5.2 Community Feasibility Assessment

Knowing the Community

Previously we discussed the various types of sites that are available. Each type of site listed has not only physical requirements uniquely its own but also operational demands unique to each category. For example, the location factors for a retail outlet center are different from those for an industrial manufacturing firm. An outlet center will seek sites near major population centers within a region to increase the number of potential shoppers willing to travel to the center. To ease the travel for the desired shoppers and to increase visibility of the center for traffic passing by, outlet retail centers will seek locations adjacent to interstate highways. Industrial firms are also interested in interstate highway use but do not need to be adjacent to the interstate. Usually they will be content within a ten-mile radius of the interstate. In addition, industrial firms do not need to be near major population centers to attract customers. Their need is to be near the quality of life amenities demanded by the particular workforce necessary for the firm to produce a quality product. A rural community two hundred miles from a major population center with access only through winding narrow two-lane roads would not compete very well for an outlet retail center. Of course, the day may come when that same rural community is able to compete for an outlet retail center, but it may be many years before a four-lane highway is constructed near the community and even more before it is near a major population center. By the time all that happens the owner of the development site will have lost interest and given up on the idea. It is not in the best interest of a community to try and re-create the economic personality of a neighboring community, no matter how economically secure that community may be. Instead, it is much wiser for a community to access its own economic uniqueness and to capitalize on the corresponding potential.

To discover its economic uniqueness a community needs to begin by getting to know itself. Individual members of a community assume they know the community, but their awareness is usually tempered by their daily experiences and the awareness of limited community data necessary related to their particular activity. What is needed, however, is a composite picture, which can only be obtained through the involvement of numerous residents, agencies, businesses, organizations and political jurisdictions. Each community has a great deal of current data and public opinion the community needs to acknowledge to begin the process of site development. Each community will also need to seek additional information through new inquiries such as surveys and focus-group sessions. The list contained in Exhibit B (see Other Sources at the end of this module) is suggested as a minimum database for assessing a community’s economic personality.

The gathering, dissemination, review, and discussion of this information will help a community get to know itself and establish its unique economic personality. The difficult part is to accept what the information says. A community may not like what the information says about our community, but neutral site-selection representatives will use this same information to determine the appropriateness of a community for their projects. If local leaders wish to increase the potential for successfully developing a site, they too must listen to the information gathered and create a site which meets the needs of the particular firm ideally suited to succeed within the community. Both the ability to understand the potential of the community and finding access to information will be enhanced by including various partners in the review process.

Putting Together a Task Force: Who Should be Involved?

For many communities a quick and simple solution to determining who should be involved in assessing, planning and creating a development site is turning to the people who are going to cover the costs. Often communities retain a professional development organization to bring to community officials a plan for site development. When communities do this, community officials see their role as ensuring that the plan meets the various requirements of site development created by the community. These same officials have shifted the burden of financial risk away from the residents of the community to a knowledgeable professional organization. This is indeed a reasonable method to use for site development, but it may be premature at this stage of the process. Sometimes, like our example indicates, individuals interested in
creating a development site (Site Initiators) may be the same persons who are going to finance the effort. In other circumstances these individuals may be community leaders who feel there is a need for the creation of development sites. Regardless of who the initiators are, a development strategy must involve the various organizations needed to make a long-term project successful because the community's decision will affect not only the community in general, but also each independent organization's future. After all, what is being developed is a project that will be part of the community for decades. Surely the community is not seeking companies that will exist on the site for a few years and leave. Likewise a business is not seeking a site within a community where it will only operate for a year or two. It is not unrealistic to imagine that firms locating on a site will operate there for fifty or more years. And even if there is turnover of firms on the site, the location will continue to be part of the community's personality long beyond any individual firm's absence.

Therefore, a task force should be created to manage the process of completing the feasibility study, moving through engineering the site and developing a marketing strategy. Numerous other actors need to participate in each stage of the process on a short-term basis dependent upon their particular expertise. The task force's role is to manage the process by gathering information, bringing the information obtained to the organizations each member of the task force represents, communicating to the task force as a whole reactions obtained, making the final decisions necessary to move the project forward, and finally, physically completing site development.

Individual members of the task force should represent organizations whose acceptance of the site-development effort is crucial to the successful operation of the site. Of course the particular makeup of any community's task force will be unique. As a start, however, the following organizations should be represented:

- An elected official from the affected political jurisdictions where the proposed site will be located
- The local economic development office
- Representatives from area utility companies actively promoting sites
- The local engineer (may be county, municipality or contracted firm)
- Planning organizations with jurisdiction over the project
- Local business organization such as chamber of commerce
- Local employment agency (may be public or private)
- Representatives from affected neighborhood groups

There will also be technical expertise required at various stages of the process. For example, while a particular utility organization that does not promote site development would not be a member of the task force, it will be involved for short periods in the process. A case in point may be a municipal water department that will be needed to generate ideas and review decisions regarding water usage.

A helpful approach that the task force could employ to complete the feasibility study is to encourage a collaborative technique. Basically, a collaborative technique is based on the belief that the persons or organizations who have authority to make the final decision, are affected by the final decision, or can block the implementation of a final decision should be included in the planning stage of a development project. Including people and organizations at the beginning of the process will help them recognize more quickly that they are involved in the design of the project. This early recognition should lead to an easier acceptance of the process. A collaborative technique involves gathering information, listening for reactions, seeking alternatives and performing evaluations so the task force can make a final decision.

Put into operation, the collaborative technique requires the task force to check with appropriate individuals and organizations before moving forward. This plan-and-check-for-reactions method begins when the initial task force designs the process for developing an industrial site. After the task force discusses some ideas, individual task-force members take these ideas to the organizations and groups they represent and other groups or individuals whose acceptance of the project is needed. Each task force member gathers reactions and brings this information to the next gathering of the entire task force
so the process designed can be adjusted to meet the requirements for participation and acceptance by key individuals and groups. The task force may need to go out again and gather more reactions before finalizing the design process for the site project. Likewise, the task force uses the same method when it works though the educational, analysis, idea generation, evaluation of ideas and decision-making phases of the site-development project. The task force may also at times contact individuals and organizations for thoughts even before the task force designs a particular phase of the collaborative process. It is also appropriate to bring particular individuals into task-force meetings to actively participate with task-force members in the creation of each phase of the process.

Critics of a collaborative technique may raise the issue that going to so many individuals and groups throughout the development of a site will lengthen the time it takes to get to construction. Fortunately, the opposite is true. The collaborative technique actually leads to earlier implementation of a project than linear-planning processes. Linear-planning processes focus on the solution to a problem rather than agreement on the problem itself. Using the linear process, task forces move quickly through the planning phases of a project. A collaborative technique takes more time in the planning phase because of the inclusion of all appropriate people and groups. However, a collaborative technique makes up time because a demanding process is not needed to sell the ideas to those whose approval is required for adoption of the plan. Take, for example, a development corporation that purchases a piece of land as an industrial site recognizing that there is the need to obtain a zoning change. This corporation has spoken with the local development and zoning offices, plus a few municipal council members, and it feels fairly secure that the change will be granted. But the zoning change process requires opportunity for neighboring property owners to react in a public hearing process to the zoning change. Since no one has bothered to discuss the project with these neighbors, everyone is surprised when a few of these neighbors bitterly disagree with the need for the zoning change because they have discovered that the community does not have enough excess water capacity to meet the project's needs. They may even disagree bitterly enough to take a decision made by the zoning board and council to a courtroom setting, thereby lengthening the adoption of this project. This difficulty could have been avoided if someone had included the water department and adjacent landowners in the planning phase of this project. Including all affected parties in the design of this site development from the beginning would have increased the potential for ownership of the project. Even if the development corporation solves the water issue, it still has lengthened the time required to reach the implementation phase of this project. People must agree on the problem before they can agree on the solution. Collaborative techniques encourage such agreement because issues are problem-focused instead of solution-focused.

**Setting Goals and Objectives: The Task Force at Work**

"What this community needs is more industry so people have money to spend with the downtown merchants," says the owner of the local hardware store. "People are tired of driving to Center City to get new appliances," says the town mayor. "What we need is a shopping center so we can attract an appliance dealer." "I am concerned by the youth of this community," adds a minister. "Someone needs to open a recreation center for the youth of this community." "I agree," says the Parent Teacher Association (PTA) President, "and it wouldn't hurt if we also had a theater that ran recent movies instead of those old ones we get in this town." "My father and I have been in this community providing jobs for nearly forty years now and we need better freight centers for shipping our product if we are going to be able to continue to operate in this town" says a local industrialist. "My son and daughter grew up in this town but had to leave because there are not enough jobs for college-educated youth; we need a commerce center so we can attract insurance and banking firms," volunteers a senior citizen. This may be the scenario at a the first task-force meeting on site development.

Each of these people is probably correct about the community needs. An industrial park, a commerce center, retail center and the supporting entertainment activities of a recreation center and theater would enhance the comfort of living in their town. But where does a community start? Which of these activities comes first, or do they all happen at the same time? Each goal seems to foster and depend on the other. Where does a community begin, particularly a community with limited resources that cannot afford to place these resources in an unsuccessful project? Solving such dilemmas is the reason for gathering
information about a community and establishing a representative task force and inclusionary planning process.

As the community works towards setting goals and objects it must begin by analyzing the information gathered about the community and comparing this information to the requirements for each of the types of sites listed previously in this document. By matching the community’s economic personality to the type of site requirements listed, the question of where to begin will be resolved. The community wants to make sure it can meet the minimum requirements of a particular type of business before embarking on costly site-development investments. Very few communities in this world will be able to meet the needs of a particular type of site without further investment of valuable resources. It is most likely true that any community can establish an attractive industrial park. But will a community that must build a new water treatment plant, expand roads to interstate standards, add new educational programs in local schools, and provide millions in training incentives to a company ever recapture its investment? Or would this same community be better served by investing in the extension of a service road to a site attractive for retail development that can provide jobs for recent high-school graduates and pay additional sales-tax revenues to the county general fund? Then perhaps the county could dedicate those increased general fund dollars to improvements to the local water-treatment plant and highway expansion. Both of these actions lead to future attractiveness of the community as an industrial site. Communities may well need to make incremental changes that lead to long-range goals and objects. Increasing the potential for success of a site-development project, regardless of the type of development, will lead to long-range acceptance of development efforts because residents and leaders can see success coming from their efforts.

One final effort must be completed by the task force before setting the objective of which type of park to develop: It must discuss and set goals. The words "goal" and "objective" get confusing because people usually use the two interchangeably. A goal is simply the end to which an effort is directed. In our example, a goal would be to provide jobs for high-school graduates. Another goal would be to increase property-tax revenues. A third goal may be to create jobs that provide full-time employment with health benefits.

Once a task force has all its goals established, it can set an objective. The objective is what it will do to achieve its goal(s). If it uses the three goals listed above, the task force may determine that an industrial park targeted toward warehousing operations is the objective.

Let’s continue this discussion by walking through the steps of the community feasibility assessment as outlined thus far. The process begins with a few individuals wanting to create some type of development site for economic enhancement of the community. These individuals establish a development task force. This task force begins determining what type of site to develop by gathering information about the historic and existing community condition. Once compiled and distributed, this information is discussed to obtain an economic personality profile of the community and surrounding region.

From the economic personality profile the community can understand its present economic contribution to the area. Let us imagine a community with the following characteristics based on its economic personality profile:

- Seventy-five percent of high-school graduates do not go on to any post-secondary education
- The local secondary technical training institution has received national recognition for the quality of plastic molding machine operators it graduates. Eighty percent of these graduates leave the community to find employment within their areas of expertise
- The area wage/benefit cost within the manufacturing sector is 90 percent of the state average
- The community is served by freight haulers, which are operating at 82 percent of capacity
- Housing cost in the community is 26 percent below the average statewide cost of a home
- The community has four-lane access within 10 miles of the national interstate system
- Both the water and wastewater systems can increase their daily operations by 42 percent
Electric service to the community has been interrupted in recent months, but the electric provider is willing to upgrade the system by improving substations if a large user is contracted for services. The local property-tax base is 15 percent manufacturing, 40 percent retail, 20 percent agricultural and 25 percent residential.

Based on this information a community, through the development task force, sets the following GOALS:

- Provide employment opportunities for the graduates of plastic molding training
- Support the efforts of the local technical training institution by establishing working partnerships with area employers
- Provide property-tax relief to the retail and agricultural sectors
- Increase wage level within the community

Now the decision remains to set an objective using the various site-development types: commercial, retail and industrial. Based on the goals established by the community, it makes sense to set the development of an industrial manufacturing site as the objective. Since the community has been involved throughout the entire process, these goals and the objective necessary to reach the goals should be much easier to sell to the decision-makers of the community. A side benefit of the decision makers’ acceptance of the goals will be the long-term understanding of what the community is trying to accomplish by this industrial site project. This understanding will most likely mean a continued commitment by the community to the industrial site project, which will certainly impress firms that may want to locate on the site.

### FEASIBILITY STUDY STEPS

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**Site Availability**

A final step in the community feasibility assessment process is to determine whether there are potential sites available for development. In our example above, while everyone in the community may support the development of an industrial site, their commitment level may change if the site is placed in their neighborhood. Likewise, the selection of a location that conflicts with other goals and objectives held by supporters might also lessen their commitment to the effort. For example, if a large tract of productive farmland is chosen, particularly if it destroys the pastoral beauty of the community, it may cause some individuals who support the project to be forced to choose between competing goals. In the case of using prime farmland for industrial usage, the individual may be forced to choose between his or her support for maintaining the agricultural sector of the local economy and support for increased job opportunities for technical-school graduates. Additionally, the industrial site may create additional off-farm jobs and allow some farm families to continue farming.

At this point the development task force is not finalizing a particular location for a site. A lot more technical information must be gathered before a final location is determined. Instead, the job of the task force is to narrow down the potential locations to the most realistic options. Potential site locations will be nominated for a host of reasons. Maybe the mayor’s brother-in-law is having financial difficulty and needs to sell...
land. Perhaps a leader in the business community speculated on a piece of property thinking that someday an interstate highway was going to come past the location. Or maybe the organization that decades ago developed the last industrial site has a few acres remaining to sell. Of course there will also be numerous folks who just know they can get 10 times the value of their property. What is a community to do with so many interested and influential sellers?

The answer lies in addressing the needs of the buyer, which is, of course, the firm that is ultimately going to locate on the chosen location. But since the community doesn’t know the particular firm, it needs instead to use some guidelines that have a high potential of matching those set by firms seeking a location. The following is a list of guidelines for location selection that a community may want to use to evaluate the potential of proposed locations:

**Zoning:** Is the proposed location properly zoned for its intended use? If not, what is the potential for re-zoning the property to fit the designated use? Even if the property is correctly zoned or could be, does the proposed use fit with the existing uses of neighboring property? For example, even if a location is zoned heavy industry, is it appropriately zoned when all the surrounding parcels are used for retail purposes?

**Topography and Soil Conditions:** Does it appear that the future tenants will not need to do much excavation or site work to make the location suitable? Is the site in a floodplain? Is there some slope to allow for surface drainage of water? What is the soil makeup of the location? Are there sufficient soils to allow for compaction, or will the developer need to haul and replace topsoil?

**Size and Shape:** A rectangular site is preferred based on the particular use since this allows options for laying out building dimensions, parking lots and delivery methods. In addition, the trend has been toward larger firms purchasing larger acreage than the project needs because doing so allows for future expansions as well as creating a well-landscaped site.

**Highway Access and Traffic Patterns:** Is the location close to major transportation routes? Can the firm route its trucks away from residential usage, thereby reducing noise levels for residents? Are there any difficult turns or points of traffic congestion that make it difficult to operate tractor-trailers.

**Utilities:** Are utilities such as water, wastewater, electricity and natural gas available near or at the location? Are the mains serving this location adequate for providing service to the site? What is the per unit users’ cost if competing suppliers are within the community? How is storm drainage to be handled?

**Ownership:** Who owns the location? Is the owner willing to sell, and if so can an option be obtained in order to set the price per acre? Is the price within a fair market value for the particular proposed usage? If the location is being used for agricultural purposes, who pays damages to crops?

**Environmental Concerns:** What was the previous use of the location? Was it used for a purpose that had the potential for environmental contamination (known as a brownfield)? If so this could lead to costly cleanup costs or even denial of financing by financial institutions. Is the location known as a historically significant site? Are there any visible signs of wetlands? Is the site in a floodplain?

These seven factors are very preliminary in nature. Each factor can be reviewed without the assistance of a consultant and will lessen the time spent by a consultant during the next phase of site selection. Remember, the goal in the feasibility study is simply to determine which of the proposed locations have the greatest potential for future development and at what cost. To determine the final location, the community will need to select a consultant to perform technical analysis appropriate to the particular site usage.