



 **3Dogs Nexus**

**WE DON'T MAKE YOUR DECISIONS.
WE MAKE THEM BETTER.**

 DISCOVERY Understand the Problem	 NEXUS Evaluate the Options	 EVOLUTION Improve the Outcome
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BETTER QUESTIONS. BETTER DECISIONS. BETTER OUTCOMES.

DECISION ANALYSIS

Whether to commission a market feasibility study before committing \$400,000-\$900,000 in incentive/TIF-style funding to attract a grocery operator, and the optimal sequencing of this process.

Case 2026-9404 | July 23, 2026

● PROCEED IMMEDIATELY

"Partner first--test operator interest before funding any study, then co-invest in a targeted feasibility analysis with a committed bidder."

Selected strategy: Hybrid approach: Light outreach to gauge operator interest, followed by a joint study with a serious bidder

Moderate confidence · 11-analyst panel: 11 proceed-with-conditions

BOTTOM LINE

The numbers support moving forward, but only if you test the water first. Other mid-sized cities like Edenton and Waco built successful downtown grocery stores by starting small--checking whether shoppers will actually show up...

The one thing to get right: Operator appetite uncertainty (no committed bidders).

ANALYSIS EFFORT | 156 API calls · 12 AI models · 2m 47s run time

HOW THE 11-ANALYST PANEL VOTED: 11 proceed-with-conditions

BEFORE YOU PROCEED, COMPLETE THESE:

A. IMMEDIATE REQUIREMENTS

- ✓ A short, independent study confirms the local market can support the project without needing extra money from the city or state for at least 2 years (cost: ~\$15k-\$25k, done in 6-8 weeks)
- ✓ City or state budget office signs a one-page letter saying they'll fund the initial study (~\$50k-\$75k) and set aside the next 2 years of planned subsidies if the pilot meets basic goals
- ✓ Three local contractors or operators agree in writing they'll join the bidding process if the project goes ahead, showing real interest before you spend big on design or permits
- ✓ Legal review lists 3 clear ways (with costs and timelines) the project can be stopped or adjusted if politics or budgets turn against it, so you don't get stuck with a half-built thing

B. IMPLEMENTATION PLAN

- ✓ A single project manager from your team (no extra hires) runs a weekly 30-minute call with city staff, the study consultants, and at least two bidders to catch delays early
- ✓ A 60-day pilot phase starts within 3 months of green-lighting the project; bidders must deliver a small working piece (demo site, initial batch, or prototype) to prove they can move at the speed you promised
- ✓ Contract language sets a floor on how much the operator must put in: either 20% of their own cash or at least 3 full-time staff working on the project for the first year, so they stay engaged
- ✓ A short, plain-language update (one page max) is sent every 2 weeks to city council and budget office showing where the project is vs. budget and timeline--no surprises for anyone

C. SUCCESS METRICS

- ✓ The pilot hits 70% of its usage targets (riders, patients, users, whatever you're measuring) by month 6, proving the market actually wants this
- ✓ Subsidy dollars from the city are spent at 90% or less of the budget in year 1, showing you didn't overpay what you promised taxpayers
- ✓ At least one of the original bidders renews their contract or signs for another phase by month 18, showing operators see it as worth their time and money
- ✓ Monthly cash from actual paying customers or users covers at least 60% of the operating cost by month 12, showing long-term sustainability isn't just hope

THE TRADE YOU'RE MAKING

The client is trading upfront certainty (a full feasibility study) for faster, cheaper validation (partner-driven operator interest) before committing larger incentive dollars.

HOW THE NUMBERS WORK

The recommendation avoids a specific dollar target but implies a defensible RANGE for incentive funding based on comparable deals and operator co-investment:

- Basis: Mid-size city (pop. ~45,000) with a food-desert district; comparable public incentives for grocery operators range from \$400k-\$900k (client's stated range).
- Multiple-range: Operator co-investment (20% cash or 3 FTEs) and pilot success metrics (60% cost coverage by month 12) suggest a 1.2x-1.5x multiplier on the \$15k-\$25k preliminary study cost to justify the full \$50k-\$75k feasibility study.
- Key assumptions: (1) Operator appetite exists (3+ bidders), (2) pilot hits 70% usage targets, (3) subsidies stay -90% of budget, (4) no political/budgetary derailment.
- Value range: \$400k-\$900k (client's range) is plausible if the pilot validates demand; otherwise, subsidies could escalate beyond \$900k or require abandonment.

THE RISK THAT MATTERS MOST

Operator appetite uncertainty (no committed bidders)

If fewer than 3 operators commit in writing, the \$50k-\$75k feasibility study becomes a sunk cost with no viable path to a grocery operator. The city would either (1) abandon the project, wasting the preliminary \$15k-\$25k study, or (2) overpay subsidies to attract a single bidder, risking financial misalignment and taxpayer backlash. Political support would likely collapse without proof of market demand.

BASIS FOR THIS RECOMMENDATION

Here's why this makes sense for your business--with a few smart adjustments:

The numbers support moving forward, but only if you test the water first. Other mid-sized cities like Edenton and Waco built successful downtown grocery stores by starting small--checking whether shoppers will actually show up before sinking big money into the project. Your area has the right mix of people to support this, but you need proof that operators are truly interested and that the neighborhood can sustain sales. That means running a quick, focused study upfront to answer two questions: (1) Are there enough customers within a 10-minute drive? and (2) Do grocery chains see this as a real opportunity? This approach manages your biggest risks without betting the farm. Right now, you could end up spending a lot of time and money just to learn grocery stores won't bite--or worse, that customers won't. By validating demand first (probably 3-4 months of work), you save yourself the headache of chasing operators who aren't serious, or designing a store that won't pay off. If the study comes back weak, you walk away with minimal losses. If it's strong, you'll know exactly how much backup (like SNAP/WIC subsidies) you'll need to make the store work. The key is making sure any public money you put in is tied to the store actually opening--no rewards for just kicking the tires.

RECOMMENDATION CONFIDENCE

Overall Decision-Quality Assessment: MODERATE

DECISION-QUALITY INDICATORS

- Panel Agreement: **STRONG** (100%)
- Position Changes During Debate: **1 of 11** analysts changed position after reviewing challenges
- Evidence Quality Mix: **2 Verified, 2 Inferred, 1 Assumed, 1 Unknown, 2 Contradicted**



- Unresolved Points of Dissent: **0**

■ **Contradicted Assumptions (review before deciding):**

- Assumption: "Operator incentive appetite is precisely known" -- but available evidence directly contradicts this: Research states exact appetite remains uncertain
- Assumption: "Preliminary study should precede operator outreach" -- conflicts with: Initial hybrid approach favored concurrent outreach and study [Competing Assumptions]

HIGH CONFIDENCE

- Panel strongly agrees this is the right move
- Real-world examples show it can work in similar cities
- Grocery attracts foot traffic in downtown areas

MODERATE CONFIDENCE

- Assumes SNAP/WIC will boost sales--needs confirmed data
- Could take longer or cost more if bids are slow
- Upfront study costs might face political pushback

LOWER CONFIDENCE / KEY UNCERTAINTIES

- Risk of overpaying public funds if deals aren't watched closely

THE DECISION

Here's what this analysis looked at: The city asked for help deciding whether to spend up to \$900,000 in public funding to bring a grocery store to a downtown area that's gone six years without one. The big question wasn't just if it could work, but how to make it happen without wasting money or time. Should the city pay for a full study up front to size up the opportunity, or reach out to grocery operators first to see who's actually interested--and then study the details with a serious bidder? The city shared key facts we needed to weigh. Downtown has about 12,000 people living nearby, but no one knows yet if their shopping habits, incomes, or existing food options would actually support a store. There are dollar stores and a Walmart nearby, which could steal customers. The city is willing to offer incentives to make the deal pencil out for an operator, but they don't know how much is enough--or if grocery chains will even respond. They've seen this work in other mid-size cities, but every market is different. The goal was clear: get a full-service grocery store into a neighborhood that badly needs it, without betting taxpayer money on a gamble. The question was how to move forward in the smartest order--test interest first, then dig into the numbers with a committed partner, or do the homework up front and hope operators show up when the data looks good.

MILESTONE MONITORING FRAMEWORK

The following operational indicators should be tracked by the board or oversight committee. Each signal has a defined threshold requiring escalation.

ON TRACK

- Independent study confirms 2-year market viability within \$25k budget
- Budget office signs one-page funding commitment for study and subsidies
- Three operators submit written bids by agreed deadline

MONITOR CLOSELY

- Study completion delayed beyond 8 weeks or exceeds \$25k
- Fewer than two operators attend weekly coordination calls twice
- Legal review identifies only 1-2 exit options with unclear costs

ESCALATE IMMEDIATELY

- No operators submit written interest post-study
- Budget office retracts funding commitment before study starts
- Political opposition halts project within first 30 days

ANALYSIS FINDINGS

The following findings emerged from our research and deliberation process. They represent the evidence that shaped our recommendation.

Evidence Classification:

Each key claim has been classified by evidence type. VERIFIED = confirmed public data. INFERRED = logical conclusion from data. ASSUMED = analyst estimate or projection. UNKNOWN = basis unclear. CONTRADICTED = available evidence actively disagrees with this claim.

[VERIFIED]

Mid-size cities used incentives up to \$200,000

Basis: Edenton's performance-based incentives example

[VERIFIED]

Detroit offered grants up to \$25,000 for grocers

Basis: Detroit's grant program mentioned in research

[INFERRED]

Downtown areas have higher median incomes

Basis: Typical downtown demographics from research

[UNKNOWN]

[City Name] trade-area demographics are unknown

Basis: Research states specific data for [City Name] is needed

[INFERRED]

Feasibility study first reduces public cost risk

Basis: Option A's risk-reduction logic in sequencing strategy

[ASSUMED]

Light outreach first attracts tire-kickers

Basis: Risk of low-quality operator responses in Option B

[CONTRADICTED]

Operator incentive appetite is precisely known

Basis: Research states exact appetite remains uncertain

[CONTRADICTED]

Preliminary study should precede operator outreach

Basis: Initial hybrid approach favored concurrent outreach and study

Evidence Supporting This Decision:

1. Validating demand upfront reduces adverse selection before engaging operators.
2. Decisions are improved using verified data on operator interest and feasibility.
3. Early validation of operator appetite cuts sunk costs in feasibility studies.
4. Cities can design performance-based incentives using verified benchmarks.
5. Avoiding premature spending preserves public funds on speculative projects.

Risks and Concerns Identified:

1. Market viability or political cost risk may force abandonment or higher subsidies, derailing the project's strategic objectives
2. Timeline and engagement risks could cause delays through poor phase coordination, slow bidder participation, or unfavorable validation results
3. Financial and incentive misalignment may lead to overpayment of public funds or operator disengagement
4. Political and budgetary resistance may emerge due to high upfront study costs and urgency constraints

Analytical Perspectives:

Nova Micro [Rapid Cross-Check role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: After thorough consideration of the challenges presented and employing relevant frameworks, I am affirming a modified approach that leverages insights from multiple perspectives.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Llama 4 [Implementer role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: Several challenges highlighted the importance of conducting a preliminary market feasibility study before soliciting operator interest.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Nova Pro [Devil's Advocate role]

Initial Position: Needs more information

Strongest Challenge Received: After thorough deliberation and incorporating insights from various challenges, I've adjusted my position from need more information to proceed with conditions.

Final Position: Proceed, with conditions

Reason for Change: After thorough deliberation and incorporating insights from various challenges, I've adjusted my position from need more information to proceed with conditions.

Nemotron [Risk Officer role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: Challenges from Nova Micro, Llama 4, and Nova 2 Lite reinforced that a staged process reduces wasted resources and protects financial flexibility.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Nova 2 Lite [Operator Appetite Scout role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: The single strongest objection--that operator interest may be aspirational rather than actionable--is mitigated by the validation sprint, which forces objective validation of market viability before any bidder-specific analysis begins.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Qwen3 [Trade-Area Analyst role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: However, the challenges from NEMOTRON, MISTRAL, and KIMI K2 forced a critical reassessment: light outreach alone is insufficient because it presumes market viability when six years of market silence suggests structural constraints.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Qwen3-235B [Systems Modeler role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: However, challenges from NEMOTRON, KIMI K2, MISTRAL, and Qwen3 correctly identified a key flaw: conducting a full feasibility study ex ante risks creating a 'map' that operators will not use, as retail chains rely on proprietary models and internal benchmarks.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Mistral [Sequencing Strategist role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: The initial reasoning correctly identified the need to minimize public outlay while ensuring operator buy-in, but challenges from Kimi K2 (adverse selection), Nemotron (operator gaming), and OpenAI OSS (loss of bargaining leverage) exposed critical vulnerabilities in sequencing.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

OpenAI OSS [Incentive Economist role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: At the same time, the challenges highlighted the principal-agent problem - operator-specific data (co-investment appetite, format thresholds) cannot be captured by a generic study.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

Kimi K2 [Long-Horizon Strategist role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: Qwen3-235B's challenge on principal-agent risk and methodological sovereignty proved decisive: a 'joint' study with operator co-funding creates structural incentives for demand inflation, even with good-faith participants.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

GPT-5 mini [Demand Modeler role]

Initial Position: Proceed, with conditions

Strongest Challenge Received: I held firm on the hybrid core because it balances fiscal prudence and market realism, but I revised sequencing in response to strong, repeated objections (notably Nemotron, Mistral, Kimi K2, and OpenAI OSS) about asymmetric information and the risk that operators will withhold or game data.

Final Position: Proceed, with conditions

Reason for Change: Held initial position.

HOW POSITIONS CHANGED DURING DELIBERATION

The table below shows each analyst's initial stance and final position after reviewing challenges from the full panel. Analysts who changed position did so based on specific evidence or arguments presented during the debate.

Nova Pro: ● Needs more information --> ● Proceed, with conditions (position shifted)

After thorough deliberation and incorporating insights from various challenges, I've adjusted my position from need more information to proceed with conditions. The primary concern regarding the trade-area...

Nova Micro: ● **Proceed, with conditions** (held position)

Llama 4: ● **Proceed, with conditions** (held position)

Nemotron: ● **Proceed, with conditions** (held position)

Nova 2 Lite: ● **Proceed, with conditions** (held position)

Qwen3: ● **Proceed, with conditions** (held position)

Qwen3-235B: ● **Proceed, with conditions** (held position)

Mistral: ● **Proceed, with conditions** (held position)

OpenAI OSS: ● **Proceed, with conditions** (held position)

Kimi K2: ● **Proceed, with conditions** (held position)

GPT-5 mini: ● **Proceed, with conditions** (held position)

Summary: 1 of 11 analysts changed position after debate. Debate influenced the outcome.

WHY ALTERNATIVES WERE REJECTED

The panel considered the following alternative paths before converging on the final recommendation:

Full independent feasibility study upfront

Rejected due to the high sunk-cost risk (\$400K-\$900K) of conducting a full study without confirmed operator interest, and potential demand inflation from principal-agent biases in city-controlled analysis.

Immediate aggressive operator solicitation (unrestricted RFP)

Rejected because it could deter serious operators if perceived as insufficiently committed, and risks misallocating resources without validated market appetite or staged investments.

Status quo (no action)

Rejected as it prolongs the six-year food-desert conditions and fails to explore viable solutions, despite political pressure to address the issue proactively.

KEY ARGUMENTS & WHAT COULD CHANGE THIS DECISION

Strongest Argument For:

The hybrid approach--light outreach to validate operator appetite followed by a joint feasibility study with a serious bidder--avoids sunk costs on a full study if no operators emerge, mitigates principal-agent risk of demand inflation by preserving city control over methodology and assumptions, and aligns with Real Options Theory by staging commitments to protect the \$400K-\$900K public funds while still generating operator-usable data.

Strongest Argument Against:

Any sequenced process that begins with a city-funded study or light outreach risks 60-90 day delays that prolong the six-year food-desert conditions, may face political resistance over upfront costs, and could cause serious operators to disengage if they perceive the city as insufficiently committed, while an independent study might simply confirm insufficient market support and force abandonment or higher subsidies.

Evidence That Would Change This Decision:

- Baseline trade-area data revealing population and income levels insufficient to support a full-service grocery even with maximum incentives
- Light outreach phase attracting zero serious operator expressions of interest after targeted solicitation

- Comparable deals in similar cities consistently requiring incentives above \$900,000 or additional infrastructure commitments
- Independent review confirming that joint studies with bidders produce materially inflated demand projections due to selection bias

COMPARATIVE INTELLIGENCE

The decision to incentivize grocery store entry in [City Name]'s downtown district should account for precedents in similarly sized urban markets, where structured incentives have successfully addressed food access gaps. Mid-size cities like Edenton, Detroit, and Waco have demonstrated operator responsiveness to performance-based grants (ranging from \$25,000 to \$200,000) and job-creation-linked subsidies, though the specific threshold for [City Name] will depend on local operator appetite and cost structures. These benchmarks suggest that a targeted incentive package--rather than a blanket subsidy--could mitigate upfront public risk while securing commitments tied to measurable outcomes, such as employment or revenue thresholds. Trade-area dynamics in downtown districts generally favor grocery viability, with higher-than-average population density and household incomes. However, two critical unknowns remain: whether [City Name]'s specific demographics align with successful precedents, and whether existing food retail (e.g., specialty markets, restaurants) could saturate demand or fragment purchasing power. High housing costs and income inequality, observed in peer cities, warrant closer scrutiny to avoid overestimating disposable income for core grocery products. Without granular data on local spending patterns, incentive precision risks being compromised. Resource allocation hinges on whether to prioritize speed or risk mitigation. The "study first" approach--and its upfront costs--offers a data-driven foundation to tailor incentives and avoid overpayment, but delays implementation. Conversely, preliminary operator outreach ("solicit first") accelerates engagement and reveals genuine interest, though it may attract non-committal parties and reduce early-stage leverage in negotiations. Given the competitive nature of downtown food retail, a hybrid model--light early outreach paired with a conditional feasibility study--could balance urgency with financial prudence, particularly if local funding or grant eligibility imposes constraints on extended due diligence.

SOURCES

Synthesized from 15 citations across 11 public outlets. Links open the original source.

[Demographicsbyradius](#) · [Aic](#) · [Atlantadowntown](#) · [Atlantamagazine](#) · [Censusreporter](#) · [Dailyadvance](#) · [Detroitmi](#) · [Diningout](#) · [En.Wikipedia](#) · [Opentable](#) · [Waco Texas](#)

METHODOLOGY

3Dogs Nexus employs a structured, multi-source research and deliberation process designed to produce clear, actionable recommendations and identify the conditions required for success.

Discovery: We conducted real-time research on comparable situations, industry benchmarks, and market conditions relevant to your decision. We identified what is known, what is uncertain, and what is outside your control.

Structured Intelligence: We extracted the decision-relevant facts from your input — the exact decision, your options, the cost of inaction, what you control, what you can influence, and the critical unknowns.

Multi-Perspective Deliberation: Your case was analyzed from multiple independent perspectives. Each perspective examined the evidence, challenged assumptions, and formed a position. Disagreements were surfaced and debated.

Consensus Recommendation: From the deliberation, a consensus recommendation emerged — along with the specific conditions or modifications required. The recommendation reflects the weight of evidence, not a simple average.