

TOO SMALL TO BE BIG

Demographics: A Blessing or a Curse

KLA WHITE PAPER

by Libbie J. Tom and Linda L. Arnold

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Back in October, Linda and I were looking for a place to have dinner and discuss our White Paper project. Like most people in the area, we couldn't make up our minds where to go and wondered..... "why doesn't the community have a wider selection of mid-scale restaurants"? We've all heard the comments - why don't we have a Red Lobster, Applebee's, or Steak & Shake? That brought us to our topic: Are we "TOO SMALL TO BE BIG"? A poll was taken by the Times Union, asking readers to express their opinion on what new restaurants were needed in the area. The result, published in Potpourri early in February substantiated our thoughts. During the course of our research, Shoney's and Mr. R's closed, Viewpoint moved and Ponderosa burned. Contrary to some people's belief, we did not instigate any of these events to validate our white paper.

To begin our research we asked ourselves - 1) what do the national franchise restaurants look for when considering a location in a new community; 2) how does our community measure up to the national criteria, and; 3) what, if any, pro-active approach has been made toward encouraging new restaurant business in our community? To explore these questions, we conducted interviews with former Mayor, (again, not our fault) Jeff Plank; City Planner, Pat Hudson; and local restaurant owner, Bruce Shaffner. These interviews opened our eyes to aspects we had not considered.

According to the 1996 edition of RETAIL LEASE TRAC of INDIANA, national franchise chains such as Red Lobster, Applebee's, and Steak & Shake have definite criteria that must be met by a community prior to the restaurant locating there. The primary element looked at is population. For the sake of argument we will be using Applebee's as a reference throughout our paper. A population of 50,000 within a 3 mile radius of their facility is required for them to consider a new site.

Secondly, they look at the traffic flow patterns in the area. Of course, the more densely populated the area, either industrial or commercial, the more attractive that area becomes to the prospective restaurant. The optimum location is on a highly traveled interstate or main thoroughfare in a city. That's why the fast food restaurants, strip malls and motels all seem to be clustered within one area of the community. Again using our example of Applebee's, they look at a traffic count of 20,000 vehicles in a given time period.

Thirdly, infrastructure is one of the other items the restaurants look at. They naturally want effective, well maintained highways, efficient sewer systems, and reliable utility services.

We think of Kosciusko County as a larger community than our demographics show. The 1994 edition of WOODS & POOLE ECONOMICS put the population of Warsaw at 12,934 and 32,000 people within a five mile radius of the Warsaw city limits. However, chains only consider a population of 50,000 within a three mile radius, which would indicate a shortfall in Warsaw's numbers. In 1996 there were 69,100 people living in the county. This last figure does not include the increase in population experienced in the county during the summer months. If summer population was considered, by Applebee's, it would be a truer representation of our area's potential.

Everyone is very familiar with the traffic flow on US 30 east of Warsaw. Just try to get to the Market Place or Woodland Plaza on a Friday

afternoon. Captain Steve Foster, Traffic Commissioner of the Warsaw Police Department, sites the daily average of vehicles traveling east and west on US 30, between Fox Farm Road and SR 15, as 16,500 and the average number of vehicles between SR 15 and CR 200N as 20,000. With respect to the north and south thoroughfare, the 1995 average count for SR 15 between CR 300N and US 30 was 15,680 for a twelve hour period. Another count showed that on September 11, 1996, a cloudy but dry Thursday, the traffic count at the intersection of N. Detroit Street and Fort Wayne Street was 15,290. These numbers compare favorably with Applebee's requirements.

As we previously stated, infrastructure figures into each chain's evaluation of a perspective site. Our community has advantages in this area because of the present development of tax increment financing (TIF) districts, the extended sewer systems north of Warsaw, and the redevelopment commissions already in place throughout the county. Although the development of US 30E was reactionary, according to City Planner Pat Hudson, there is a more planned development in place for the SR 15 and US 30 bypass area. A restaurant like Applebee's would need to consider the existing infrastructure and the possibility of growth and expansion of the systems. This is another point strongly in favor of this area.

Because sometimes local politicians protect our present businesses by not courting direct competition, and local businesses can protect themselves by purchasing and holding, but not necessarily using, liquor licenses that would be needed to attract facilities such as an Applebee's, it may seem that very little is being done to attract new restaurants or related businesses to the area.

However, let us take a look at some of the recent local developments which would make this evidence contradictory. The recent openings of Oakwood Inn and Brook Pointe in Syracuse are examples of local entrepreneurs foresight for the need of overnight lodging for the many visitors coming into our growing community. Bruce Shaffner shared with us

how Warsaw's new Ramada Inn would be expanding into an entertainment complex with Wagon Wheel and Viewpoint which will, in the near future, generate more business in Warsaw.

Manufacturing, in the north and east sections of the county is also experiencing growth. Maple Leaf Farms is in the process of expanding their current facility in Milford and Pierceton Industrial Park has landed a new business. A capital investment of over \$18M and the creation of more than 100 new jobs are the result of these two projects alone.

This new growth potential has also been seen by business people outside of the area as is evidenced by the newly opened Super 8 property. Holiday Inn Express and Hampton Inn & Suites are negotiating with mid-scale restaurants to locate on or in close proximity to their proposed sites. These businesses along with the restoration and development happening in Winona Lake are all working towards making Kosciusko County and its communities a destination and not a drive through area.

Though our demographics may reflect a shortfall in population numbers, the people traveling through the area, as demonstrated by the traffic patterns indicate the great potential for new customers. The infrastructure in place and being planned for the future is definitely one of our strong points.

In conclusion, the big guys may be overlooking our potential based solely on our demographics while local entrepreneurs have the insight to envision our future.

Former Mayor Plank summed it up when he said..... "Each of us lives in the kind of community we deserve, the kind of place we take the time to protect and create; and every community can display both the vision of Jules Verne and the spirit of Mayberry.

Linda and I agree with the voice from the cornfield - "Build it and they will come."

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