewing the data, it was found that only three large colleges fall within the study area and that technology schools and extension offices make up the rest of the sample. It is likely that tech schools and extension offices do not have the same effect as larger colleges and universities on population growth, possibly reflected by the negative correlation.

APPENDIX D: PERCEPTION

Communities interested in improving current internal and external perception should consider the following process and tailor it to their individual desires and circumstances:

1. Work to make your town a wonderful place for residents. They are your ambassadors.
2. Meet as a community to discuss and define your community's unique assets and experiences. Identify possibilities where your town could realistically create new, unique experiences. Think of ways to leverage current unique amenities. Could that tall bluff make a great paragliding launch? Can the old windmill be turned into a water feature for the park? Ensure these are realistic and tailored to your community vision.
3. Identify areas where your town can improve. Frequently, towns simply need to support compliance with their nuisance laws and clean up junk-filled yards and weed public right-of-ways. Simple cosmetic changes to abandoned buildings can help them look more inviting (curtains, yard maintenance, etc.).
4. Identify how you will express these unique assets and experiences. Every town says they are charming, quaint, and friendly—your town has a warm smile and slice of homemade local apple pie for every visitor. Every town may say they have great outdoor experiences—your town has the most challenging four-wheel trail in Utah. Clearly and specifically identify what makes your town truly special and own it. Recognize that sharing local secrets may result in loss of privacy on trails and around town--there is a price to pay for tourism dollars.
5. Express your town's unique experience in a short, specific, highly descriptive way. Make it unique and representative. Do not say, "A great place to raise a family," or "A great place to live, work, and play." Avoid being a "gateway to" something, unless you truly are the only, best, or most unique town connected to a major regional amenity . As a community, decide on a common vision for your town. Articulate that vision in a clear and concise manner.
6. Write out all the ways your residents interact with their town (e.g. post office, bulletin board at grocery store, or weekly program at church). Identify the main ways the town interacts with people outside it (billboard next to town, Facebook page, Google Maps, or the part of town near the highway).
7. Use these mediums to positively promote the community. Encourage members of your community to positively and realistically express their experiences as well. Particularly challenge youth to authentically engage in the effort. Communicate this with your county and regional economic development representatives. Have a simple, well-designed website that accurately represents and promotes the community.

A county economic development director related the story to one of this report's authors about a major retailer wanting to locate in a region. In one small town, after the retail representative met with public officials who extolled the virtues of the community, he talked informally with some residents at a restaurant. All the residents expressed only the worst aspects of their experience in the community. The company located in a neighboring town on the recommendation of the representative.

APPENDIX E: MAP METHODOLOGY

Data Sources:

U.S. Census
American Community Survey (ACS)
North American Industry Classification System (NAICS)
City-stats.org
Utah Department of Heritage and Arts
Utah Automated Geographic Reference Center (AGRC)

Datasets Analyzed:

2000-2010 population change
2000-2014 population change
Population Index
Economic Index
Natural Amenity Index
Community Amenity Index
Gravity Index
Financial Index
Total/ composite Index

Hotspot Map Methodology

Population data and index data were joined with the corresponding rural city location in ArcMap using the cities/town locations point feature from the Utah AGRC . The cities/town location point feature was used as the *input feature class* and each population dataset and index dataset were used as an *input fields* for each hotspot map.

Conceptualization of spatial relationships was done by using the fixed distance band which analyzes features within the context of other neighboring features. The distance band was left blank in order for a default distance to be calculated to ensure that every feature had at least one neighbor. Euclidean distance was used as the distance method.

Inverse Weighted Distance Methodology

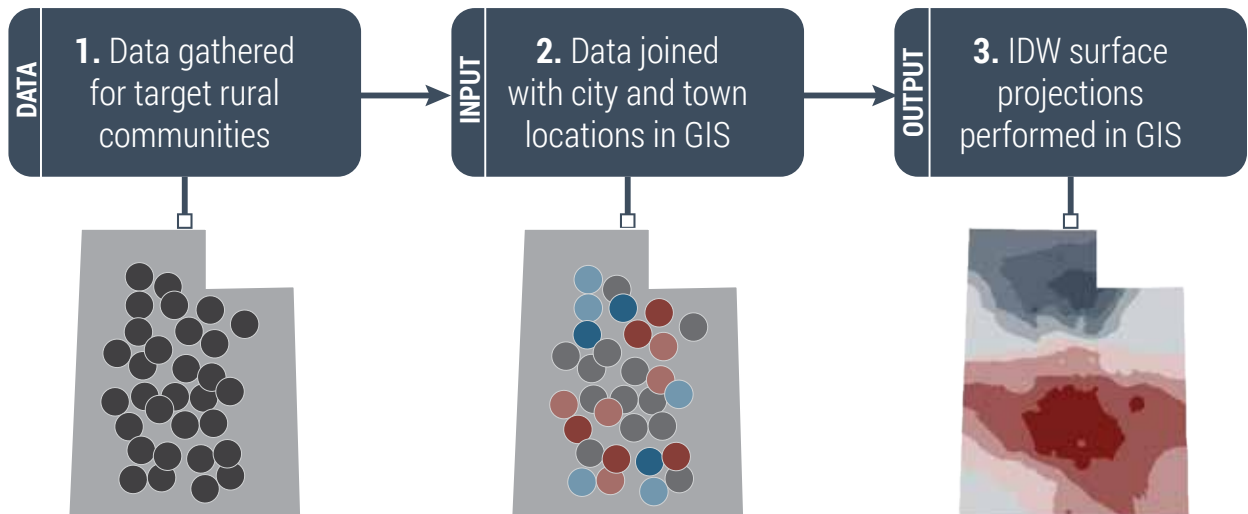
In addition to the hotspot analysis, the inverse distance weighted (IDW) technique was performed on each population and index dataset. The IDW spatial analyst tool constructs a raster surface from point data with interpolation results based on neighboring features. This method assumes that the variable being mapped decreases in influence with distance, meaning that the influence of zero growth factors from city to city decreases with distance (pro.arcgis.com).

The *input feature* was the cities/town location point data and the population and index datasets were used as the *Z value fields*. A mask environment was set to the county shapefile outline. The symbolology classification for each IDW map uses the Jenks natural breaks classification system.

HOTSPOT ANALYSIS



IDW SURFACE PROJECTIONS





*The Rural Planning Group is a program of the Housing and Community Development
Division, part of the Utah Department of Workforce Services.*

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APR 2017