

"Micropolitan" America's Place in the Location Decision



Area Development Site and Facility Planning

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"Micros," which tend to have healthy economies, are attracting businesses of all types with their ample, qualified labor and enviable quality of life.

Have you heard the latest buzzword, "micropolitan"? It's not a hip designer drink, but rather a relatively new Census category with a cool name. It describes those generally overlooked small towns that countless companies are now including in their site selection searches.

The U.S. Office of Management and Budget introduced the micropolitan (or "micro") term in June 2003. seems the Feds needed a new moniker for locales filling the gap between the well-known "metro" and "rural" categories with America's rapidly changing demographics. Specifically, a micro has a "concentrated" population of at least 10,000 but less than 50,000; one or more counties with a core urban area, and - in government speak - a high degree of "social and economic integration." Its central city, for the most part, is typically a modest-sized town.

Although America's 577 micros may not all have a Starbucks (yet), it doesn't mean they're sleepy environments. Truth is, chances are good many soon could be landing nice-sized manufacturing facilities or retail stores that typically locate in metros. Why all the attention? Research shows these locales tend to have healthy economies that attract businesses of all types, employees, local shoppers, and visitors. That may explain why 1 in 10 Americans - almost 30 million potential customers - are thought to live in micros.

KEY FINDINGS

To understand micros better, first let's look at metros - those 361 areas defined as having 50,000 or more residents. The U.S. Census Bureau recognizes 50 "big" metro

areas with more than one million people; they are home to almost 75 percent of the U.S. population and have key transportation infrastructure as well.

While metros may have large centers surrounded by little additional population, according to Robert Lang, "Micros can be populous regions without big centers." In fact, hundreds of micros have larger populations than metros because, although they have at least one center city with less than 50,000 residents, they also have thousands more people living in close proximity.

Lang, the "father" of micropolitan research, wrote the groundbreaking 2004 research report "Micropolitan America: A Brand New Geography" for the Metropolitan Institute at Virginia Tech (MIVT) in Alexandria, Va. He is the founding director of the Urban Research Institute (part of the school's College of Architecture and Urban Studies).

"The designation of micros addresses a longstanding concern among rural advocates that many smaller - although important - cities fall below the Census's [metro] area category," reports Lang. As a result, he believes one major new policy implication is that now formally "non-metro" places can apply for metro-based federal and state aid. He also predicts micros "will form organizations and partnerships to better understand their conditions and lobby for improvements" in the years to come.

At the time of publication, Lang's landmark report revealed several key findings about micros, as follows:

- * For the first time in America's history, as of the year 2000 rural areas covered less than half of the continental U.S.

- * Micros account for more than a fifth of all U.S. counties. There are at least 77 two-county micros, 17 three-county micros, and 2 four-county micros.

- * Micro and metro areas "substantially overlap," as the most populous micro area outranks the smallest 103 metro areas.

- * Micros are not identical small towns, but rather can have extremely different personalities just as big cities do.

Areas that don't rate the micro label because they have less than 10,000 residents are now considered "deeply rural," notes Lang. "Most of these places are in the West and are dominated by public land holdings, including military lands, national parks, and Indian reservations." The majority of them, he adds, "continue to suffer from depopulation and distress, as they rely on such industries as agriculture and resource

extraction."

MICRO DIVISIONS

If specified criteria are met, a metro containing an urban core with a population of 2.5 million or more can be subdivided into smaller units called metropolitan divisions. Eleven metros (Boston, Chicago, Dallas, Detroit, Los Angeles, Miami, New York City, Philadelphia, San Francisco, Seattle, and Washington, D.C.) have a combined 29 metro divisions.

Like metros, micros also can be easily subdivided into categories, as Lang does neatly in his analysis report. For example, those identified by population size are dubbed "mini-metros" and "Smallvilles." The former are more like medium metros (e.g., Hilton Head, N.C., pop. 141,615), while the latter are the least-populated micros (e.g., Spirit Lake, Iowa, pop. 16,424).

Lang calls fast-growing micros "Boomtowns" (e.g., Palm Coast, Fla., which increased population 73 percent from 1990 to 2000). "Most...are in the shadows of big, booming metropolitan areas such as Las Vegas, Jacksonville, and Denver," he reports. In contrast, "Dwindlevilles" are experiencing the fastest population loss. They are almost entirely in the South, and many are far away from metros. For example, Pecos, Texas, (pop. 13,137) is 328 miles from San Antonio, while Marquette, Mich., (pop. 64,634) is 227 miles from Milwaukee.

"Nearburgs" are extensions of peripheral metro development, notes Lang, "which even in the Rust Belt often translates into fast population gains at the edge." These would include Marion, Ohio - just 36 miles from Columbus - and Batavia, N.Y. - only 32 miles from Rochester. They are not prone to be in the West.

Interestingly, the top 10 most remote micros - called "Lonesometowns" are west of the 98th meridian line, or in the Midwest's Great Plains region. Havre, Mon., (pop. 16,673) sits 557 miles from Seattle; and Roswell, N.M., is 418 miles from Denver.

ATTRACTION OF MICROS

"The real advantage to a micro is the quality of life in the community," asserts John DeLille, executive director of the Development Corporation of Snyder, Texas - a "Smallville" with 16,361 residents. Another plus, he says, is the town's ability to react quickly to resolve problems "because we all know each other. Also, we can affect the quality of our labor force and get people trained faster than a metro area can."

Snyder, a cotton-growing area, is home to a 300-acre industrial park in an Enterprise

Zone supported by a development corporation funded by state sales tax. An anchor tenant is a Belgium-based cotton manufacturing plant whose yarn is woven into such items as designer jeans. The county has a labor pool of around 7,000 and, according to manufacturing employers, workers can be found here who are trainable with a good work ethic. In addition, the community offers a training center with distance learning, video conferencing, and computer training capability at its community college, Western Texas College.

Thanks to technology, "the old reasons for not locating in a rural areas the inability to easily get consumer goods and information - are going away," says DeLille, pointing out how the Internet provides instant communications and a portal for buying products of all kinds. "We're just an hour from major shopping centers, and that's not a problem [for residents]," adds DeLille.

The end result: Rural areas are less remote than ever before, and now wide open for new businesses.

"The challenge for micros is how to make themselves ready and able to attract today's businesses and newer technologies, but still retain the flavor and positive aspects of a smaller community," says David Claborn, president of Marion Can Do! - the economic development organization of Marion County, Ohio.

Located about 36 miles from Columbus, this "Nearburg" micro has 67,000 county residents and 38,000 residents in the City of Marion. It offers an ample and qualified work force, shovel-ready sites in modern industrial settings, and well-appointed industrial and office buildings. The 1.3 million-square-foot, 186-acre Marion Industrial Center is one of three industrial centers serving small, medium, and large employers. "What's happening here, especially in Ohio, is that we're still manufacturing-focused but we're seeing more hightech projects coming in with 200 workers as opposed to the older manufacturing models with 2,500 workers," Claborn explains

Claborn has noticed an uptick in economic development activity in micros and muses that it may be because many larger communities have "filled up and become more expensive.. ..Marion is big enough to have the amenities people want and need, with land at a half or a third of the price, and a more agrarian work ethic with a 'can-do' attitude," he says.

Micros are not really suburbs, he continues, but rather genuine cohesive communities. "Everybody shows up at the same Friday night football game, and you meet the same people at church and the cinema. I find those kind of community

connections happening much more here than in a traditional suburban setting. There's just more of a historical flavor, too. Marion, for example, is a town that's been around since the early 19th century." Another plus is the short five-minute commute from his home to downtown. All this adds up to an attractive quality of life, Claborn says, that allows people to spend more real and quality time with family and friends.

RETAIL & MANUFACTURING MECCAS?

So what kinds of companies are drawn toward micros?

"Retail is paying a lot of attention, particularly the larger national chains," notes George Whalin, chief executive of Retail Management Consultants in San Marcos, Calif. His company serves retail companies and industry suppliers throughout North America. The consultant says retailers in the United States open between 4,000 to 6,000 new major stores a year. "It's a significant number... [Retailers] always have people scouring the country looking for new places to build stores, and micros offer new opportunities. That's where the growth is.. .The consumers are there, and they have significant household income."

The "explosion" of new retail stores being built in micros began in the late 1990s, continues Whalin, who predicts there will be many more of them to follow in the years to come. Part of the growth, he says, will be due to an emerging societal phenomenon whereby well-educated, well-employed people are moving out of cities. "A lot of these folks want a lot more than what's there in the communities, so they're 'growing' those small towns by adding amenities that will support the educated, discerning customer."

According to Jacqueline Byers, director of research for the National Association of Counties, "A lot of companies - especially foreign manufacturers and businesses" - are drawn to the small-town atmosphere and urban amenities found in the typical micro community. Many of these firms locate in unincorporated or bedroom communities, she adds, "which imply a certain level of income." As the awareness of them becomes more widespread, she predicts micros will become more popular as centers of commerce as well as living.

Both the National Association of Manufacturers and The National Council for Advanced Manufacturing (NACFAM) have not yet conducted formal research on how manufacturing and micros are inter-related. But, based on conversations with personnel at both organizations, the topic is one that may be pursued in the future.

Paul Fowler, NACFAM's research director, says academic studies show most R&D facilities are situated next to strong research universities, which are found mainly in

metro areas. "But when you're talking about the location of manufacturing facilities, that's difficult to say [if they are locating to micro areas).... It's an interesting subject, as locational factors are very important to us."

Fowler says the ability to find qualified skilled employees is a serious problem for many of his organization's members, comprised mainly of automotive, defense, and aerospace firms. For that reason alone, he'd particularly like to see research done on which micros have access to well-trained, quality workers, and what kind of industry clusters are forming in and around these areas.

MICRO "DREAMTOWNS"

Information about micros and their unique lifestyle characteristics has not been readily available until this year when Bizjournals conducted research to identify the country's "most attractive" micros. (Bizjournals is the media division of American City Business Journals, and operates the websites for the company's 41 print business journals.)

The project was undertaken, according to the report, due to "growing public interest in small-town life" and the business opportunities it offers. Researchers used 12 indicators to rate the quality of life in each of the 577 U.S. micros (e.g., growth in population, income, and small businesses; percentage of college/advanced degrees; affordable housing, etc.).

The top-10 outstanding communities were labeled "Dreamtowns." Seven of the "Dreamtowns" are located in the West, with the first-place position reserved for Bozeman, Mont. Among its attributes: Over the past five years the number of small businesses here increased nearly 28 percent, and 41 percent of its residents have bachelor's degrees, thanks mainly to local Montana State University. The winners' circle also includes Jackson, Wyo.; Durango, CoL; Easton, Md.; Laramie, Wyo.; Edwards, CoL; Kill Devil Hills, N.C.; Pierre, S.D.; Silverthorne, Col.; and Los Alamos, N.M.

Successful micro areas are performing a good job of seeking out businesses that mesh with their individual community strengths. They're also working well with local and state governments to implement targeted work force training and to plan for diversified growth and expansion to combat any unexpected employment losses. Clearly, any company now engaged in a site selection would be wise to consider the advantages of a micro locale in the diverse mix of variables.

Note: Population figures are based on year 2000 Census data.

[Sidebar]

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