

Silt, Colorado

Area Sector Analysis Process (ASAP) Summary and Implementation Report



Implementing ASAP in Silt, Colorado

1. Introduction

The economic structure of the United States is changing rapidly. As a consequence, the economies of many communities are struggling with limited employment opportunities and stagnant wages, especially for working class, service, and blue-collar jobs. In rural communities, problems are compounded because of declining employment in agriculture, mining, logging, and manufacturing, historically the primary employers of rural Americans. Such is the case with Silt, Colorado. In an effort to assist Silt and other communities with their economic development efforts, the Western Rural Development Center and its partners throughout the western region have developed ASAP (Area Sector Analysis Process), a strategic planning model designed especially for rural communities in the Western United States.

2. ASAP Model

The ASAP model and process has been applied or is in the process of being applied, in over 40 communities in the West, including Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, and Utah.

The ASAP process consists of six modules that are delivered once each month for six months. Module topics are: 1: Introduction and Overview of the ASAP Process; 2: Community Goals and Assets: Acquiring County Data and Surveys; 3: Overview of County Socioeconomic Factors; 4: Presentation and Discussion of ASAP Output (Target Industry Data Report analyzed and discussed); 5: Quantitative Analysis of ASAP Results; 6: Applying ASAP Results to Community Economic Development Efforts.

During the six-module process, community goals are determined through a survey of residents. Community infrastructure, economic, and quality of life assets are also determined. Finally, survey data from over 2,500 businesses from all geographic regions of the country and a wide range of industrial sectors are reviewed to determine what industries need to succeed in a target community or county and what benefits or costs the industry brings to the local community.

The ASAP process then matches community survey and asset input with industry data. The ASAP model helps communities determine industries that are both desirable for local residents and compatible with industry needs. Extensive data and information are provided to the community on industries that are both desirable and compatible and are selected by the steering committee for further research and analysis. Utilizing ASAP output, the ASAP team helps the community team to develop and implement an economic development strategic plan.

3. Survey Results (Desirability)

A goals survey to determine desirability is provided by the ASAP team and implemented by the local steering committee. A total of 111 residents of Silt responded to printed or on-line surveys of economic development preferences and goals. Results are summarized in Tables 1 and 2. Questions are organized around the relative importance of economic, environmental and social quality goals for community residents with recognition that there are trade-offs. For example, extensive economic growth may have environmental and social costs. In Silt, survey respondents placed top priority on "Economic Quality." The individual indicator receiving top priority was "New businesses return profits to the community," a measure of economic quality. Residents also placed

extensive emphasis on “Environmental Quality.” The second, third and fourth individual indicators with highest priority were environmental measures. These included “New businesses do not pollute the water;” “New businesses do not release toxic chemicals into the air;” and “New businesses are in compliance with hazardous waste management regulations.” Other measures of economic quality were also highly ranked (5-7) “New businesses hire locally,” “Every new job generates additional jobs in the community,” and “New businesses buy locally.” These community development choices and preferences comprise a **desirability index**, which is one critical component of the ASAP matching process.

TABLE 1: Community Development Goal Rankings

<i>Goal</i>	<i>Weight</i>	<i>Rank</i>
Economic Quality	42.70%	1
Environmental Quality	37.50%	2
Social Quality	19.90%	3

TABLE 2: Community Development Indicator Rankings

<i>Indicator</i>	<i>Weight</i>	<i>Rank</i>
G1.I1 - Every new job generates additional jobs in the community	7.69%	6
G1.I2 - New businesses return profits to the community	12.51%	1
G1.I3 - New businesses hire locally	8.97%	5
G1.I4 - New businesses buy locally	6.83%	7
G1.I5 - New businesses increase the average local wage	6.75%	8
G2.I1 - New businesses do not pollute the water	10.13%	2
G2.I2 - New businesses do not release toxic chemicals in the air	9.53%	3
G2.I3 - New businesses are in compliance with hazardous waste management	9.45%	4
G2.I4 - New businesses do not emit greenhouse gas	5.14%	10
G2.I5 - New businesses do not develop undeveloped land	3.26%	14
G3.I1 - New businesses increase the local tax base	4.70%	11
G3.I2 - New jobs are full-time	3.64%	13
G3.I3 - New jobs offer benefits (health and/or retirement)	5.51%	9
G3.I4 - New jobs provide training programs	2.37%	15
G3.I5 - New businesses support community activities	3.70%	12
NUMBER OF OBSERVATIONS		111

4. Asset Evaluation Results (Compatibility)

Table 3 identifies community assets that are important and in some cases critical for the operation of businesses and industry in Silt. Factors such as accessibility, available retail and industrial space, cell phone and Internet service, water and power supply are all compared to national standards and evaluated as assets. These assets are then compared to the stated needs of 2,500 businesses and industries. These data become a critical part of a **compatibility index** used to match and target industries with community goals and preferences.

TABLE 3: ASAP Asset Values

Asset	Description	Source	Asset Values			Asset Value Basis	
			Silt, CO	Baseline	Ratio	Silt, CO	Baseline
S1	Local acreage available (private)	CAI	79	---	---		
S2	Local manufacturing space availability (sq ft)	CAI	14,453	---	---		
S3	Local warehouse availability (sq ft)	CAI	31,152	---	---		
S4	Local office space availability (sq ft)	CAI	7,845	---	---		
S5	Local retail space availability (sq ft)	CAI	7,845	---	---		
A1	Access within 30 minutes to interstate	CAI	Yes	---	---		
A2	Access within 30 minutes to package freight	CAI	No	---	---		
A3	Access within 30 minutes to railhead	CAI	Yes	---	---		
A4	Access within 30 minutes to rail freight	CAI	No	---	---		
A5	Access within 30 minutes to passenger air	CAI	No	---	---		
A6	Access within 30 minutes to port/harbor	CAI	No	---	---		
A7	Access within 30 minutes to international port	CAI	No	---	---		
A8	Access to natural gas pipeline	CAI	Yes	---	---		
A9 & A10	Driving miles to metropolitan area population > 50,000	CAI	68	282	24.113%	Grand Junction, CO	Glasgow, MT
A11	3-phase electric	CAI	Yes	---	---		
A12	Fiber optic lines	CAI	Yes	---	---		
A13	High-volume water supply	CAI	Yes	---	---		
A14	High-volume wastewater disposal	CAI	Yes	---	---		
A15	Solid waste disposal	CAI	Yes	---	---		
A16*	Cell phone service	CAI	N/A	N/A	N/A		
A17	Local public transportation	CAI	Yes	---	---		
A18	Expansion site	CAI	No	---	---		
A19	High-speed internet	CAI	Yes	---	---		
A20	% of workforce with college degree or equivalent	CAI	0.302	0.781	38.668%		Falls Church City, VA
A21	% of workforce with HS degree or equivalent	CAI	0.573	0.858	66.783%		Daggett County, UT
A22	% of workforce with less than HS degree	CAI	0.125	0.586	21.331%		Kenedy County, TX
A23	Prevailing yearly wage	CAI	\$ 40,191.00	\$ 75,446.00	53.271%		Los Alamos County, NM
A24	Workers compensation tax rate	CAI	0.014	0.031	46.429%		New York
A25	Business income tax rate	CAI	0.046	0.100	46.346%		Pennsylvania
A26*	Local and state government incentives	CAI	N/A	N/A	N/A		
A27*	Union labor	CAI	N/A	N/A	N/A		
A28	Specialized job training programs (excl. college and univers	CAI	No	---	---		
A29	Short- and long-term financing	CAI	Yes	---	---		
A30*	Business/trade association	CAI	N/A	N/A	N/A		
A31	Crime rate	CAI	0.011	0.081	13.035%		St. Louis, MO
A32	Median home price	CAI	\$ 335,000.00	\$ 1,251,200.00	26.774%		San Jose (et.al), CA MSA
A33	Air and water quality	CGS	72.358	---	---		
A34	Natural ecosystem	CGS	74.151	---	---		
A35	Outdoor recreation opportunities	CGS	70.283	---	---		
A36	Social and cultural opportunities	CGS	48.679	---	---		
A37	Retail shopping opportunities	CGS	31.509	---	---		
A38	Education system (K-12)	CGS	55.481	---	---		
A39	Access within 3 minutes to a college or university	CAI	Yes	---	---		
A40	Health care services	CGS	53.019	---	---		
A41	Public safety services (e.g. police, fire)	CGS	73.048	---	---		

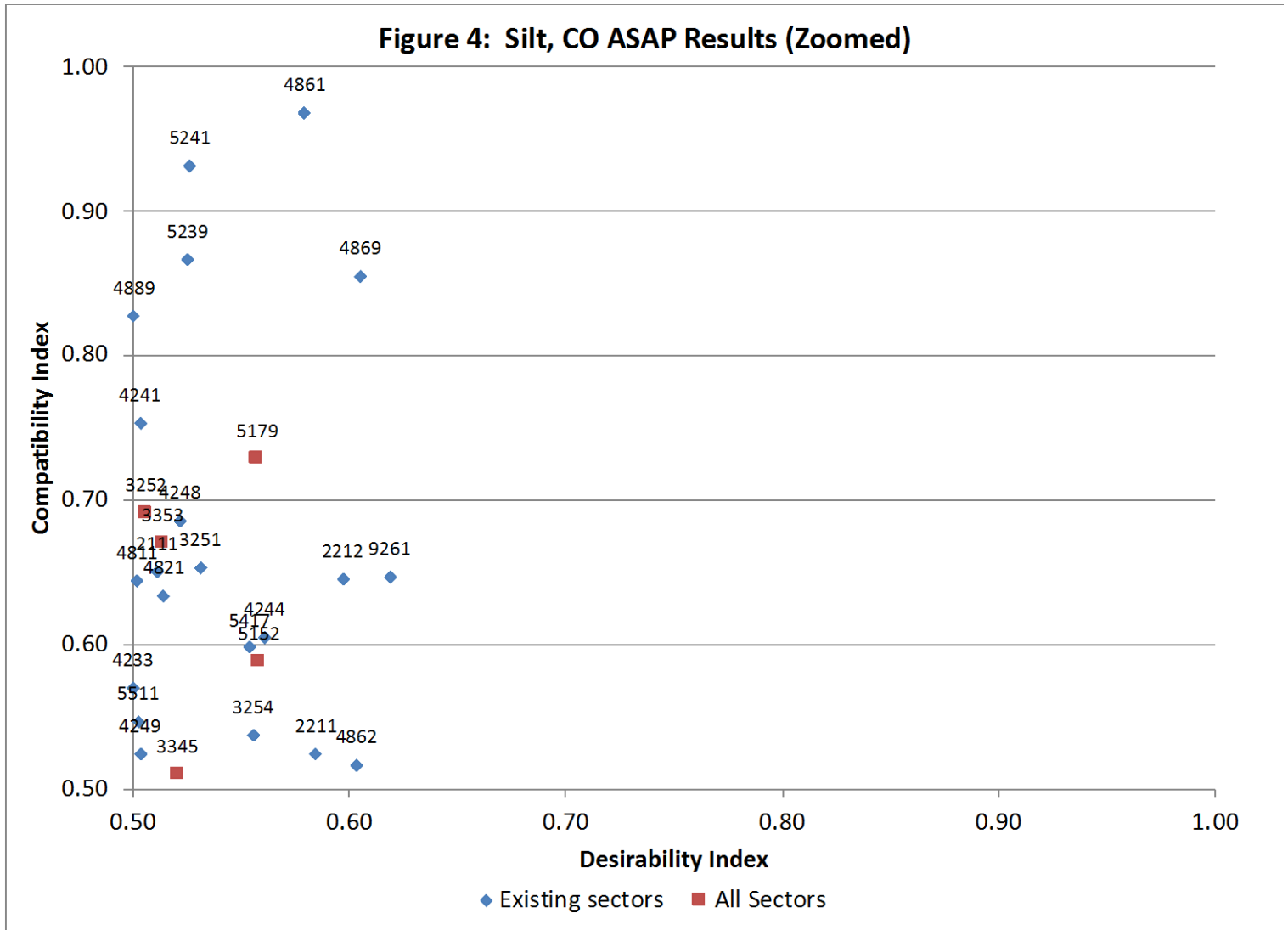
* = Not included in ASAP Model

CAI = Community Asset Inventory - values provided by steering committee; ratio values validated and modified where necessary

CGS = Community Goal Survey - average of all community survey rankings (1=lowest, 10=highest)

5. Target Industry Sectors

The ASAP model develops both a desirability and compatibility score for each industry at the four-digit NAICS level. Results of particular interest are sectors with desirability and compatibility matches greater than 0.5. Industries that are both desirable and compatible are presented on the scatter gram shown in Figure 1. In Silt, there were about 25 sectors that were both desirable and compatible.



After discussion and analysis, the steering committee narrowed the list of targeted sectors to 12. The 12 selected sectors and their rankings are presented in Table 4 and have compatibility matches greater than 0.50.

TABLE 4: High Ranking Selected NAICS Sectors

Rank	NAICS4	Description	Existing Sector	DI	CI
3	1113	Fruit and Tree Nut Farming	X	0.3997	0.9180
8	2212	Natural Gas Distribution	X	0.5970	0.6455
11	3231	Printing	X	0.4255	0.9114
2	4233	Lumber and Other Construction Materials Merchant Wholesalers	X	0.5001	0.5697
1	4244	Grocery and Related Product Merchant Wholesalers	X	0.5608	0.6049
6	4249	Miscellaneous Nondurable Goods Merchant Wholesalers	X	0.5033	0.5247
12	5179	Other Telecommunications		0.5576	0.7293
10	5412	Accounting services	X	0.4136	0.9344
7	5417	Scientific Research and Development Services	X	0.5540	0.5982
9	5617	Buildings/dwelling services	X	0.3585	0.9855
4	6116	Other schools and instruction	X	0.3873	0.9292
5	9261	Administration of Economic Program	X	0.6188	0.6467

The ASAP team then provided additional information on each of these 12 sectors. This includes the number of firms and employees within this sector and the wages paid. Utilizing this information and their knowledge of the community, the steering committee selected three sectors to be the target of future economic development efforts. The three targeted sectors are:

5417 – Scientific Research and Development Services

This sector was found to be both compatible and desirable by the model. The steering committee felt that this sector has considerable potential in Silt. A business of this type has thrived in the community in recent years. Wages paid in this sector are relatively high which would provide benefits to the community. Several factors seem to make Silt a prime community for these types in industries: (1) An Interstate highway passes through Silt, making it easy to transport individuals and products; (2) Many individuals would like to live in Silt. Residents of Silt enjoy the many benefits of rural living such as a lack of the crowding, congestion and pollution common in urban areas. Additionally, residents of Silt are near the mountains and other outstanding amenity and recreational opportunities.

5179 – Other Telecommunications

While some technological developments have eliminated many jobs in rural areas, other technological developments have opened doors for rural areas that previously didn't exist. With modern information and communication technology, it is possible to a person to live in Silt or any other community with sufficient broadband and market their skills and products globally. In the world of today, there numerous jobs where it is not essential for the employee to be in the office on a daily basis since their job is done on the Internet. As noted earlier, many people with such jobs would prefer to live in a rural community with high quality amenities, such as Silt.

There is also a need for Broadband providers to live and have offices on Colorado's West Slope. For example, Rise Broadband has numerous clients on the West Slope, but service providers all live on the Front Range which results

in significant time and travel costs. It would make sense for providers to establish an office and hire providers on the West Slope. Silt has many locational advantages for this office.

6116 – Other Schools and Instructions

In the modern economy, there is significant demand for persons with job skills learned through Trade Schools. There is also a lack of opportunities to learn such skills on the West Slope. Under these circumstances, establishing a Trade School in Silt makes sense.

6. Implementation Strategy – Next Steps

In moving forward, the following steps should be taken:

1. The steering committee will make assignments for members of the committee to contact persons in the various industries and collect additional information. Committee members will report to Jeff Layman on a regular basis.
2. The steering committee should develop a marketing strategy to help targeted persons become aware of Silt and the community's many benefits.
3. The steering committee will work identify potential local, regional, and state partners to help in the development of the implementation strategy.
4. The steering committee should maintain an up-to-date asset inventory. The ASAP Asset Value Table (Table 3) could be used as a guide.
5. The steering committee should utilize existing resources to leverage and inform implementation strategy.
6. The implementation team should consider both short-term and long-term strategies. Short-term strategies are those that will result in immediate economic development. Long-term strategies include infrastructure improvements that will aid future development efforts.
7. When questions arise or whenever it may be helpful, the steering committee is encouraged to contact Don Albrecht of the Western Rural Development Center who has access to the assets of the ASAP team. For example, the ASAP team can provide a list of individual businesses with contact information from various locations.
8. ASAP is more than a business recruitment tool. It should also be used to encourage entrepreneurs to develop industries in the targeted sectors and assist existing businesses to remain in the community and possibly expand. Strategies for this include:
 - a. Providing technical assistance to existing firms and new start-ups and building and facilitating networking opportunities.
 - b. Provide an inventory of resources/services available to entrepreneurs.
 - c. Develop a coding program in schools and/or community program.

8. ASAP Contacts

Don Albrecht

Director

Western Rural Development Center

Utah State University

4880 Old Main Hill

Logan UT 84322-4880

Tel: 435-797-9731

Email: don.albrecht@usu.edu