

SAUK PRAIRIE MARKET ANALYSIS



2017

Community-led research to support business development efforts

Prepared by the Sauk Prairie Area Chamber of Commerce
and the University of Wisconsin - Extension



Funding assistance provided by

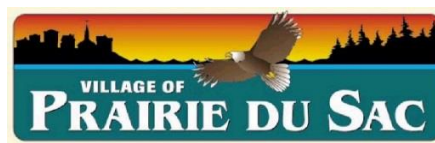


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SAUK PRAIRIE MARKET ANALYSIS – EXECUTIVE SUMMARY

Prepared by the Sauk Prairie Area Chamber of Commerce and the University of Wisconsin-Extension

PURPOSE OF STUDY

The purpose of this market analysis is to compile and interpret information useful in economic development efforts. This study focuses on the following:

- identifying retail, restaurant and service market opportunities
- strengthening existing businesses
- attracting new businesses including entrepreneurship
- improving visitor and resident experiences; and
- developing community marketing initiatives

This project represents a community-led initiative whereby local business and community leaders were actively involved in the research and analysis. They participated as a “study team” that met regularly to review and interpret data gathered from the market analysis.

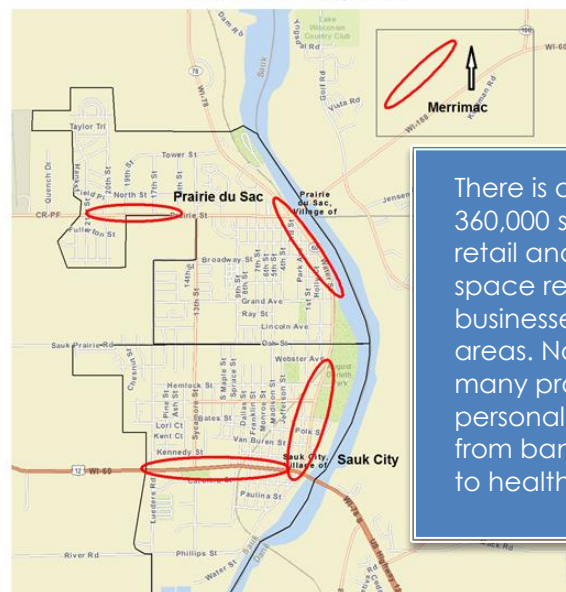


STUDY AREAS DEFINED

The Study Areas includes five separate and distinct commercial centers. They include:

- Highway 12, Phillips Boulevard in Sauk City
- Highway 60, Water Street through downtown Sauk City
- Highway 60, Water Street through downtown Prairie du Sac
- Prairie Street in Prairie du Sac
- Highway 78 through Merrimac

Sauk-Prairie Study Areas



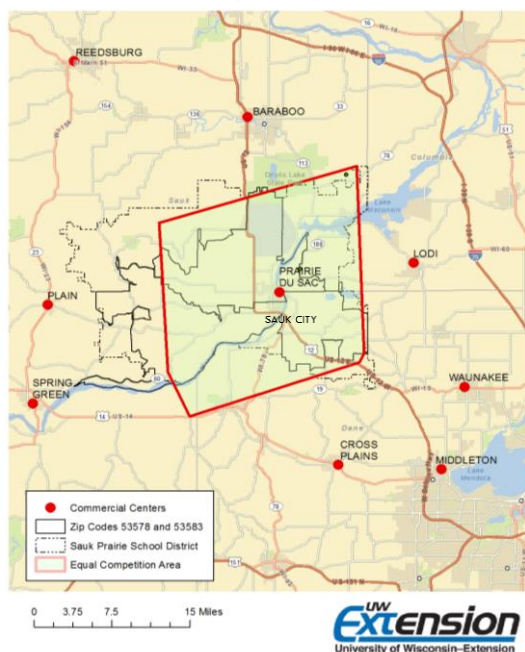
Traffic Volume

The most traveled highway segments within the Study Areas are along US-12 with up to 18,000 vehicles per day. WisDOT continues to plan for and implement the upgrading of Highway 12 to a freeway, but is limited by an intergovernmental agreement in planning for a bypass in the Sauk Prairie Area until at least 2020.

Workforce Housing

Home values in the Sauk Prairie area are significantly higher than the state and county averages due to proximity to the Madison market. This pressure is increasing in 2017 and is not expected to weaken in the foreseeable future. Median rents in Prairie du Sac are much higher than the rest of the state and county as well as Sauk City.

TRADE AREA



MARKET CHARACTERISTICS

- Population was 15,560 in 2015
- Most housing is owner-occupied
- Per capita income higher than state
- Growing Latino population

- A number of employers are in the manufacturing and healthcare/medical sectors.
- The villages have been assertive in infrastructure and incentives for downtown redevelopment and new industrial and office space.

- Business travelers include those attending sales meetings, trainings, consulting visits, etc.
- Leisure travelers visit the community because of friends and family, outdoor recreation, skiing, winery tours, and bald eagle viewing.

Sauk Prairie is located in southcentral Wisconsin, approximately 24 miles Northwest of Madison. It is located in southeastern Sauk County. US Highway 12 connects Sauk City and, Prairie du Sac to Madison and to Interstates 90 and 94. In addition, US Highway 12 connects Sauk Prairie to the destination communities of Baraboo and Wisconsin Dells/Lake Delton.

The Trade Area used is an “equal competition area” formed by lines drawn exactly halfway between each of the competing commercial centers. The adjacent map presents the Sauk Prairie Equal Competition Trade Area, as well as lines illustrating local ZIP code and the local school district boundaries.

Demographic Comparison

	Sauk Prairie TA	Wisconsin	U.S.
Population			
2010 Population	15,347	5,686,986	308,745,538
2015 Population	15,560	5,742,139	318,536,439
% Annual Change '10-'15	0.3%	0.2%	0.6%
Households			
2010 Households	6,234	2,279,768	116,716,292
2015 Households	6,361	2,323,302	120,746,349
% Change '10-'15	0.4%	0.4%	0.7%
2015 Avg. HH Size	2.43	2.41	2.57
Housing			
2010 Owner Occupied	63.6%	59.1%	57.7%
2010 Renter Occupied	22.7%	27.7%	30.8%
2010 Vacant or Seasonal	13.7%	13.1%	11.4%
Median HH Income			
2015 HH Income	\$ 59,159	\$ 52,390	\$ 53,217
Per Capita Income			
2015 Per Capita Income	\$ 30,513	\$ 27,779	\$ 28,597
Household Composition			
2010 HH w/ children	32.5%	30.6%	33.4%
2010 Population by Age			
Median Age	39.5	38.4	37.1
18 +	75.7%	76.4%	76.0%
2010 Race and Ethnicity			
White	94.4%	86.2%	72.4%
Black	0.4%	6.3%	12.6%
Asian	0.5%	2.3%	4.8%
Other	4.7%	5.2%	10.2%
Total	100.0%	100.0%	100.0%
Hispanic	5.2%	5.9%	16.3%
2015 Education			
Population Age 25+	10,800	3,885,748	214,026,813
% Bachelors degree or higher	27.7%	28.3%	30.0%
Tapestry Segmentation for Sauk Prairie TA			
<i>Percent of 2015 HH</i>			
Parks and Rec (5C)	35.2%		
Green Acres (6A)	31.20%		
Middleburg (4C)	21.40%		
Other	12.20%		

Source: ESRI Market Profile, Tapestry Segmentation Area Profile and Business Analyst Online. For educational use.

ROUNDTABLE DISCUSSIONS & INTERVIEWS

Roundtable group discussions and individual one-on-one interviews with business and community leaders revealed opportunities to increase commercial activity in the Trade Area. Frequently mentioned ideas were related to:

- Local and fresh foods, area farming, and their connection to eating and drinking places
- River with its recreational opportunities, that include Eagle watching unique to this community
- Outdoor recreation sales and rentals including, canoes, kayaks, bicycles, etc. for tourists
- Improving the appearance of the river facing downtown buildings in Sauk City
- Increased advertising and promotion activity to call attention to local businesses
- New lodging facilities may be needed to accommodate a diverse mix of travelers
- Accommodation of hospital visitors and patients

COMPARISON COMMUNITIES

Red Wing and Lake City, in Minnesota were two riverside communities visited to learn what strategies they are using to maintain and grow economic activity.

- Cleanliness is a priority.
- Care for natural elements like the river is a priority.
- Restaurants, shops, hotels, and attractions bring people to the community and encourage them to stay.
- A critical mass of restaurants and retail are needed to capture the visitor.
- Restaurants overlooking the river do very well.

ANALYSIS OF RETAIL AND RESTAURANT DEMAND AND SUPPLY

The following summary table presents demand and supply in terms of square feet of space and number of establishments. These estimates are based on the U.S. Census and other sources obtained by the UW-Extension, Center for Community and Economic Development. Those categories highlighted in blue may have a negative gap, an indication that demand may be greater than supply.

Demand & Supply Gap Analysis							
NAICS	Description (w/out large format stores)	S.F. Demand	S.F. Supply	Gap	Bus. Demand	Bus. Supply	Gap
442	Furniture and home furnishings stores	13,141	4,000	(9,141)	2.2	1	(1.16)
443	Electronics and appliance stores	6,683	-	(6,683)	2.0	-	(2.04)
444 Adj.	Building material and garden w/o Home Ctr	21,325	87,000	65,675	4.0	4	(0.03)
445	Food and beverage stores	62,249	68,000	5,751	8.5	10	1.53
446	Health and personal care stores	17,680	26,000	8,320	5.4	5	(0.41)
447	Convenience Stores in Gas stations (excluding	21,473	16,000	(5,473)	8.6	5	(3.59)
448	Clothing and clothing accessories stores	18,942	-	(18,942)	4.2	-	(4.23)
451	Sporting goods, hobby, musical, and book	14,908	42,000	27,092	2.6	8	5.39
452 Adj.	Gen Merch. w/o warehouse and supercenters	15,321	9,000	(6,321)	2.1	1	(1.06)
453	Miscellaneous store retailers	16,099	46,000	29,901	6.1	10	3.86
7224	Drinking places (alcoholic beverages)	5,355	16,000	10,645	2.2	11	8.82
722511	Full-service restaurants	54,801	33,000	(21,801)	17.0	10	(7.00)
722513	Limited-service restaurants	31,817	13,000	(18,817)	13.5	6	(7.50)
722515	Snack and nonalcoholic beverage bars	9,679	-	(9,679)	3.3	-	(3.29)
	Total Retail	207,820	298,000	90,180	46	44	(2)
	Total Food and Drink	101,652	62,000	(39,652)	36	27	(9)
Blue categories - demand is greater than supply							

Note: The supply of retail space exceeds demand because it includes 70,000 SF at McFarlanes, a large store that sells farm machinery, power equipment, hardware, rental, and tire & vehicle service. Excluding this business, Sauk Prairie would have a shortage of retail space relative to demand.

RECOMMENDATIONS-IN BRIEF

Strengthen Existing Businesses

1. Assist businesses to achieve greater online success.
2. Develop annual customer service training events.
3. Determine what incentives/funding/grants could help businesses take advantage of upcoming projects along the riverfront and Great Sauk State Trail.
4. Hold a series of town hall style meetings in 2018 on topics relevant to business success.
5. Consider launching a business retention/expansion program.

Attract New Businesses Including Entrepreneurs

1. Determine market support for an additional hotel. Possible chain affiliated property that offers incentives.
2. Consider developing a pop-up store program that would occupy empty spaces in the community while giving home-based businesses a chance to occupy a physical commercial space.
3. Develop a work plan for business attraction.

Improve Visitor and Resident Experience

1. Agri-tourism - The surrounding agricultural area can expand Sauk Prairie's visitor base and provide new and authentic experiences for both residents and visitors.
2. Recreation - Help residents and visitors more easily access local recreational amenities, like the river and park system. This might include itineraries for visitors, improved signage, and promoting recreation in the area year-round.
3. Physical Environment - Continue to address the view of the backside of buildings in Sauk City from the Highway 12 Bridge. Address the lack of trees and greenery in both downtowns.

Develop Community Marketing Initiatives

1. Improve the physical environment & communicate with branded signage.
2. Develop a marketing initiative that promotes biking, hiking, fishing, hunting, water sports, restaurants, agri-tourism, winter tourism/sports and relocating.
3. Develop joint advertising with corporate partners.
4. Develop a youth advisory council to guide placemaking.

The following opportunities were identified by the study team based on demand and supply calculations, consumer preferences, peer community visits and demographic data.

Retail:

- antique
- appliance store
- art galleries
- bike shop with rentals
- bread store
- building material/lumber
- cheese store
- chocolate/candy
- clothing
- local and fresh goods
- expanded grocery
- home improvements
- home furnishings
- lawn and garden
- office supplies
- pop-up shops
- rental store
- sporting goods: shooting sports, hunting and fishing

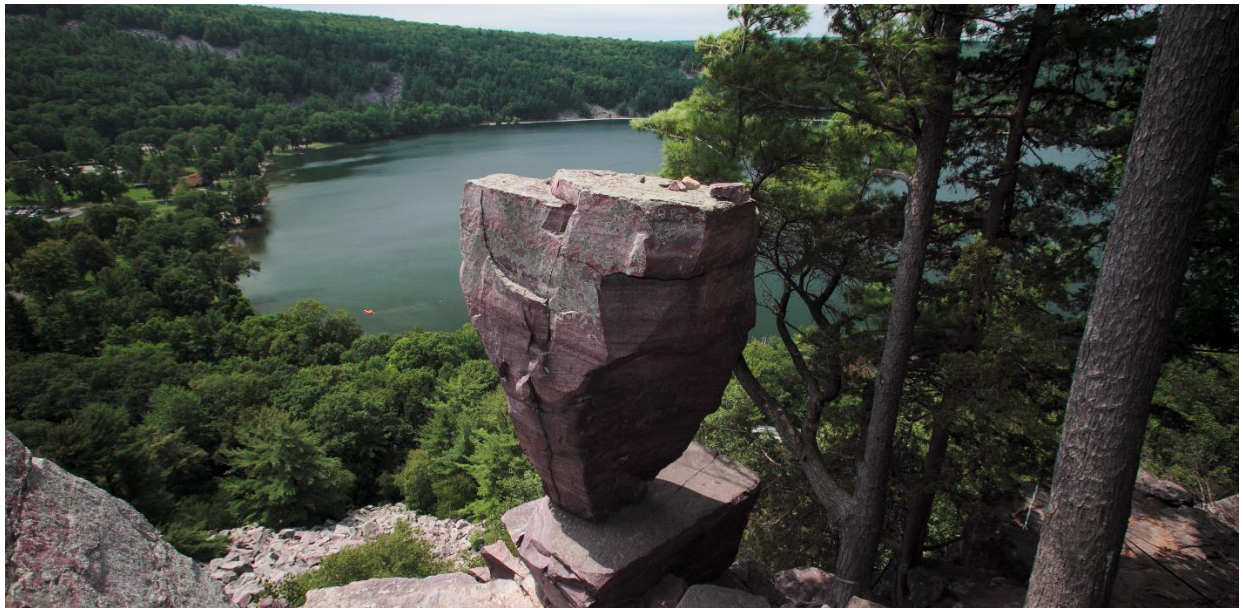
Restaurants:

- cafe with wine bar
- dairy bar
- family restaurant
- additional fast food
- food carts along river
- ice cream/yogurt shop
- outside or rooftop dining
- upscale restaurant
- wine bar or tasting room

Services:

- art classes and workshops
- bed-and-breakfast
- canoe, boat, kayak rentals on Sauk Prairie side
- farm B&B
- farm tour
- farmers market
- hotel
- housing

RESEARCH & SUPPORTING DOCUMENTS



SECTION 1: INTRODUCTION

This section describes the purpose of the study, prior research, and members of the study team who contributed to this community-led initiative.

Purpose of Study

The 2017 market analysis for Sauk Prairie provides current and objective information on the consumer and competitive environment in order to inform business development initiatives. Accordingly, the analysis focuses on identifying the key market segments to be served, the needs and preferences of these segments, and whether the current business mix is adequately serving the segments. Recommendations by the study team will guide the community's business retention, expansion, and attraction efforts. The data assembled in this analysis support a list of market opportunities that are based on the research conducted and local insight.

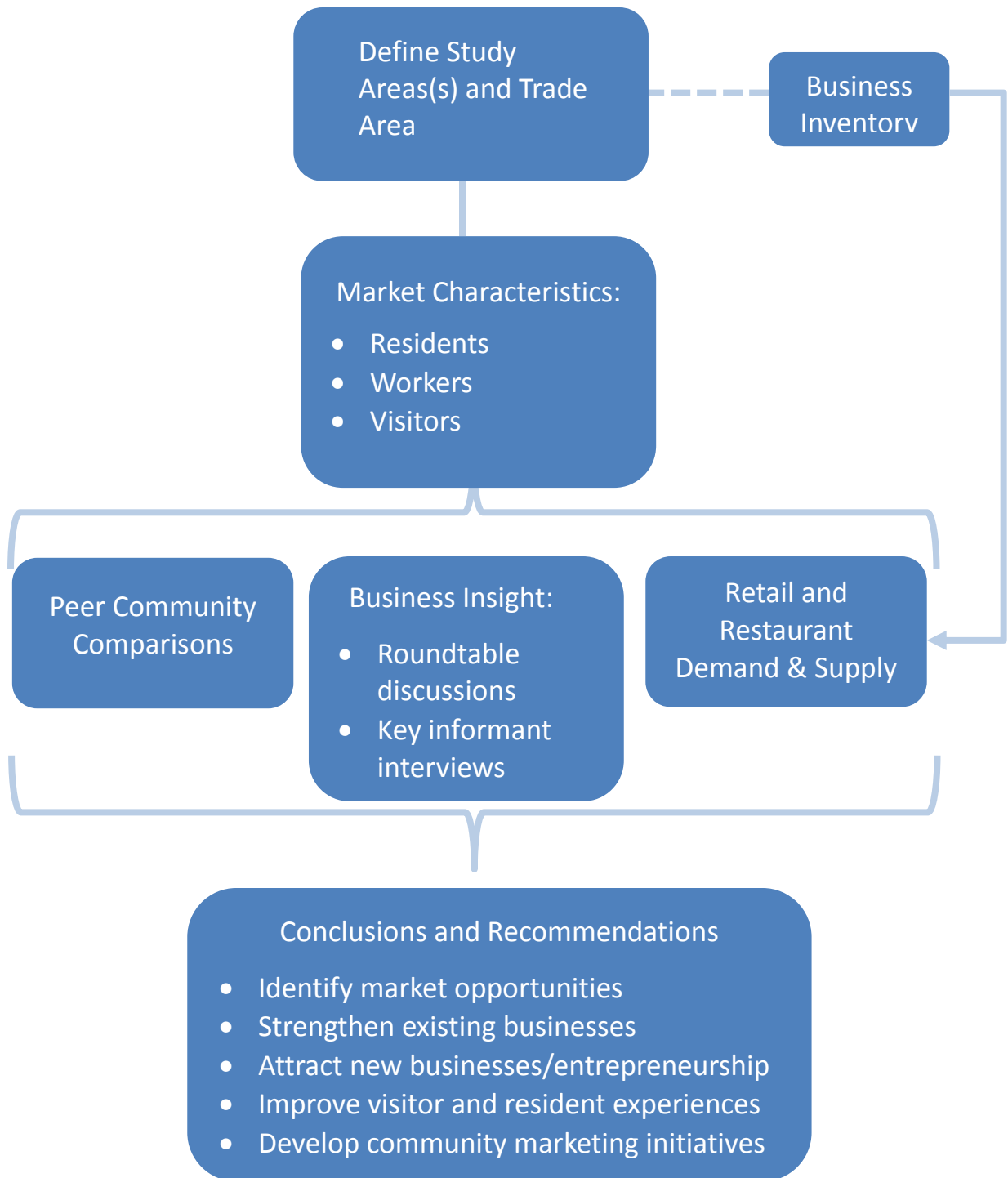
The purpose of this market analysis is to compile and interpret information useful in economic development. This study focuses on the following:

- identifying market opportunities
- strengthening existing businesses
- attracting new businesses including entrepreneurship
- improving visitor and resident experiences
- developing community marketing initiatives

This project represents a community-led initiative whereby local business and community leaders were actively involved in research and analysis. They participated as a “study team” that met regularly to review and interpret data gathered from the market analysis. A flowchart illustrating the sequence of events in this project is presented on the next page.



Exhibit 1.1: Market Analysis Process



Prior Research

Sauk Prairie Market Analysis, University Wisconsin-Extension, 2005

Using market data and information collected and the knowledge of a local study committee, five general recommendations for the continued economic development of Sauk Prairie's business districts have been developed. These include:

- Improve physical attributes to encourage business activity
- Create a unique competitive position/niche for each business district
- Focus on three primary consumer segments
- Expand and recruit of retail and restaurants
- Develop an action plan timetable

Sauk Prairie Comprehensive Plan, 2017

The Sauk Prairie Comprehensive Plan was adopted in April 2017 by the Villages of Prairie du Sac and Sauk City and the Town of Prairie du Sac. The purpose of the plan is to guide future actions of the community. This extensive plan consists of goals, objectives and initiatives for a broad range of topics. The following summary highlights the initiatives listed in the plan that may be relevant to the Sauk Prairie Retail Market Analysis:

AGRICULTURE INITIATIVES

- Help expand markets for local products
 - Sauk Prairie's farmers market could be expanded through programming and events that attract additional consumers.
 - Farm visits and events. Such activities can enhance the bottom line for farmers and provide educational and recreational opportunities for visitors. Events like "Summer Saturday Breakfasts" and pick-your-own events generate enthusiasm for local products and reduce labor costs.
 - Better links to local restaurants and grocery stores. Grocers and restaurants are finding new marketing opportunities by promoting locally sourced produce and meats on their menus and in their stores.
 - More local foods provided to schools and hospitals. Institutions purchase large quantities of food and are focused on wellness.

NATURAL RESOURCE INITIATIVES

- Maintain and enhance the natural experience along the Wisconsin River corridor
 - Implement the Great Sauk Trail with design and operational characteristics sensitive to the resource and the bald eagle population.
 - Incorporate appropriate places for people to access and understand the river and its importance.

CULTURE AND COMMUNITY CHARACTER INITIATIVES

- Support landowners in preservation of historic and architecturally significant buildings
 - Treat Highway 12 as the Sauk Prairie Area’s front door using such tools as the Sauk City Highway 12 Corridor Design Guidelines to emphasize welcoming signage and high quality building and landscape design.
 - Support local concerts, festivals, fairs, farm tours, farm breakfasts, and markets that celebrate the area’s heritage and way of life.
- Advance tourism, particularly related to nature, heritage, and agriculture
 - Seek out opportunities to integrate natural, heritage and ag-tourism.
- Continue to advance the Sauk Prairie Riverway brand
 - Rebrand and unify park and trail signs with the Riverway logo.

ECONOMIC DEVELOPMENT INITIATIVES

- Help existing local businesses grow and thrive
 - Develop, adopt, and implement a formal business retention and expansion program.
- Attract new businesses that capitalize on the strengths and fill niches
 - 2015 Retail Leakage & Surplus Analysis completed by Buxton suggests the Sauk Prairie area may be lacking in the following types of retailers: furniture, home improvements, electronics, camera/photographic equipment, building materials, lawn and garden, specialty food stores, shoes, and clothing.
 - Assist existing businesses expand their product lines, and increase internet presence so more diverse product lines can be offered without having to have the products in the store all the time.
 - Provide and direct businesses to affordable spaces for start-up, including “pop-up” lease opportunities seasonally.
 - Help residents form and grow new businesses, particularly those related to serving both local needs and day-trip tourism.
- Comprehensive Plan recommendations for the Sauk City and Prairie du Sac downtowns include:
 - Balance redevelopment with historic preservation, while managing any impacts on adjacent neighborhoods.
 - Support expansion of service oriented businesses and specialty retail that serve both community residents and visitors. (From a recent “First Impressions” visit, City of Waupun representatives advised more “destination retail” in the downtowns.)
 - Promote business ventures that focus on celebrating the Sauk Prairie Area’s recreational focus and connection to food.
 - Recognize opportunities associated with a growing Hispanic population—both as potential entrepreneurs and customers.
 - Promote more downtown housing to enhance the local market for downtown goods and services and increase activity levels.
 - Encourage unified business promotion, marketing, operation, maintenance, and events.

ECONOMIC DEVELOPMENT INITIATIVES CONTINUED...

- Recommendations on what should be done to help existing businesses grow and thrive.
 - Give local businesses the opportunity to bid on local projects.
 - Focus on empty retail shops and continuing to improve the downtowns.
 - Focus on vocational programs, math and basic customer service skills, and connecting students with local businesses through job shadowing and real life career exploration.
 - Increase housing, especially multiple family.
 - Recruit a hotel with convention/meeting space.
 - Determine what type of businesses the area wants, then determine the best locations.
 - Continue marketing the Sauk Prairie Area as a destination.

Sauk Prairie First Impressions Report, April 2016

In April of 2016 representatives from Waupun, WI and the Sauk Prairie area participated in an UW-Extension First Impressions exchange program. This program helps communities learn about existing strengths and weaknesses through the eyes of the first-time visitor. Volunteers from each of the communities conducted unannounced visits and then reported on their findings. Results from a First Impressions visit serve as the basis for community action and as a way to document changes in the community over time. Sauk Prairie's report listed a number of strengths including a quality, community supported school system and an abundance of outdoor recreational opportunities. It also included the following recommendations for improvement:

- Better leverage the Wisconsin River and build on the Sauk Prairie Riverway brand
 - Integrate the Wisconsin River into the park system
 - Further capitalize on the eagle viewing area (i.e. improve structure, keep information up to date)
 - Convert unused rail line into a recreation trail
 - Develop consistent way-finding signage to direct people to community assets (i.e. eagle viewing areas) and create stronger connections between both communities' downtowns
 - Clarify the names of the communities. It is not clear that Sauk Prairie is comprised of the villages of Sauk City and Prairie du Sac
- Bolster Sauk Prairie's online/social media presence
 - Develop a stronger presence on Tripadvisor.com
 - Create an easier to use mobile application and include itineraries for food/wine lovers, nature enthusiasts, etc.
 - List all churches on the Sauk Prairie Area Chamber website
- Strengthen and support the retail and lodging sector



- Increase lodging options
- Increase the number and diversity of retail options in the downtown
- Improve window displays
- Create cross marketing opportunities (i.e. shared events between Carr Valley Cheese and Wollersheim Winery)
- Continue to work to create an inclusive community that attracts diverse people
- Further develop and improve sport facilities

Study Team

The market analysis was completed by a local Study Team working with the Sauk Prairie Area Chamber of Commerce, the University of Wisconsin-Extension in Sauk County, and the University of Wisconsin – Extension Center for Community and Economic Development. The study team provided local insight and was instrumental in developing locally relevant conclusions and recommendations from the data collected.

The study team in this project include a broad range of knowledgeable and committed community and business leaders as listed below:

- Tywana German: Sauk Prairie Area Chamber of Commerce
- Carol Baier: Universal Die & Stampings
- Paul Dietmann: Badgerland Financial
- Paul Fiscus: Maplewood of Sauk Prairie
- Lise Meyer-Kobussen: Meyer Insurance Agency
- Brad Prohaska: Bank of Prairie du Sac
- Debbie Schiffman: Quartz/Gunderson Health Plan/Unity Health Insurance
- Ed White: Sauk County Development Corporation
- Alan Wildman: Village of Prairie du Sac
- Jeff Wright: Sauk Prairie School District
- Rick Sauer: Sauk Prairie Healthcare
- Todd Lassanske: McFarlane Mfg. Co., Inc.
- Chris Koch: Courtesy Ford of Sauk City



UW-Extension educators are listed below:

- Jenny Erickson: University of Wisconsin – Extension, Sauk County
- Bill Ryan: University of Wisconsin-Extension, Center for Community and Economic Development
- Kristin Runge: University of Wisconsin-Extension, Center for Community and Economic Development
- Technical assistance by Emily Lutz, Graduate Student Assistant, University of Wisconsin

SECTION 2: STUDY AREAS

This section describes the location of various commercial districts in the Sauk Prairie area, collectively referred to as the Study Areas. These areas represent the locations of most current and future commercial activity in the area and the focus of this study.

Study Areas Defined

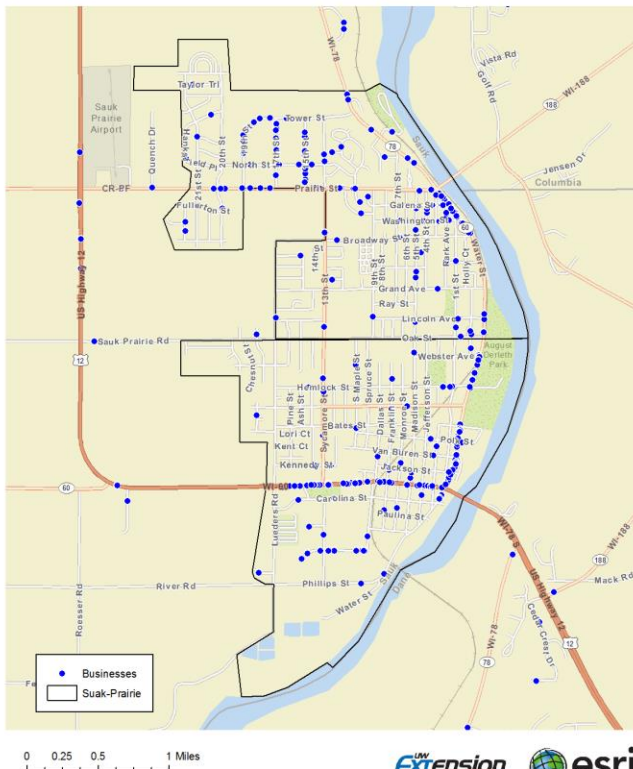
The Study Areas includes five separate and distinct commercial centers. They include:

- Highway 12, Phillips Boulevard in Sauk City
- Highway 60, Water Street through downtown Sauk City
- Highway 60, Water Street through downtown Prairie du Sac
- Prairie Street in Prairie du Sac
- Highway 78 through Merrimac

These locations are identified in Exhibit 2.x. It should be noted that these red Study Areas on the map represent the central part of each area, and some businesses may be located outside of the red area.

Exhibit 2.1: Map of the Study Areas

Sauk Prairie and Surrounding Business Listings
Includes all businesses



Sauk-Prairie Study Areas



Current Retail and Restaurant Business Mix

The Study Areas includes 71 retail and restaurant businesses representing approximately 360,000 square feet of space. This includes one large farm/home improvement and hardware store that has approximately 70,000 ft.² of space excluding its farm implement and other parts of the company. These estimates, collected through a retail and restaurant space inventory, information provided by the operators, and village records will be used later in the report to compare demand and supply.

Exhibit 2.2: Current Retail and Restaurant Mix in Study Areas

Sauk Prairie Study Area, Retails and Restaurant Mix			
NAICS Code	Description (excluding selected large format stores)	No. Businesses	SF of Businesses
442	Furniture and home furnishings stores	1	4,000
443	Electronics and appliance stores	0	-
444 Adj.	Building material and garden w/o Home Ctr	4	87,000
445	Food and beverage stores	10	67,750
446	Health and personal care stores	5	25,900
447	Convenience stores in Gas stations (excluding gas)	5	15,500
448	Clothing and clothing accessories stores	0	-
451	Sporting goods, hobby, musical, and book stores	8	41,754
452 Adj.	Gen Merch. w/o warehouse and supercenters	1	8,556
453	Miscellaneous store retailers	10	47,684
7224	Drinking places (alcoholic beverages)	11	15,839
722511	Full-service restaurants	10	32,632
722513	Limited-service restaurants	6	13,361
722515	Snack and nonalcoholic beverage bars	0	-
Total Retail		44	298,144
Total Restaurant		27	61,832

Not included in the above business inventory are many service businesses in the Study Areas. These firms are an important part of the local economy and range from banks, insurance companies to health care.

Consumer Segments

Three primary market segments are, or could be served by Study Area businesses. These segments are explored in more detail later in this report. They include:

- Residents of the Trade Area (defined in next section)- This is by far the largest and perhaps most important market segment in the community. The availability of and satisfaction with retail, restaurants, and services have a direct impact on local quality of life. While there are retail, restaurant, and service choices in Baraboo, Middleton, and Madison, the availability of goods and services in the Sauk Prairie Area is an important convenience factor that most residents value.
- Workers – The inflow of workers to a community represents an important segment that increases the daytime workforce population. It represents employees that “commute-in” and may have time during the day to visit the retail development areas for purposes of eating, shopping, or using services. Furthermore, due to US Highway 12’s route through Sauk City, there may be opportunities to capture more of the commuting through traffic in route to Madison.
- Visitors, both leisure and business - Leisure travelers include those who are passing through the community to points north. Other visitors make Sauk Prairie a destination for outdoor recreation opportunities. The hospital brings in travelers who seek their state-of-the-art orthopedic practices. Sauk Prairie has eight nationwide and/or international companies that call the community home and bring in visitors. Opportunities to bring additional visitors exist, but require developing the ag-tourism, culinary tourism, biking and other outdoor recreation amenities of the area.

Traffic Volume

The average daily traffic count is the number of vehicles that pass a given location on an average basis each day. The most traveled area segments of the Study Areas are along US-12 with up to 15,500 vehicles per day. As an example, US-14 by Costco in Middleton has an average daily traffic count of 21,000. Additional Highway counts are presented in the two tables that follow. Key findings include:

- Highway 12 is the main thoroughfare within the Sauk Prairie Area, connecting with Madison and Wisconsin Dells, providing access to Interstate 39/90/94, and carrying a large volume of both local and through traffic (18,000+ vehicles per day). Many Sauk Prairie residents use Highway 12 to get to and from work. WisDOT is forecasting a daily vehicle count of 23,600 on Highway 12 by 2041.
- WisDOT continues to plan for and implement the upgrading of the US Highway 12 to a freeway, but is limited by an intergovernmental agreement in planning for a bypass in the Sauk Prairie Area until at least 2020.
- Sauk Prairie Area communities continue to plan for and reconstruct local roadways, require sidewalks or paths in all new developments, and are beginning development of an off-street path network including the Great Sauk State Trail.

- The Sauk Prairie Airport contributes approximately \$1.26 million per year to the local and State economy. The Sauk Prairie Area has planned for a compatible land use pattern near the Airport.

Road Name	Road Segment	ADT
Hwy 78	Prairie du Sac to Merrimac	2,300
Hwy 113	Merrimac Ferry	1,200
Hwy 113	Hwy 78 to S. Lake Road	2,300
Hwy 78	North Ridge Business Park	5,000
Hwy 188	Near Mack Road	1,800

Road Name	Road Segment	Average Daily Traffic (ADT)		
		2008	2015	Change
South 78 Water St	North of South 60	3,900	4,800	+900
South 60/78/Water St	North of Washington Street	7,000	8,900	+1,900
South 60/78/Water St	South of Washington Street	6,300	8,100	+1,800
South 60/78/Water St	Between Lincoln Avenue & Oak Street	8,800	11,800	+3,000
South 60/78/Water St	North of Washington Avenue	8,800	8,900	+100
South 60/78/Water St	North of US Hwy 12/60	11,100	9,500	-1,600
Water St	Between John Adams & Paulina Streets	2,200	1,800*	-400
South 60	Bridge east of South 78/Water	6,100	6,500	+400
US Hwy 12/78	Between Water Street & Hwy 12 Bridge	17,500	18,100	+600
US Hwy 12/78	Between Water & John Adams Streets	16,000	16,200	+200
US Hwy 12/60	East of US Hwy 12 North-South Segment	14,200	12,200	-2,000
US Hwy 12	Between S. 60 & Sauk Prairie Road	10,400	10,800	+400
US Hwy 12	Between CTH Z & CTH PF	10,500	10,600	+100
CTH PF	½ mile east of US Hwy 12	4,300	4,300	0
CTH PF	Between 13 th & 15 th Streets	5,800	6,000*	+200

Source: Wisconsin Department of Transportation

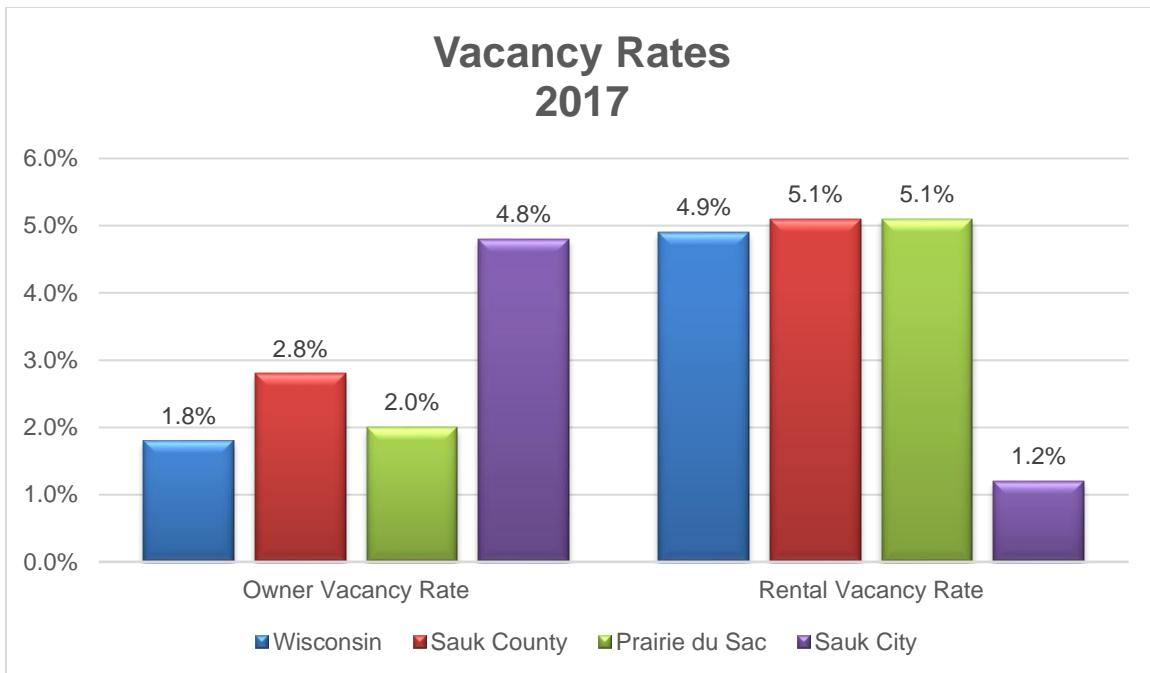
* This count was taken during time when access was limited due to construction of the Highway 60 bridge, likely resulting in a count that was lower than it otherwise would have been.

Source: Wisconsin Department of Transportation

Workforce Housing

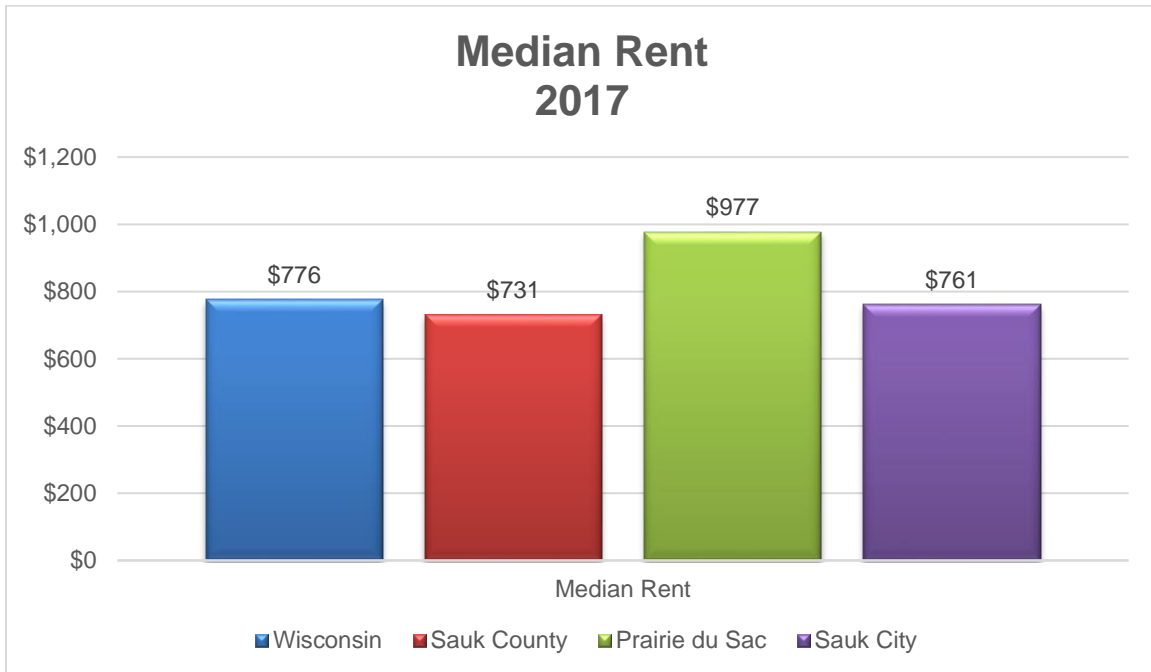
Below are several charts that graphically display the housing situation in the Sauk/Prairie area. They were prepared by Ed White, a member of the market analysis study team and Director of the Sauk County Development Corporation.

The first chart shows that the vacancy rate among homeowners in Sauk City is considerably higher than the state and county average while rental property in vacancy is unusually low. This would lead to the belief that houses in Sauk City are sitting on the market longer than those in Prairie du Sac and throughout the county. These are 2015 figures, and a recent conversation with a Sauk City real estate company indicates this may no longer be the case for homeowner vacancies.



Home values in the Sauk Prairie area are significantly higher than the state and county averages due to proximity to the Madison market. This pressure is increasing in 2017 and is not expected to weaken in the foreseeable future.

Median rents in Prairie du Sac are much higher than the rest of the state and county as well as Sauk City. This is due primarily to the fact that the rental stock in Prairie du Sac is substantially newer than Sauk City and the County, thereby demanding high rents.



Research from the “American Community Survey 5-year Estimate” shows differences between the Villages of Sauk City and Prairie du Sac. The two most glaring differences are the age of the housing stock and the affordability factor.

The Village of Prairie du Sac has much newer housing stock with 28% of homes being built since 2000 as compared to 18% of homes in Sauk City built since 2000. The other factor is that rental rates appear to be lower in Sauk City with 28% of rental households paying 30% or more of their gross income in rent. This number is 48% in Prairie du Sac. Anything above 30% of gross income is considered “burdensome”.

There also appears to be larger apartment complexes in Sauk City with 5% of overall units (20% of rental units) being in a building with 20 or more units compared to less than 2% in Prairie du Sac. More investigation should be done but it is possible that with newer units in Prairie du Sac rent would understandably be higher.

SECTION 3: TRADE AREA

This section analyzes the size and shape of the Trade Area. Trade Area boundaries defined here will serve as the basis for additional analyses later in this report.

Sauk Prairie is located in south central Wisconsin, approximately 24 miles Northwest of Madison. It is located in south eastern Sauk County. US Highway 12 connects Sauk City and Prairie du Sac to Madison and to Interstates 90 and 94. In addition, US Highway 12 connects Sauk Prairie to the destination communities of Baraboo and Wisconsin Dells/Lake Delton.

Trade Area Defined

A Trade Area is the geographic area from which a community generates, or could generate, approximately 75% of its customers. Knowing the size and shape of the Trade Area is very important because its boundaries allow for measurement of the number of potential customers, their demographics, and their spending potential.

Each individual business in a community has a unique Trade Area. The distinct Trade Area for an establishment will depend on factors ranging from the type of business to the variety of products and services sold. Certain business types will only attract local customers, while other categories have the potential to draw customers from a broader region. For purposes of this analysis, the focus is on local customers as reflected in a “Convenience Trade Area.” In addition to serving local customers, there is some demand from nonresidents including in-commuting workers and visitors.

A convenience trade area is typically based on the purchase of products and services needed on a regular basis, such as gasoline, groceries, and hair care. Because these purchases are relatively frequent, consumers usually find it more convenient to buy these products and services from businesses located close to their home or workplace.

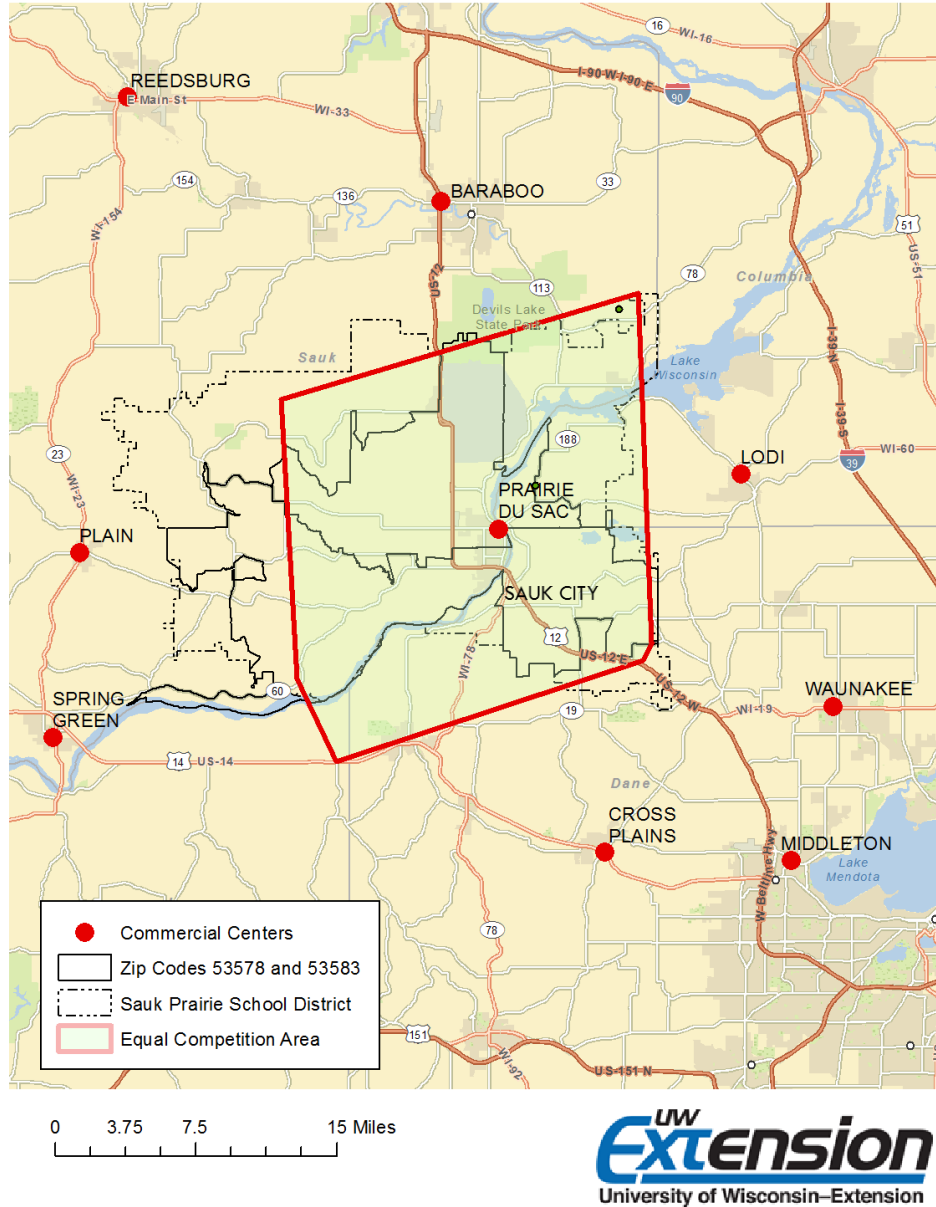
Equal Competition Area

To define the convenience trade area an “equal competition area” was used. This method is formed by lines drawn exactly halfway between each of the competing commercial centers. Any point within the equal competition area is closer to the subject commercial center than any of the surrounding commercial centers.

The following map presents the Sauk Prairie Equal Competition Trade Area, as well as lines illustrating local zip code and the local school district boundaries.

Exhibit 3.1: Equal Competition Area (as Defined by Competing Grocery Stores)

Sauk-Prairie Equal Competition Area

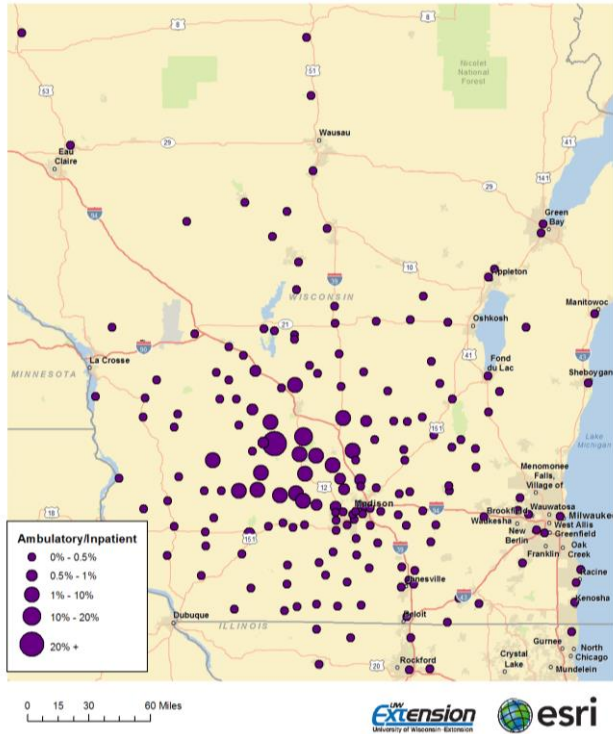


Geographic keywords used throughout the market analysis:

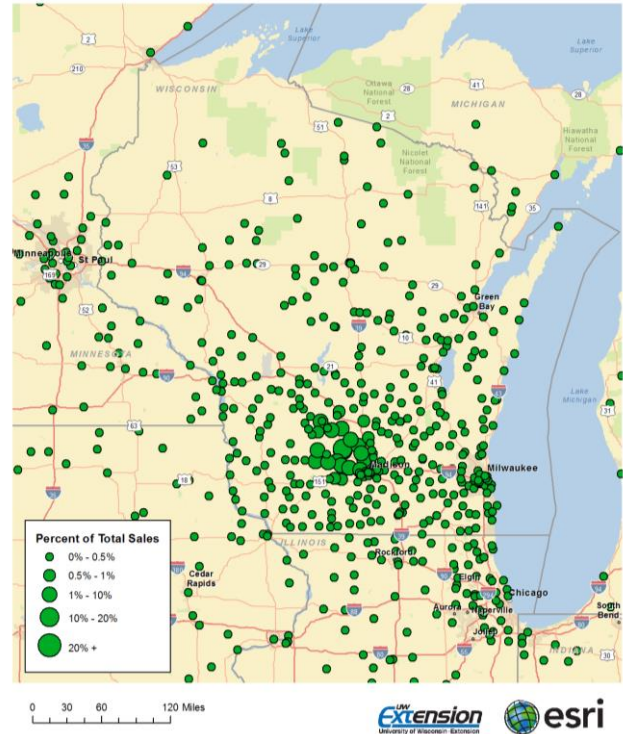
- **Study Areas** – the combination of business districts that are the focus of this study
- **Trade Area** – the geographic area from which the Study Areas generates the majority of their customers. For Sauk Prairie, the Trade Area is formed by a polygon that extends one half the distance to surrounding commercial centers.

Example Trade Areas for Individual Businesses

Sauk Prairie Hospital Ambulatory/Inpatient



Sample Sauk Prairie Destination Retail Store



Zip Code	Hospital Visit Cases	
Sauk Prairie	2954	24%
53913 Baraboo	1570	13%
53555 Lodi	1138	9%
53588 Spring Green	662	5%
53959 Reedsburg	485	4%
53560 Mazomanie	443	4%
53951 North Freedom	404	3%
53561 Merrimac	351	3%
53577 Plain	287	2%
53965 Wisconsin Dells	251	2%
53503 Arena	220	2%
53901 Portage	206	2%
53515 Black Earth	205	2%
53955 Poynette	198	2%
Local Subtotal	9374	77%
Other Zip Codes		
Total	12229	100%

Zip Code	Retail Count	
53583 Sauk City	5787	16%
53578 Prairie du Sac	5023	13%
53555 Lodi	2620	7%
53560 Mazomanie	1883	5%
53913 Baraboo	1770	5%
53588 Spring Green	1265	3%
53561 Merrimac	1058	3%
53577 Plain	874	2%
53951 North Freedom	851	2%
53597 Waunakee	676	2%
53529 Dane	668	2%
53515 Black Earth	547	1%
53503 Arena	545	1%
53528 Cross Plains	531	1%
Local Subtotal	24098	65%
Other Zip Codes		
Total	37283	100%

SECTION 4: MARKET CHARACTERISTICS

The demographic and lifestyle characteristics of Trade Area residents provide information on who lives locally that could potentially generate demand for Study Areas businesses. In addition, characteristics of in commuters and visitors are also presented to describe the significance of these market segments.

Residents

The most recent population estimates for the Villages of Sauk City, Prairie du Sac, and Merrimac were 3,422, 4,053, and 421 respectively. When added together, the villages represent approximately 50% of the population of the Sauk Prairie Trade Area. Comparison data for the Trade Area relative to Wisconsin and the U.S. is presented below.

Exhibit 4.1: Demographic Comparison Report

Demographic Comparison			
	Sauk Prairie TA	Wisconsin	U.S.
Population			
2010 Population	15,347	5,686,986	308,745,538
2015 Population	15,560	5,742,139	318,536,439
% Annual Change '10-'15	0.3%	0.2%	0.6%
Households			
2010 Households	6,234	2,279,768	116,716,292
2015 Households	6,361	2,323,302	120,746,349
% Change '10-'15	0.4%	0.4%	0.7%
2015 Avg. HH Size	2.43	2.41	2.57
Housing			
2010 Owner Occupied	63.6%	59.1%	57.7%
2010 Renter Occupied	22.7%	27.7%	30.8%
2010 Vacant or Seasonal	13.7%	13.1%	11.4%
Median HH Income			
2015 HH Income	\$ 59,159	\$ 52,390	\$ 53,217
Per Capita Income			
2015 Per Capita Income	\$ 30,513	\$ 27,779	\$ 28,597
Household Composition			
2010 HH w/ children	32.5%	30.6%	33.4%
2010 Population by Age			
Median Age	39.5	38.4	37.1
18 +	75.7%	76.4%	76.0%
2010 Race and Ethnicity			
White	94.4%	86.2%	72.4%
Black	0.4%	6.3%	12.6%
Asian	0.5%	2.3%	4.8%
Other	4.7%	5.2%	10.2%
Total	100.0%	100.0%	100.0%
Hispanic	5.2%	5.9%	16.3%
2015 Education			
Population Age 25+	10,800	3,885,748	214,026,813
% Bachelors degree of higher	27.7%	28.3%	30.0%
Tapestry Segmentation for Sauk Prairie TA			
	Percent of 2015 HH		
Parks and Rec (5C)	35.2%		
Green Acres (6A)	31.20%		
Middleburg (4C)	21.40%		
Other	12.20%		

Source: ESRI Market Profile, Tapestry Segmentation Area Profile and Business Analyst Online. For educational use.

Population

Population helps quantify both current market size and future market growth, both of which are used to measure the direction of consumer demand. Population is defined as all persons living in a geographic area. The population of the Trade Area was 15,560 in 2015. This reflects an annual change of .3% since 2010. This rate of change is consistent with both Wisconsin and the US.

Households

Households consist of one or more persons who live together, regardless of relationship, in the same housing unit. Households are characterized by size, composition, or stage in family life cycle. Typically, individuals or household as a group influence household purchases and generates demand. Projected household population growth may indicate future retail opportunities. Like population, households in the Trade Area are growing faster than Wisconsin and US. Households. Average household size was 2.43 in 2015, above Wisconsin (2.41) but below the US (2.57).

Housing Ownership

Housing ownership is an important factor for retailers to consider as it directly correlates with expenditures for home furnishings and equipment. Furniture, appliances, hardware, paint, floor covering, garden centers and other home improvement products all prosper in active housing markets. The Trade Area had 63.6% of its housing units recorded as owner-occupied in 2010. This compares to Wisconsin, and the US which ranged between 58% and 59%.

Household Income and Per-Capita Income

Income can be an indicator of the spending power of residents. It positively correlates with retail expenditures in many product categories. Some retailers may also target specific income ranges based on their target market segment. Median household income in the Trade Area was \$59,159 in 2015, compared to \$52,390 in Wisconsin and \$53,217 in the US. Per capita income is used to measure an area's average income. This is calculated by dividing the area's total income by its total population. The per capita income for the Trade Area was \$30,513 in 2015, significantly higher than Wisconsin (\$27,779), and the US (\$28,597).

Age Profile

Age often affects a person's consumer tastes and preferences. Understanding the population's age distribution helps businesses effectively address the needs of the market. Accordingly, retail, service, and restaurants often target certain age groups. The Trade Area has a median age of 39.5, higher than Wisconsin (38.4) and the US (37.1). Seniors in the Trade Area are projected to increase almost 10% over the next 10 years. Almost half of Sauk Prairie seniors have a net worth of over \$250,000. Roughly a 25% have a net worth of over \$100,000.

Race/Ethnicity

Spending patterns often differ with ethnicity. Understanding the ethnic distribution of a population is the first step to meeting the needs of different groups. However, the Trade Area is less diverse with 94.4% white residents compared to Wisconsin (86.2%) and the US (72.4%) in 2010. There are areas within the Trade Area that have a growing Hispanic population.

Education Attainment – Population of 25 and over

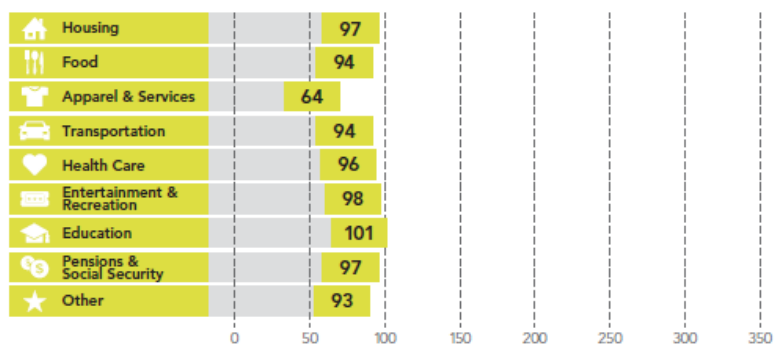
Education can be an indicator of the socioeconomic status of an area. Not only do education levels affect income, they also impact consumer tastes and preferences. The Trade Area had 27.2% of its population in 2015 having a baccalaureate degree or higher. This compares to Wisconsin (28.3%), and the US (30.0%).

Lifestyles

Trade Area residents can also be studied using lifestyle segmentation information. Lifestyle segmentation systems examine the buying habits and preferences of consumers in a geographic area. One lifestyle segmentation system is Tapestry™, by ESRI Business Information Solutions. Consumers are classified into 67 demographic and behaviorally distinct segments. The segments are based on type of neighborhood (urban, suburban, rural); the residents' socioeconomic status (age, income, occupation, type and value of residence); and their buying behaviors. The top three lifestyle Tapestry™ segments in the Sauk Prairie Trade Area are presented below along with ESRI's descriptions of these segments.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



Parks and Rec (35% of Households) These practical suburbanites have achieved the dream of home ownership. They have purchased homes that are within their means. Their homes are older, and town homes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age. They are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

- Cost and practicality come first when purchasing a vehicle; Parks and Rec residents are more likely to buy domestic SUVs or trucks over compact or subcompact vehicles.
- Budget conscious consumers stock up on staples at warehouse clubs.
- Passtime include being home watching documentaries on Animal Planet, Discovery, or History channels. For an outing, they choose to dine out at family-style restaurants and attend movies. Between trips to the casinos, they gamble on lottery tickets and practice their blackjack and poker skills online.
- Convenience is important in the kitchen. They regularly consume frozen or packaged main course meals. Ground coffee is preferred over coffee beans.

- Residents here take advantage of local parks and recreational activities. Their exercise routine is a balance of home-based exercise; a session at their local community gym; or a quick jog, swim, or run.

Green Acres (31% of Households)

Features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools like tillers, tractors, and riding mowers. Outdoor living also features a variety of sports like hunting and fishing, motorcycling, hiking, camping, and even golf.

Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

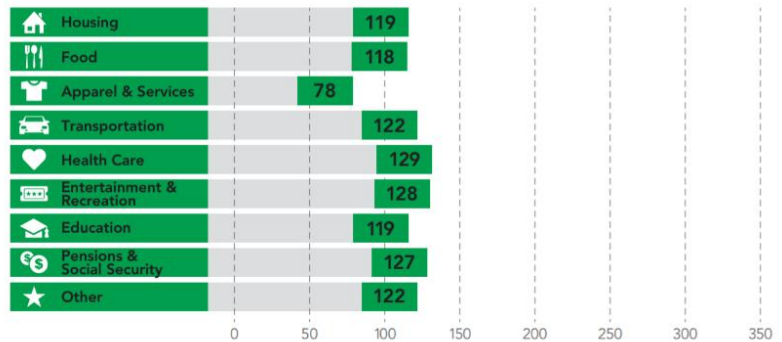
- Purchasing choices reflect Green Acres' residents country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice have an emphasis on country, home, and garden.
- Green Acres residents pursue physical fitness vigorously from working out on home exercise equipment to playing a variety of sports.
- Residents are active in a variety of social organizations, from fraternal orders to veterans' clubs.

Middleburg Neighborhoods (21% of Households)

These neighborhoods transformed from the easy pace of country living to semi-rural subdivisions in the last decade, when the housing boom reached out. Residents are conservative, family-oriented consumers. Still more country than rock-and-roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves

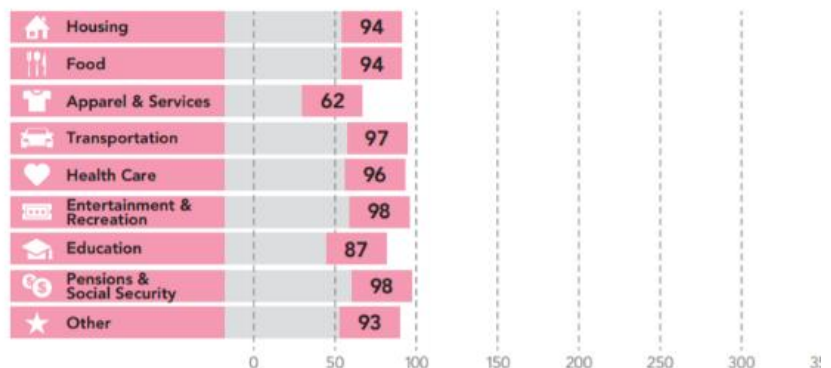
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on their expertise. They prefer to buy American made items and travel in the US.

- Residents are partial to trucks, SUVs, and occasionally convertibles, or motorcycles.
- Entertainment is family-oriented, activities like TV and movie rentals or theme parks and family restaurants.
- Spending priorities focus on family (children's toys and apparel) or home DIY projects.
- Sports include hunting, target shooting, bowling, and baseball.
- TV and magazines provide entertainment and information.
- Media preferences include country and Christian channels.

Workers

The Sauk Prairie Area boasts an array of corporate headquarters and other key employers, particularly in the manufacturing and healthcare/medical sectors.* The villages have been assertive in providing infrastructure and incentives for downtown redevelopment and new industrial and office development. The area's strengths for continued economic development include good highway access, close drive to the Madison and Dells areas, unique "rivertown" character, name-brand corporate and health care presence, and good schools with recent investments. **Source: Sauk Prairie Comprehensive Plan, Volume 1 – Conditions and Issues, 2017*

The larger employers in the Sauk Prairie area and their approximate employment are listed below.

1. Sauk Prairie School District – 425
2. Sauk Prairie Healthcare – 415
3. Milwaukee Valve – 325
4. Maplewood of Sauk Prairie – 225
5. McFarlane Mfg. Co., Inc. – 195
6. Devil's Head Resort & Conv. Ctr
7. Quartz/Gunderson Health Plan/Unity Health Insurance – 165
8. Mueller Sports Medicine – 140
9. Culver Franchising System Inc. – 117
10. Prairie Clinic, S.C. – 97
11. Ramaker & Associates – 90
12. Straight Forward – 62
13. Piggly Wiggly – 52
14. Consumers Cooperative – 52
15. Village Family Dental – 51
16. Edge Consulting Engineers, Inc. – 50
17. Ever Ready Electric – 50
18. Ace Sauk Prairie – 46
19. Ballweg Chevrolet Buick – 46
20. Frey Construction & Home Improvement, LLC – 45
21. Bank of Prairie du Sac – 42
22. Schwarz Insurance – 39
23. American Data – 34
24. Wollersheim Winery & Distillery – 30
25. Universal Die & Stampings – 28

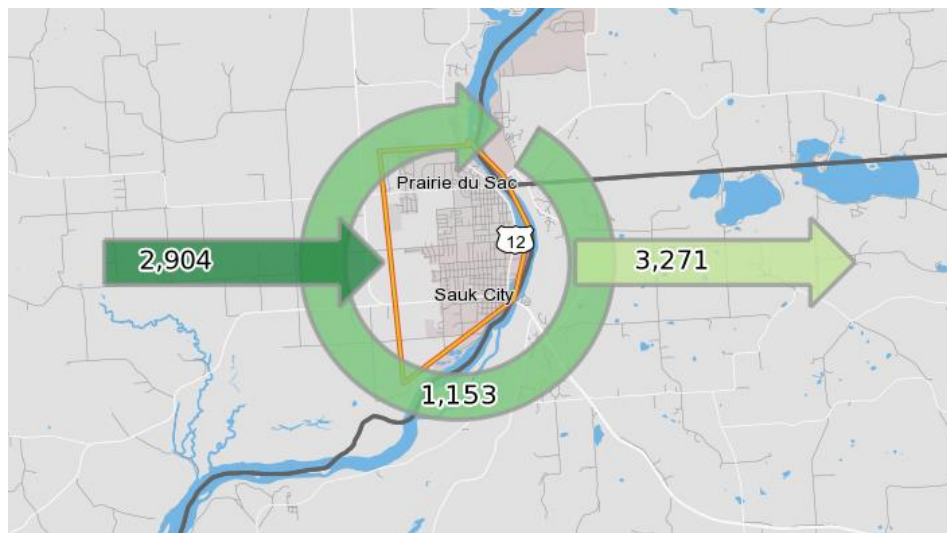
Worker Inflow and Outflow

Worker inflow and outflow data, to and from three villages of Sauk Prairie area, helps measure the significance of commuter spending in the community. Some employees may live in other communities with the potential to purchase within the Study Areas during, before or after their work shift. Conversely, some employees may live in Sauk Prairie but work elsewhere. Both group of workers, those traveling to and those traveling from Sauk Prairie, often have spending potential to be captured.

The following map shows employees who come to work in either the Villages of Sauk City or Prairie du Sac. It also illustrates the number who live in the community, but work outside of the villages. Finally, it illustrates the number who live and work within the villages. The orange polygon represents the boundaries of the two villages.

There are 2,904 employees that come in to Sauk Prairie to work, but who live in a different area. Coincidentally, the same number of people (3,271) live in the villages, but work in surrounding areas. 1,153 citizens live and work in the two villages.

Exhibit 4.2: Employee Commuting Patterns in 2014



Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations

Employed and Live in Selection Area

Employed in Selection Area, Live Outside

Live in Selection Area, Employed Outside

**Where Workers Live Who are
Employed in Sauk Prairie**

	2014	
	Count	Share
Total Primary Jobs	4,057	100.0%
Sauk City village, WI	600	14.8%
Prairie du Sac village, WI	546	13.5%
Madison city, WI	153	3.8%
Baraboo city, WI	143	3.5%
Lodi city, WI	115	2.8%
Lake Wisconsin CDP, WI	70	1.7%
Spring Green village, WI	60	1.5%
Middleton city, WI	56	1.4%
Waunakee village, WI	44	1.1%
Reedsburg city, WI	43	1.1%
All Other Locations	2,227	54.9%

**Where Workers are Employed
Who Live in Sauk Prairie**

	2014	
	Count	Share
Total Primary Jobs	4,424	100.0%
Madison city, WI	912	20.6%
Sauk City village, WI	699	15.8%
Prairie du Sac village, WI	542	12.3%
Middleton city, WI	226	5.1%
Baraboo city, WI	163	3.7%
Fitchburg city, WI	67	1.5%
Milwaukee city, WI	67	1.5%
Reedsburg city, WI	54	1.2%
Waunakee village, WI	51	1.2%
Lake Delton village, WI	49	1.1%
All Other Locations	1,594	36.0%

Source: <http://onthemap.ces.census.gov/>

The data indicates that nearly 70% of workers in Sauk Prairie live in other communities and commute in (in-commuters). Similarly, nearly 70% of workers who live in Sauk Prairie work in other communities (out-commuters). Both of these groups have various needs during commuting time, and may offer Sauk Prairie businesses new opportunities to increase revenues.

Visitors

Visitors traveling to or through Sauk Prairie are important as they provide additional sales to businesses that provide a convenient stop. Leisure travelers include those who are passing through the community to points north, typically visiting Devil's Lake State Park or the Wisconsin Dells. Others make Sauk Prairie a destination for outdoor recreation opportunities like fishing, boating or canoeing the Wisconsin River, enjoying Lake Wisconsin for fishing or tubing, hiking, biking, enjoying a day at Wollersheim Winery & Distillery, or hitting the slopes at Devil's Head Resort.

Visitors travel to the area from throughout Wisconsin, particularly the Milwaukee area, and the greater Chicago, Illinois area. The hospital brings in travelers who seek their state-of-the-art orthopedic practices, providing overnights for up to a week for pre & post op services. Travelers come from throughout the Midwest to utilize Sauk Prairie Healthcare for joint replacement.

Sauk Prairie has eight nationwide and/or international companies that call the community home. With business travelers, Monday through Thursday night stays are frequent, with some visitors staying as much as six weeks for corporate training. Opportunities to bring additional visitors exist, but require developing the ag-tourism, culinary tourism, biking and other outdoor recreation amenities of the area



Sauk Prairie Area Tourism Attractions & Services

Key: (✓) Residents Amenity; (*) Tourist Attractions

Outdoor Rec Beaches✓ Lakes*✓ Islands✓ Parks✓ Picnic Area✓ Rivers*✓ Star Gazing✓ Camping*✓ Rock Climbing✓ Playgrounds✓ Swimming Pools✓ Devil's Lake State Park*✓	Silent Sport – Land Biking*✓ Bird Watching*✓ Fall Foliage*✓ Hiking*✓ Archery✓ Golf*✓ Kite Flying✓ Rock Climbing* Snowshoeing* Cross Country Ski*	Silent Sports – Water Canoe*✓ Kayak*✓ Tubing*✓ Fishing*✓ Sailing✓ Swimming*✓ Boating* Paddle* Boarding* Ice Fishing*	Active Sports Skiing Downhill*✓ Boating*✓ Bowling✓ Hunting*✓ Ice Skating✓ Mountain Biking*✓ Skeet*✓ Shooting*✓ Water Skiing*✓	Nature✓ Gorges Cliffs Geological Formations Monuments – natural Natural Bridges Scenic Views Valleys Wilderness Wildlife Archeological Sites Geology Winding Roads	Agritourism✓ Farms✓ Orchards Vineyards Local Foods/Cheese and Specialties* Ag Fairs✓ Animal Shows Specialty Food Tasting Events Winery Tours* Fish Hatcheries Produce Stands✓ Treinen Farm & Corn Maze* Wyttenbach Meats* Willow Creek Caricature*	Businesses Antique✓ Crafts/Artisanal Art Gallery* Ethnic ✓ Restaurants/Grocers Health and Beauty✓ Rejuvenation Clinic* Spas✓ Shopping* - DMarie Knit/Fiber - Recob Target Shop - McFarlane;s - Wilderness Fish & Game - John Deere Yoga & Pilates✓ Car Shopping*
History Battlefields* Costume Events Exhibits Historical Buildings* Famous People Landmarks Memorials* Monuments Museums Newsworthy Places Victorian Buildings Dam & Power Stations* Military Parks✓ Murals✓	Community Churches✓ Ferry Boat* Governments Buildings✓ Libraries✓	Entertainment Theaters✓ Bingo✓ Drama Productions✓ Tractor Pulls* Hockey Rink*✓ High School Athletics & Show Choir*	Events Fishing* Derbies Tournaments* Art Shows✓ Studio Tours Auto Shows Craft Shows✓ WI State Cow Chip* Fire on the River* MM BBQ Fest* Eagles Days* Winter Eagle Tour* Twins Baseball* Witwen Parade* Holiday Lights*	Arts River Arts Inc. –*✓ Water St. Gallery Water St. House Concerts RAC Gallery RAC Performing Arts Center Dr. Evermor Forevertron Sculpture Park *✓	History Tripp Heritage Museum✓ Walking & Wheels Tour✓ Badger Army Ammunition Plant✓ August Derleth Society *✓	Unique Restaurants La Mexicana Blue Spoon Café Green Acres Dorf Haus Vintage Windmill Pizza Wood BBQ 1 st Culver's Bakeries Mixing Bowl Tower Rock

SECTION 5: ROUNDTABLE DISCUSSIONS AND KEY INFORMANT INTERVIEWS

This section summarizes roundtable group discussions and individual one-on-one interviews with key business and community leaders. These meetings are intended to provide local insight and suggestions that cannot be captured through the use of secondary data.

Roundtable Discussions- Get Moving Sauk Prairie

On March 7, 2017 approximately forty “Get Moving Sauk Prairie” participants worked in small groups to address the questions listed below. The bulleted lists following each question are the participants’ responses. The number in parentheses indicate the number of times the idea was mentioned.

1.) What could business operators do to capture more spending from each of the following market segments?

Sauk Prairie Residents

- Survey residents for their needs and wants
- Two communities are spread out. Need to drive. Offer trolley rides for “free”. Promote advertising on the “trolley” to pay for trolley (i.e. winery tours)
- Community-wide events
- In store events (i.e. classes and tasting) and use Facebook to promote
- Promoting FREE activities to get people out
- Communicate your value and offerings
- Special events downtown (car show)
- Basic marketing and brand awareness
- Bigger Farmer’s Market with additional advertising and vendors
- Merrimac Ferry
- More variety, in stock, at a reasonable price i.e. hardware stores
- Local merchants offer online buying
- Create birthday specials- send postcards to residents to get 10% off
- Customer service training
- Village of Prairie du Sac needs an electronic sign
- Create “residents days” at local business for a discount

Tourists (consider ag-tourism, culinary tourism and outdoor recreation)

- Ice skating rink for residents and tourists
- Guinness World Record events
- Community-wide events
- In-store events
- More lodging needed
- Additional signage to restaurant, parks, etc.
- Event participation

- Partner-together (art fair and farmers market)
- Art community
- Create weekend packages/itinerary
- Farmer's Market
- Barista style coffe shop
- Well known franchises
- Bike and canoe shops
- Fishing tournaments
- Is Sauk Prairie prepared to succeed with the tourists?
- Create a weekend in Sauk Prairie brochure (3-day pass)
- Need signage for amenities i.e. restaurants and attractions
- Hiking trail brochure
- They need to market themselves better
- Create Sauk Prairie couple book for tourists
- Work with gas stations to promote local attractions and events

Commuters Passing through Sauk Prairie

- Signage (2)
- More advertising (2)
- Being part of an app (YELP, Google Maps). Make sure Sauk Prairie's presence online is positive.
- Welcome signs at key points
- Utilize river front (DNR approval)
- Signs to restaurants
- Park and ride (kiosk promoting businesses)
- Signage to alert and divert
- Safer downtown in Sauk City with Safe stops for pedestrians
- Difficulty backing out of street parking in Sauk City especially at curve (police station)
- More messaging and sandwich boards

Business Related Visitors (i.e. hospital patients, customers, business associates)

- Need for additional lodging (ex: large tournaments, hospital stays) (3)
- Floating bar/restaurant with pier access to capture boat and canoe traffic
- Mobile food carts/custard
- Have space in clinic- TIF to encourage more development near clinic
- Branding; at hospital
- Local businesses/ attractions in kiosks, brochure racks rather than Dells information
- ATV Association for the ammunition plant
- Place for kids- fun stuff
- Sporting tournament to get to Dells or Baraboo
- Need more food choices

- Need more hangout places that highlight area history and amenities
- Truck stop model- buy local tickets
- Hospital- appeal to wheelchair bound people. Other wheelchair friendly spaces/activities?
- Create a Culver's museum
- Create Farm Tours
- Culinary initiative: cheese/wine tasting, cheese stores with drinks, Wyttenbach, cheese wine tasting
- See 'Monroe' or 'Mineral Springs'
- Plenty of advertising at businesses for other businesses and things going on in the community

2.) What selling points about the Sauk Prairie area would interest new businesses?

- River/riverwalk/ lakes/waterfront views (5)
- Giving community (2)
- Excellent schools! (2)
- Recreational opportunities/activities (2)
- Walking trails/ parks
- Ambiance of the community
- Bike trail, arts trail (recreational tourism)
- Population
- Demographics (age, hospital employees, income)
- Fairly affluent population
- Hwy 12 heavy traffic
- Winery/ brewery/ distillery
- Location
- Major traffic flow
- Two towns- soon to be one!
- Emphasize local heritage (i.e. German/Swiss eatery)
- Veteran friendly
- Regulatory environment (Welcoming to new businesses?)
- Revitalize old or current businesses
- Larger farmer's market
- Car show
- Snack sausage/ meat museum or some type of food (Middleton has Mustard Museum)
- Lodging with a gift shop

3.) Name the types of new businesses you would most like to see come to the Sauk Prairie area (please do not indicate the name of the business, just the type of the business).

- Small hotel- lodging, B & B along river (2)
- Sporting goods/bicycle shop
- Canoe or boat shop retail outlets
- Fudge/candy shop or mini-mall

- Retail- specialty shops
- Fast food options (i.e. KFC, Arby's)
- Fill the Harley space- power sports?
- Clothing
- A place for kids/ hangout spot
- ATV Trails
- Eagle viewing area
- Artist-type business
- Café/wine bar
- Fresh market (i.e. Trader Joe's)
- Art community
- Building supplies- lumber
- Nostalgic Sauk Prairie business
- Laser tags/inflatables (i.e. Pump It Up in Fitchburg)
- Family orientated "dome" to host events
- Motorcycle/boats
- Consumer general goods
- Lumber store
- Gathering spot along the river

Key Informant Interviews

Members of the Sauk Prairie Area Chamber of Commerce Economic Development Committee identified key businesses representing diverse, retail-related sectors in the Sauk Prairie area. In May of 2017 individuals from the committee then interviewed the respective businesses owners (the interview questions are listed below in bold). The bulleted items are the business owners' responses. They have not been modified except to protect the anonymity of businesses.

1. Are you reaching your business potential? If not, what is preventing you from reaching your business potential (i.e. lack of parking, wage rate, sales competition, etc.)?

- Business is currently for sale after owning it for three years. They recently converted to long-term stays with a minimum of 30 days, but have not received the interest they thought they would. They did report previous they average 200 nights per cabin (two cabins). They stated having only one cleaning service in the area was a challenge for them.
- Business is not reaching potential; feels that signage limitation and limited parking are issues for her business. She knows she needs to do more advertising but dollars are limited.
- Not reaching potential yet. Just beginning to tap into it. Renovations and opening the pizza restaurant have begun to establish a niche. Through the door traffic has more than doubled. We hope to continue to capitalize further as more riverfront development occurs. We're very committed to the investment in our local operation.

- "Never seen so much opportunity as there is in business today". Would like to be able to put out sign by the curb again: "We have fresh curds." Sales dropped off a lot after prohibition. Pizza Hut juts out in the strip mall and blocks the location, which results in fewer "drop-by" customers. We get destination customers. Free advertising would be helpful in community. Cross-promo with other businesses would be good. Would like to participate in more Chamber activities. Manager works alone, can't leave the store, can't participate in lunch-n-learns, etc. Probably lots of sole-employee businesses with the same problem. Always reads the Chamber newsletter.
- No business could say they are. Business has grown steadily at a good pace for us. We can handle pace of growth. However, the more the area is a known destination, the more a person may already have a reference point and make it a day-long trip. We don't have sit-down dining, and sometimes people are looking for that. Also, no alcohol on the farm. Some want to do the maze then go have a drink. Food is not a big profit center for us; it's easy to make a recommendation. If people have a good day in the area, we all benefit.
- Not reaching business potential due to competition and lack of dollars to update the facade of building and give it a competitive edge.
- With help of a publicist and people promoting our business through articles, magazine, videos, books and social media we are hitting a nice market. Trying to reach new customers should never end.
- No, I am not reaching my business potential. Business is very seasonal to having an attraction for winter months would be very helpful. Growth of community would be helpful as private weddings, funerals, etc. bring people in.
- No. We don't have to rely on the rest of the community. We need their support, but it's up to us to reach our potential by letting people know what we have to offer and why they should do business with us. Tywana has made the Chamber what it is today. S-P Chamber; people look up to it today. We don't take advantage of Chamber training opportunities. Small business, hands on, tough to get away.
- Haven't reached potential because we're still growing. I like slow growth. Only one down year. Still growing. Business slowed down after the election but it's picked back up. Looking at other product lines to add. People buy piles of the Taylor targets because they're great quality. Like to buy products made in the USA. Acme bullets made in Germantown. Harrison bullets from Merrimac. Powder became scarce for quite a few years, so fewer reloaders but that business is slowly coming back. People started buying promo shot shells instead of reloading. Growth in business is youth and ladies. So many teams popping up in HS Clay Target League. Lodi has a world-class Winnequa rifle and pistol club. We're able to tailor ammo to shooter, such as low-recoil loads for younger shooters.
- We do not have our name on the outside of our building and this is hurting us. This year we plan to do it. I explained the Chamber's work with Water Street and suggested the Chamber could help with designing the sign to match the area. They appreciated this idea. Parking is not a problem for customers.
- Biggest constraint is the insurance company restrictions. Local people are not able to use local services due to the insurance company narrow networks.
- The tight labor market, hiring people at multiple levels

2. What types of businesses are in demand, but are missing in the Sauk-Prairie Area?

- Need to market more to women as a destination. Pointed to Galena, IL as an example. Need shops that focus on river. Need to clean up backs of buildings facing river.
- No need for retail - it is just too tough for those businesses to survive today. We could use more restaurants and service professionals -- with good management. They will do fine if they have good service.
- Retail – Customers ask for quilt, antique shops, and other businesses they don't see in their home towns. People won't explore around town to find shops.
- Restaurants – Never enough food businesses. Not enough high-quality food, but unsure if locals would support more expensive dining options. Need a larger, better farmers' market. Not enough turnover to have quality produce in Piggly Wiggly or Sentry. Lots of customers ask about restaurants.
- Service businesses – Need a better printer. Giegerich's is great, but need a print shop that is more up-to-date and business-oriented. Ends up ordering from Amazon for things like Avery products. Need something like a mini-Office Max.
- Retail – Appliance store. Takes a special person to make conscious decision to not go to Best Buy. I'd be very reluctant to encourage somebody to open a retail store in Sauk. It's always a drive for us to buy anything retail. Amazon delivers in 48 hours and I can research it. Love the bike store in Baraboo. Yellow Jersey in Arlington- percentage of business done electronically is so high they don't need to be in Madison. We go to Vail and Breckinridge for spring break where nothing is cheap but what else are you going to do. Need clusters of unique shops. Ace Hardware – prices are very high compared to other businesses. Shop there because it's easy to find and I know what "Ace Hardware" is. A lot of people don't want to go to a "farm store" like Mc Farlane's because they don't know what it is.
- Restaurants – Need more upscale restaurants and hip places like the Woodshed Ale House. Sauk Prairie draws lots of people from Madison who are looking for experiences. They prefer an upscale restaurants. Not necessarily fancy, but hip. Blue Spoon, not Eagle Inn or Leystra's who have old-fashioned menu. If I owned it (Leystra's), I'd really play up the retro feel but update the menu. Our customers are planning a destination and are looking for unique places to go. Wood-fired pizza would be great. My customers won't go to Eagle Inn. Green Acres: don't like the menu or 1960s salad bar. It's a supper club where the old people go. When we make a recommendation to one of our customers, we have to feel comfortable that their customer service is equal to ours. If people are going to Madison, we send them to Sauk. Need places to go at night. We close at 10:30, and people are looking to go somewhere. Only bars open at that time. Some people don't even start doing anything until 10 pm. Doing the maze after dark is very popular.
- It appears that more manufacturing or commercial business is needed. Perhaps even more Ag related business.
- Service businesses – We buy tons of office supplies. Unless it's an emergency, I order from Amazon. If it's an emergency, I drive to Madison. I drive to Waunakee a lot to M & M coffee shop to meet friends or to write. I'll also drive to Barriquer's in Madison. Big enough that I don't feel like I'm taking a table away from them. In Sauk-Prairie, Blue Spoon is the only place.
- Full fledge garden center

- Lumber yard
- Upscale, private dining restaurant
- Unique retail and service businesses, overnight stays (Less desire for franchise businesses)
- Retail would be biggest area of demand. Restaurants are in demand, but are not lacking (feels supply meets demand).
- Retail clothing. Only place with clothing is McFarlane's. Appliances. Can't compete with big box stores. We try to support community but some things you just can't get here. Anything more formal than jeans. It's tough. Happy with our grocery stores. Next step up would be something that is not good for our community like a Walmart.
- Restaurants – New brewery will punch that up. Riv has done a nice job offering better quality. Mexican restaurant is supported well. Middleton and Baraboo 20 minutes away. Competition and variety are about right for size.
- Service businesses – We want local support and we try to support other local businesses. Plenty of auto service businesses that do a good job. Lumber yard would be nice but there's a reason why they moved out. Trying to make people realize that when you spend a dollar here it helps a lot of people. Area has grown a lot but wouldn't want faster growth.
- Retail – Spectacular thing to have is the hospital. We're so lucky. We get business here from Wyttensbach, Wollersheim, St Vincent de Paul, and Ice Arena. Don't know what other businesses we'd need. Preferably not a Walmart in town.
- Restaurants – Lots of people ask where to eat. Eagle Inn, Green Acres, Press Box, La Mexicana. Don't know what we're missing here in town.
- Service businesses – We already had accountant, attorney, and bank before we re-located to town. May order electronics on-line as there isn't a lot of that in town but we're aren't big enough to support it and do a good job. Hotel? Don't know Cedarberry's fill rate.
- Our business is a bit strange like McFarlane's. We have retail plus distribution like they have retail plus manufacturing. We reach out a long ways. We ship to MN, MI, IL, even international.

3. What types of businesses would especially complement your business?

- More lodging accommodations for large families (20+) and Bed and Breakfast options. A nice wedding or event venue that houses over 300 people.
- An eclectic rental business.
- Movie theaters, ice cream shops, mini-golf or businesses that elicit activity (driving range, go karts, even sporting goods stores)
- Hands on art like Board and Brush in Mt. Horeb
- Meat market right next door. Wine shop. Chocolate shop. Bakery with all bread. Businesses we have are all about half there. Miss having the DQ in town and their ice cream.
- Destination businesses. Come to the corn maze, then go to Wollersheim. An apple orchard would be a good complement. People often ask for apple orchards in the area. They want to pick apples and get pies, etc. Talked about adding an orchard, but that would be a big investment and a whole new enterprise. Hard to make money on food. Always thinking about what else people can do on weekends in this area. People with kids will spend the whole day here. People who come to do the maze, friends, do the maze then want something else to do. They don't spend a lot of time at the farm.

- A better, more dominant grocery store with fresh foods, international cooking supplies, etc. We need to keep people in town shopping rather than going to Madison and then picking up items while they are out and could purchase them locally.
- Hotel/motel, unique retail, anything that makes the community a destination. If it is an event, it is important to keep in mind a very important goal is to promote businesses in the community as well. Sometimes the focus seems to be on fundraising more than promoting the businesses that are already here and working hard to serve.
- Recreation to draw people here.
- We try to do promotions with anybody, even grocery stores. We work with and make ads with Mixing Bowl, McFarlane's, and Culver's. We're working with several restaurants in some capacity.
- Gun clubs complement our business. Wollersheim, Wyttenbach, St Vinny's, Wilderness, Ice Arena all complement our business and we complement theirs.
- Services which would help our SPH are landscaping and snow removal

4. What can be done to improve the customer experience in the Sauk-Prairie area for residents? For tourists? For commuters?

- Quicker street routes that space out stop sign. (Pointed to Carolina Street as what not to do.) Also mentioned that CTY Y is to be resurfaced this year which needed.
- For residents we need quick oil change service that is open on Sunday - have to drive to Madison because it is only day off to get stuff like that done.
- The physical improvements to a business aren't as important as hospitality and friendliness of staff. This is a concern in some businesses in town. Hospitality and great customer service aren't as common as in the past. But they build loyalty!
- A whole food store that has a nice variety of specialty food, fresh vegetable and fruits.
- Culver's Training Program for everyone.
- Training employees to gather customer feedback. Culver's training on customer service is good. Company doesn't have enough labor hours to train their own employees on better customer service, and manager feels they are already pretty good at customer service. Need help in finding good employees. Need adults that can work different shifts than teenagers and have more experience in customer service. Maybe even retired people who would like to work and are physically able to do the work. Brochures could be located in more areas to promote other businesses. Perhaps the Chamber could give out small stands that could be put in a business to share brochures for other businesses with customers. For commuters? Street signage, more visible signage.
- Lone Girl as a great example. We don't usually go to Waunakee but a friend suggested it. Open and airy, great customer service, lots of people there, good menu. Even though it's a little further, such a nice feel makes it worth the drive. In Lodi and Sauk, there isn't a gathering area with a lot of people and stuff happening. There's not a space large enough in Sauk. Blue Spoon is sort of that way but small. Where do kids go in town (teens)? They need to be social outside of school. Culver's? Need an arcade with pizza. We have "Zompocalypse" every year. Have a DJ and stage. Halloween there is no place for underage people to go. Nobody will have a party with 50 teenagers in their house. Very popular event. Need to build a community.

- We need an easier North-South road to travel; better wayfaring signage.
- A true ice cream or yogurt shop with all of the fixings.
- More eye appealing downtown Sauk City. This is a huge factor. A major rebuilding plan needs to happen. The bridge and river is impressive, but it needs the surrounding area to look just as impressive. Look to other communities who are doing it now (downtown Middleton, Waunakee). Park, Walk & Stay.
- For all audiences, more choices in all things (retail, restaurants, hotels, etc.) would improve experience
- Tourists and commuters: want to spend the day here. What can they do? People who've been here a long time take some stuff for granted. We forget about some of the stuff we have available in the community. Chamber could offer a day-trip guide, kind of like bike tours guide. Even activities 20-30 miles around as long as they come back here to stay. Many people have smart phones to look up stuff but maybe need guidance.
- Don't think there's much we can do. New road is a big deal. Community is pretty doggone pleasant. Wonderful police force, fire department, Pat Drone as Director of Public Works. I've never met the new guy who took over after Shawn Murphy.
- Improved lodging, long or extended stay
- Electronic visitor kiosk
- Village consolidation

5. What are the unique assets in the Sauk-Prairie area that could be used to attract businesses and customers? How can we increase local consumer spending?

- Bird City - need to promote more bird tours, pelicans, promote watching tours, promote what Sauk Prairie dues for bird conservation. Highlight area history. Use Lower Wisconsin River Board as a resource more. Tours of historic buildings. Celebrate longevity of business (i.e. 100 years). Winery & Brewery driving tours.
- Need more nightlife for people to enjoy after a day on the river/lake and/or hiking. Supper Clubs will not attract the next generation.
- We need to capitalize on the history of our area, the winery, eagles and canoeing.
- Routines are hard to break. People go where they go. You need to do a good job and get people to change a routine to get them to spend money here instead of where they already spend it.
- WI River, eagle watching, the winery, Culvers + Blue Spoon. The brewery will be wonderful. Big one is the River. Need more activities in PdS to attract customers. More big events like the BBQ fest. Fly-in? What can we do to get more people in PdS? How can we increase local consumer spending? Better customer service. Give people a reason to shop...must be something they can't get anywhere else. Convenience. Support local, understand why local is good. Need older generation to spend more money, or frequent business more than they do. Free cab rides businesses or bus rides from senior housing to different local shops. Bring people into town on day tours from an hour or so radius.
- Parking is number one. Don't like to parallel park. I like the two spots, then crosswalk, then two spots parking layout in downtown Prairie du Sac. Never feel like I'm trying to squeeze into a tiny spot. Parking in Sauk is hard to see and pull out, but better than parallel parking. Didn't know

that the bowling alley had been renovated. We don't get the Sauk papers. How would we know? Standards of customer service for older businesses haven't kept up with modern standards of customer service. Example: Sugar Shack in Lodi. New business owner has some issues, yelled at a customer for whistling. Street appearance is very important. If you can't see from the street that it's cool inside, very challenging to get people to come in. Small towns rely so much on word-of-mouth. Some people are very gossipy. If they have an amazing meal, they will tell everybody. Who are those people who are going to talk at the soccer games and football games? Get them to come in and give them a great experience.

- The River is underutilized. Other communities sell extremely well by promoting their great school system—we should too. More blue collar focused curriculum is needed. We have a nice old town feel, but local land owner should be more willing to promote expansion.
- Need to help current retailers stay in good shape and grow; without some retail downtown, it will become very depressing.
- River and beauty of the area. Paying good wages and promoting each other's businesses people will be more likely to stay and spend here. Decrease people's need to travel when they get quality and great customer service in their backyard.
- River, Lake WI, Birds of Prey, Devil's Lake, future bike trail
- For years, our community leaders forgot we live along a river. It's got a lot of potential. Schools are very good, which is a big asset. Hospitality in our community; it's a friendly community. It's a very generous community. Tremendous support for hospital, River Arts, swimming pool, Honor Flight, now the sports complex. They will get it done.
- Continue to emphasize buying local and how much it helps a multitude of things in our local community. How those dollars circulate in the community. Need to make sure employees are friendly and show appreciation for customers. Let them know we want their business.
- We have customers that have learned about us because of Wollersheim and vice-versa. We'll see wives sitting in the car while husband shops in the store. We recommend shopping at St Vinnie's, or planning a visit to the winery next time they come to town. Greatest asset here in the community is the people. Some customers just getting Culver's in their local areas. Number of businesses in town that already are drawing people in. We send people to Wilderness Fish and Game and they send people here. We often wonder: Did we grow because of Sauk Prairie Trap Club and Winnequa, or vice-versa?
- Great Sauk State Trail, connecting Sauk to the Devil Lake via the bicycle path

6a. If you came back to the Sauk-Prairie business districts in 10 years how would it have changed for the better? What should the business district look like in Sauk City, Prairie du Sac and Merrimac?

- More recreational opportunities - Great Sauk State Trail, Sauk Prairie Recreation Area. Recreation attracts young families.
- Prairie, with updated storefronts and inviting river fronts and the downtowns would be connected.
- More touristy. Has gotten much better in past 20 years. Need something on the corner where Tesch's used to be. More like Middleton, or actually more like Viroqua. Need more quality, yet still friendly to average people like farmers.

- Sauk City and Prairie du Sac? The river is really unique aspect of Sauk-Prairie. Businesses downtown within view of river have a huge advantage. Need to be able to get to the river and get to that beautiful scenic area. In Prairie, can get to the river from Blue Spoon. Where else? Being able to go for a walk along the river is huge. Need good signage to highlight the trail. So much about the river now is secret. Have to be a local to know how to get down to the river. Need signage on the trail pointing to the businesses. Great business for tourists is a candy store. A great candy store would get the kids to force the parents to come back to town. Need kid-friendly businesses. Crystal Lake campground used to cater to college kids and parties and went broke. New people took over and made it family-friendly and it become much more profitable. People spend money on their kids. Outside eating is very popular on nice days, or even cool days with propane heaters.
- It would look more maintained and "refreshed", but the population would be about the same. We don't need to be a Sun Prairie.
- These two conjoined communities will continue to pull together to hit the home runs. Should be thinking about one big business district. Schools will also continue to improve and drive the new growth in population. Basically, it comes down to: How do we draw on an available workforce? Offer the lucrative industries with good wages and benefits? How do we prepare folks with the right skills for the jobs available? Are we continuing to offer great schools to attract young families with children? Potential business opportunities with the new "sustainability focus" to supply the new generation and their lifestyle.
- Sauk City: Professional office, retail service "stroll and shop community".
- Prairie du Sac: An entertainment district
- Merrimac: Lost cause; they don't want to grow and sometimes I think that is okay.

6b. What kind of customers would the business district attract (i.e. more tourists)?

- Young women who are coming to dine, shop and explore the area.
- More tourist but he is not sure that is what the residents really want.
- Vintage Brewery, focus on the river, more focus on the backs of the Sauk City buildings along the river way. Fill in green space between Sauk City and Prairie du Sac.
- Sauk City? Develop that little empty space where the dime store was. Community Club offered to do a park but village turned it down because of cost of maintenance. Nice backdrop with the river. Back in the day, both downtowns were jumping on a Friday night. Whole face of the business community needs to be appealing. Some businesses struggle. Look at fast food places: changed a lot with more places coming in. There was a suggestion to have food carts along the river. That's great, but need to have enough people to support it. Ice cream truck would be great. Once in a while we cook burgers at our location for people want something now. Used to prep meals for take-home. People like to watch their food being cooked.
- We're not supposed to be here, as a retail business in the industrial park. St Vinnie's would be gone too. Since Hwy 12 was completed the community has become more of a bedroom community. Seeing how much new housing has been built right next door to us over 15 years is unbelievable. Need something that would employ more people.
- Overall: continuing the river front development, with new building having the historic look of the older buildings, and how to connect the two downtowns

7. How can we better capitalize on the Sauk-Prairie area's attractions (attractions as identified by study group)?

- Pointed to Galena IL that holds four to five events a year. Locate complementary businesses near each other. More organic food options needed.
- Grow economically from within, not without. Don't chase after the out-of-town businesses.
- More advertising and more events. Farmers' market would be huge. It could be grown a lot and would attract people. Might have to suffer through three tough years for the market to thrive.
- River is biggest attraction. Trail will be huge. If trail goes to Badger, you'll have a lot of people come to town. Events like a Taste of Madison on a day when lots of people are coming to town like Cow Chip Throw. Need to have your best, customer-friendly staff working the booth.
- We need a riverfront farmers market that includes local art, homemade items, flowers, fresh foods. It would be nice to get some food trucks involved.
- The right tourists can be a great asset to a community and there are plenty of them. We have the beauty of our natural environment, as we all know, we need to make sure we capitalize on the opportunity of their visit. I think good strides are being made now. We need to continue to put efforts into promoting the businesses that already bringing in customers.
- Not sure - feels there is a conflict between what business wants and what residents want.
- Starting to do that with brewery on the river, the walkway; focusing on the beautiful asset we have. Streetlights on every third pole. C'mon, this is the main entrance to the village. Make it bright and inviting. Need to welcome people to the community. Only have one opportunity to make a first impression. Pathway (from Westwynde) was a great move and it's used a lot. However, they never mow it and it looks like crap. Doesn't make a good first impression. Same in Sauk. Come across the bridge and look to the right. First-timers may not even want to go down there. We try to keep the front of our business very attractive. Flower baskets add a lot of eye appeal. But, if you do it, you have to maintain it.
- Don't think you're (Chamber) doing anything wrong. Don't get a chance to see how the Chamber is advertising. Watch more satellite than local TV. Honor Flight is spectacular. We're so busy that we can hardly keep up. I don't know what more you can do other than what you're doing right now. We'll do as much as we can do to promote the area. We take a trailer-load of stuff to Elburn, IL and they thank us for paying attention to them. We promote our area as part of that effort. Fuchs hauls in two semi loads of product per day and we haul out two loads per day.
- S-P Trap Club is having a national shoot over four days in the last week in July. There will be people from all over the country, probably 200-300 people. Green Acres will be pounded in the evenings.
- Sauk Prairie Rec areas- Old munitions plant
- Great Sauk State Trail

The following questions were geared to specific business sectors:

For outdoor recreations/canoe/camping: What types of businesses are missing that could improve the visitor's experience in the area?

- The canoe business along Hwy 12, across the river needs to update their website
- River Tour Boats - both summer & winter
- We need a shop that rents bikes, paddle boards, canoes, and kayaks on the Sauk City side of the river.
- We need large sculptures that tell a story and have people drive/bike/walk around town looking at sculptures and their relevance.

For ag-tourism related businesses: How can the community best showcase its rich agricultural heritage?

- We were in Tuscany, Italy. It's insanely beautiful. They have very strict standards for farm buildings. New buildings must look exactly like old buildings. No pole sheds. People experience Ag in this area while driving. Rolling hills and red barns. Quintessential Driftless Area. That is experiencing the rich agricultural heritage. We try hard to maintain the visuals on our farm and give people the countryside esthetic. Signage regulations. The approach from Hwy 12 into Sauk is very important. Cow Chip Throw. If I didn't live in a small town and wanted my kids to experience Ag, I'd take them to Cow Chip. I'd want my kids to see cows, pet cows, and milk cows, eat cow products, and visit the "Cow Chip Factory." Dairy Breakfasts offer that experience. We try to give people an Ag education while giving horse-drawn rides. Give rides at Dairy Breakfasts and drive the wagon through a free stall barn to experience the cow comfort of the barn.
- More signage explaining what grows on farms, how many cows/gallons of milk produced. Take the Fermentation Fest concept to peak people's interest with a driving tour and have them understand how important our farming community is. McFarlane's should put history board on tractors explaining the cost, how long they last, the size farm that requires them and make a walk through history area outside of their tractors parked outside.
- We should do a riverfront dinner with a long, long table with different courses made by local farms, chefs, etc. Seating for 100 and make it an event that sells out and upscale.
- Invite people on farm tours, a farm bed-and-breakfast, draw in the FFA Alumni they're so active. Kids in our community know that food doesn't come from the grocery store. We have such a strong Ag program in our schools. Dairy steers are vital to the dairy industry, not a by-product. Bus tour to places like Keller's Cornucopia. People want to get out on a farm. Tell Tywana to organize it (laughing). Picnic under a tent on a farm. Dairy breakfast only focuses on one segment of the industry. We've got the research farm and many other things that could be showcased. Ag segment is really important in our community.

For restaurant operators: How can the community best showcase its rich agricultural heritage?

- Menu should include fresh foods and tell the story of the farmer - what he/she grows, how many acres, when food was harvested, etc.
- Communal table - like Purple Pig in Chicago...everyone sits together and talks about the food, where it is from, it is an experience not a buffet.

For realtors: Please describe housing availability for the workforce population? Do you share any residential market profile statistics?

- We need more rentals in our area for the young professional and those families who are moving to the area - we have no short and not much long term rentals.
- We have a shortage in our housing stock right now, especially in "affordable" housing. Affordable is hard to define, but it is nearly impossible to find a house for under \$150,000 in our community. If a potential owner cannot find a home in their price range, they either don't buy or the leave for another community. We are seeing a 30% increase in the market just this year. The rental market is also very tough. There is a "possibility of a little crisis here" in our tight housing market. Fieldstone lots will likely all be sold this year. Developing additional lots is a challenge financially. The costs to develop the lots is too high in relation to the price people are willing to pay for them. It can cost over \$55,000 for a developer to get a lot for sale -- this includes the initial purchase price, interest, taxes, and then about \$33,800 per lot in infrastructure-related costs. This means a lot needs to sell for at least \$60,000 to clear the basic costs. Available land is even more expensive per acre making this price point even higher.
- We need more apartments/condos/duplexes.

For minority owned business: What unique challenges to you face as a minority owned business operator?

- They seek to expand their customer base beyond the Mexican community. They are trying to sell products that would attract "norte americanos", Hondurans, Nicaraguans, and other residents of Sauk Prairie.
- Shared that they are very comfortable doing business here. Share stories of other families facing discrimination in other school districts and that people feel very welcome in Sauk Prairie Schools. When I asked about the business community of SP, they said the business community has been very welcoming.

Sauk-Prairie Healthcare representative: Please describe the visitor needs and how well those needs are served by the local business community.

- We will provide information on local lodging, but have not set-up anything special for pricing or access.

Key Points:

- Words frequently used in this section were captured in the following word cloud.



- Opportunities to increase commercial activity in the Trade Area are captured in the above word cloud and drawn from the content of this section. Frequently mentioned opportunities include:
 - Local and fresh foods, farming, and their connection with existing and future eating and drinking places.
 - River with its unique recreational connection to the community. Continue to showcase eagles as well as events
 - Outdoor recreation sales and rentals including trail supplies, canoe/kayaks, bicycles, or other interest to tourists.
 - Development plan to improve the appearance of the backsides of downtown buildings in Sauk City.
 - Increase advertising and promotion activity to call attention to local businesses.
 - Need for new lodging facility to accommodate a diverse mix of travelers.
 - Accommodate hospital visitors and patients

SECTION 6: COMPARISON COMMUNITY ANALYSIS

As a community considers business development strategies, it is helpful to examine the downtown Study Areas of comparable communities that have similar characteristics. This comparison shows what kinds of retail/restaurant businesses are supported in similar places. The evaluation also identifies real-life examples that have defined their niche with a clear position in their market in terms of goods and services offered, as well as primary consumer segments served.

Community Visit - Red Wing, MN

Observations on the downtown central business district:

- Appearance of streetscape is very well coordinated
- Great mix of downtown - Walmart, Target, Menards, Duhhams, JoAnn Fabrics, Dollar Tree, Applebeeds, Aldis
- Access of downtown merchants - Summer 10am-7pm & Winter 10am-5pm
- Excellent off street parking everywhere
- Uniformed light poles
- Natural environment in downtown with nice river parks
- Evident businesses - Red Wing Shoes
- Primary industries - ADM soybean refinery, Cemstone, Bic Graphic (marketing items for larger traffic), Red Wing Pottery
- Community is most know for Red Wing Shoes and Red Wing Pottery
- Local restaurants/shops/attractions to bring you back would include St. James Hotel, Restaurants, shops overlooking the river such as rooftop restaurant, bar, spa, or hair salon



SOURCE: CITY OF RED WING

Community Visit - Lake City, MN

Observations on the downtown central business district:

- Overall appearance of buildings seemed to be clean but not coordinated like Red Wing.
- Shopping options – antiques but not a lot of open store fronts
- Mixed retails with coffee bistro, new and used clothes together; i.e.: instead of just a coffee shop, they pulled in other items to sell such as vintage clothing, new clothes, handbags, soaps, home décor, etc.
- Variety of 15 different restaurants and lots of lodging
- Hours of merchants during evening and weekend hours were good
- Great parking with public lots and parallel parking
- Not much street lighting



SOURCE: LAKE CITY EDA. [HTTP://LAKECITYEDA.COM/](http://LAKECITYEDA.COM/)

- Took advantage of the river with marines and parks
- Downtown plays a role in their tourism
- There was evidence of other corporate headquarters such as Federal Mogul Powertrain Center – corporate and assembly plant; Large Health Corporate Office
- Primary Industries include Marina and Hospitality
- Community is most know for Tour de Peppin (10 years old bike route) and home of waterskiing and the Watski Fest.
- Local restaurants/shops/attractions to bring you back like button shop and antique shop

Key Points:

- Overall appearance of the two comparison downtowns indicates cleanliness is a priority.
- Red Wing has an established name among visitors.
- Care for natural elements like the river is a priority.
- local restaurants, shops, hotels, and attractions bring people to the community. One such landmark is the St. James Hotel.
- A critical mass of restaurants and retail help attract visitors.
- Restaurants overlooking the river do very well.

SECTION 7: ANALYSIS OF RETAIL AND RESTAURANT DEMAND AND SUPPLY

This section provides a quantitative approach to estimating demand for fourteen general categories of retail and restaurants. It will be used with the survey research, comparison community research, and

market characteristics sections when developing business expansion and recruitment recommendations later in this study.

Demand is the amount of a good or service required to fulfill the needs of customers in a Trade Area. It is mainly driven by the number of customers in the Trade Area and their purchasing power. Demand is also a function of the number of in-commuting workers and tourists visiting community. Both demand and supply can be measured in terms of sales, square feet, or store equivalents.

Measuring Retail and Restaurant Demand in the Study Areas

This section calculates projected demand for various retail and restaurant categories. It differs from traditional methods in three ways: First, demand is estimated for only the Study Areas and is based on a “proportionate share” of the entire Trade Area. Secondly, it excludes demand for certain large format stores that typically do not locate downtown. Finally, the approach looks beyond local resident demand to include other market segments including in-commuters and visitors.

Key Assumptions Used

- The 2012 U.S. Economic Census of businesses with employees reasonably reflects resident behavior in the Trade Area.
- Trade Area resident spending is adjusted through modifications for income and lifestyles relative to US averages.
- The Study Areas’s ability to penetrate the Trade Area’s overall demand is a function of its commercial activity (and/or commercial space) as a share of the total Trade Area.
- Demand for other market segments (in-commuting workers and visitors) are estimated using state and national data describing their spending behaviors. Adjustments are made to reflect the Study Areas’s ability to capture their spending potential.

Market Segments

For this analysis, three market segments that are important to the Study Areas to determine their spending potential (demand) and estimated sales (supply). The segments include:

- Residents of the Trade Area
- Workers – in-commuters
- Visitors - leisure and business

NAICS Categories Analyzed

This analysis provides an estimate of demand and supply in the Study Areas for fourteen categories of retail and restaurants. Most of these categories are presented at the three-digit NAICS level. The categories used (see following two pages) reflect the types of businesses found in many downtowns. Again, various categories are adjusted to exclude large format stores including home centers, warehouse clubs and supercenters.

Figure 7.1 - Retail Categories

	NAICS	Description
		<div><ul style="list-style-type: none">• Furniture Stores• Floor Covering Stores• Other Home</div>





	442	Furniture and home furnishings stores
	443	Electronics and appliance stores
	444 Adj.	Building material and garden w/o Home Ctr
	445	Food and beverage stores
	446	Health and personal care stores
	447	Gasoline stations including C-Stores
	448	Clothing and clothing accessories stores
	451	Sporting goods, hobby, musical, and book stores
	452 Adj.	Gen Merch. w/o warehouse and supercenters
	453	Miscellaneous store retailers

Figure 7.2 – Restaurant Categories

	<u>NAICS</u>	<u>Description</u>	
	7224	Drinking places (alcoholic beverages)	<ul style="list-style-type: none"> • Bars • Cocktail Lounges • Nightclubs • Taverns
<ul style="list-style-type: none"> • Steak Houses • Diners • Fine Dining • Family Restaurants • Restaurants 	722511	Full-service restaurants	
	722513	Limited-service restaurants	<ul style="list-style-type: none"> • Carryout Restaurants • Drive – In • Fast Food • Pizza Deliveries • Sandwich Shops
<ul style="list-style-type: none"> • Coffee Shops • Ice Cream Parlors • Doughnut Shops • Snack Shops • Cookie Shops • Frozen Custard Shops 	722515	Snack and nonalcoholic beverage bars	

Trade Area Residents- Calculation of Retail and Restaurant Demand

The demand for businesses in the Study Areas is based on a “proportionate share” of the broader Trade Area as defined earlier. Typically, not all categories are represented by the same Trade Area as some stores pull from a larger “destination Trade Area” while others pull from a smaller “convenience Trade Area.” For purposes of this analysis, a single convenience Sauk Prairie Trade Area was used as a basis for this demand analysis. The subject Study Areas will compete for a share of this demand.

Residents spending potential (or demand) for each business category reflects the assumptions listed below. The actual calculations are presented later in this section in the worksheet titled “Demand by Market Segment.”

Assumption	Description
Population	Number of residents in the respective Trade Area
Spending Per Capita	U.S. sales in each store category (per the 2012 US Economic Census) divided by U.S. population
PCI Index (U.S.=100)	The per capita income in the Trade Area indexed to the U.S. per capita income (per the most recent US Census)
Behavioral Index (US=100)	A local modifier of consumer behavior indexed to the U.S. average consumer. This factor accounts for regional competition and demographic and lifestyle factors that would increase (>100) or decrease (<100) a person’s likelihood to purchase in a particular business category in the Study Areas. Source: ESRI Spending Potential Index.
Trade Area \$Potential	The result of multiplying the above variables.
SA/TA Establishments	A measure of the current commercial activity based on the number of businesses (or retail square feet) in the Study Areas (SA) as a percent of those in the Trade Area (TA). This is also defined as “proportionate share.”
Study Areas \$Potential	Multiplication of Trade Area \$Potential and SA/TA establishments produces Trade Area resident demand that could be captured in the Study Areas based on its proportionate share.

In-Commuters - Calculation of Retail and Restaurant Demand

The Study Area's worker demand potential is based on the number of employees in the two villages multiplied by worker spending as estimated by the International Council of Shopping Centers (2012). Sales are then allocated among the retail and restaurant categories in proportion to Trade Area resident spending. A local modifier or behavioral index (US=100) is applied to account for the amount of retail and dining offerings in the subject district relative to other office districts in the country.

Spending potential (or Demand) for each business category reflects the assumptions listed below. The actual calculations are presented later in this section in the worksheet titled "Demand by Market Segment."

Assumption	Description
Worker Population	Number of in-commuting employees in the Villages of Sauk Prairie and Prairie du Sac. While many are also Trade Area residents, their frequent presence in the district may reflect spending potential over and above that of residents.
Spending Per Year	U.S. annual sales in each store category are based on estimates by the International Council of Shopping Centers (2012). They are distributed among business categories according to the 2012 US Economic Census.
Behavioral Index (US=100)	Behavioral Index (US=100) is applied to account for the amount of retail and dining offerings in the subject district relative to other business districts in the country.
Study Areas \$Potential	Multiplication of worker population, spending per year, and the behavioral index produces the amount of worker demand that could be captured in the Study Areas.

Visitors - Calculation of Retail and Restaurant Demand

Overnight and day visitor demand is based on total Wisconsin Department of Tourism traveler spending estimates for Dane County. Sales were then allocated among the retail and restaurant categories in proportion to Trade Area resident spending. A percent of these sales was allocated to the Study Areas based on number of restaurants and hotels in the Study Areas as a percent of those in the county (SA/Co Estab.). A local modifier, behavioral index (Co.=100) is applied to account for attributes of the Study Areas as an inviting place for visitors relative to the county as a whole.

Spending potential (or demand) for each business category reflects the assumptions listed below. The actual calculations are presented later in this section in the worksheet titled "Demand by Market Segment."

Assumption	Description
Annual Visitor Spending-County	Direct annual spending by visitors as reported by the State Department of Tourism coupled with the distribution of sales reported by the 2012 U.S. Economic Census divided by U.S. population
SA/Co. Establishments	A measure of the current hospitality industry activity. The number of restaurants and hotels in the Study Areas (SA) as a percent of those in the County (Co.).
Behavioral Index (US=100)	Behavioral Index (US=100) is applied to account for attributes of the Study Areas as an inviting place for visitors relative to the county as a whole.
Study Areas \$Potential	Multiplication of worker population, spending per week, and the behavioral index produces the amount of worker demand that could reasonably be captured in the Study Areas based on its current retail and restaurant mix.

Retail and Restaurant Total Demand Calculation

The first worksheet that follows is titled “Demand by Market Segment” and calculates the total demand in each of the three market segments, for the fourteen retail and restaurant categories. Demand potential from each segment reflects dollars that could reasonably be captured in the Study Areas. Again, to make the analysis most relevant to downtowns, it excludes spending potential at large format stores including home centers, warehouse clubs, and supercenters.

Retail and Restaurant Supply in the Study Areas

The second worksheet is titled “Demand and Supply Gap Analysis.” This worksheet contains the estimated supply of businesses in the Study Areas measured in terms of square feet of space and number of businesses. Estimates were based on a physical inventory of businesses and are subject to error.

Dividing \$Demand by the average sales per US establishment (per the 2012 US Economic Census), results in the generation of a rough estimate of the number of stores that can be supported in each business category. While there are significant limitations in using such averages (sales vary widely among businesses in each category), it does provide a starting point for the comparison of demand and supply (existing) businesses.

Comparing Demand & Supply - Gap Analysis

The “Demand and Supply Gap Analysis” provides a comparison of demand and supply in terms of number of operations and square feet. This is called a gap analysis.

The following summary table presents demand and supply in terms of square feet of space and number of establishments. This data is from the US Census and other sources obtained by the UW-Extension, Center for Community and Economic Development. The items in red on the following two pages reflect our assumptions.




Exhibit 7.3: Current 2017 Retail and Restaurant Demand and Supply Gap Analysis















	<u>Square Feet</u>				<u>No. of Establishments</u>		
	<u>Total Study Area Demand</u>	<u>Total Study Area Supply</u>	<u>Gap</u>		<u>Total Study Area Demand</u>	<u>Total Study Area Supply</u>	<u>Gap</u>
TI Retail	193,044	239,500	46,456		42	46	4
TI Food and Drink	126,139	62,000	(64,139)		46	26	(20)

Key Points:

- The supply calculation excludes spending potential at large format stores including home centers, warehouse clubs, and supercenters.
- The supply does include the retail space of McFarlanes, a large and independent 70,000 SF store that sells farm machinery, power equipment, hardware, rental, and tire & vehicle service.

- Accordingly, when including McFarlanes,' the Study Areas appears to have an over-supply of retail space. If it is excluded, the Study Areas have an under-supply.

Demand by Market Segment																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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For: Sauk-Prairie		Destination or Convenience Trade Area			Trade Area Population			Spending Per Capita			PCI Index (US=100)			Behavioral Index (US=100)			Trade Area \$Potential			SA/TA Estab.			Study Area \$Potential			Worker Population			Spending Per Year			Behavioral Index (US=100)			Annual Visitor Spending in County			SA/Co. Estab.			Behavioral Index (Co.=100)			Study Area \$Potential			Total Study Area \$Potential			Total \$ Demand																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 284			107			75			\$ 3,530,826			100.0%			\$ 3,530,826			3,000			\$ 135			25			\$ 101,327			4%			\$ 9,986,600			25			\$ 99,866			\$ 3,732,019																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 329			107			75			\$ 4,090,770			100.0%			\$ 4,090,770			3,000			\$ 157			25			\$ 117,397			4%			\$ 11,570,349			25			\$ 115,703			\$ 4,323,870																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 472			107			100			\$ 7,836,772			100.0%			\$ 7,836,772			3,000			\$ 225			25			\$ 168,674			4%			\$ 16,624,167			50			\$ 332,483			\$ 8,337,930																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 1,979			107			100			\$ 32,860,084			100.0%			\$ 32,860,084			3,000			\$ 943			50			\$ 1,414,523			4%			\$ 69,706,186			50			\$ 1,394,124			\$ 35,668,731																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 867			107			100			\$ 14,390,395			100.0%			\$ 14,390,395			3,000			\$ 413			75			\$ 929,192			4%			\$ 30,526,383			50			\$ 610,528			\$ 15,930,114																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 540			107			100			\$ 8,964,765			100.0%			\$ 8,964,765			3,000			\$ 257			100			\$ 771,810			4%			\$ 19,016,980			75			\$ 570,509			\$ 10,307,084																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 742			107			50			\$ 6,160,047			100.0%			\$ 6,160,047			3,000			\$ 354			25			\$ 265,171			4%			\$ 26,134,650			25			\$ 261,346			\$ 6,686,564																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 246			107			100			\$ 4,091,374			100.0%			\$ 4,091,374			3,000			\$ 117			25			\$ 88,060			4%			\$ 8,679,042			50			\$ 173,581			\$ 4,353,015																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 182			107			100			\$ 3,020,423			100.0%			\$ 3,020,423			3,000			\$ 87			50			\$ 130,020			4%			\$ 6,407,232			50			\$ 128,145			\$ 3,278,588																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 311			107			100			\$ 5,161,174			100.0%			\$ 5,161,174			3,000			\$ 148			50			\$ 222,172			4%			\$ 10,948,412			50			\$ 218,968			\$ 5,602,314																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 63			107			75			\$ 781,966			100.0%			\$ 781,966			3,000			\$ 60			75			\$ 133,909			4%			\$ 11,226,712			25			\$ 112,267			\$ 1,028,142																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 714			107			100			\$ 11,856,569			100.0%			\$ 11,856,569			3,000			\$ 677			100			\$ 2,030,403			4%			\$ 127,668,897			50			\$ 2,553,378			\$ 16,440,350																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 590			107			75			\$ 7,348,199			100.0%			\$ 7,348,199			3,000			\$ 559			100			\$ 1,677,811			4%			\$ 105,498,362			50			\$ 2,109,967			\$ 11,135,977																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
		convenience			15,560			\$ 98			107			75			\$ 1,226,300			100.0%			\$ 1,226,300			3,000			\$ 93			100			\$ 280,000			4%			\$ 17,606,029			50			\$ 352,121			\$ 1,858,421																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

Demand & Supply Gap Analysis										
5/18/2017										
	Loc:	Sauk-Prairie								
	NAICS	Description (excluding most large format stores)	Total \$ Demand	\$/SF U.S. Average	S.F. Demand	S.F. Supply	Gap	U.S. Sales/Estab.	No. Estab. Demand	No. Estab. Supply
			Total Study Potential		Total Study Area SF Potential	Total Study Area Actual	Gap		Total Study Area Estab. Potential	Total Study Area Estab. Gap
	442	Furniture and home furnishings stores	\$ 3,732,019	\$ 284	13,141	4,000	(9,141)	1,726,206	2.2	1 (1.16)
	443	Electronics and appliance stores	\$ 4,323,870	\$ 647	6,683	-	(6,683)	2,123,245	2.0	(2.04)
	444 Adj.	Building material and garden w/o Home Ctr	\$ 8,337,930	\$ 391	21,325	87,000	65,675	2,067,780	4.0	4 (0.03)
	445	Food and beverage stores	\$ 35,668,731	\$ 573	62,249	68,000	5,751	4,213,071	8.5	10 1.53
	446	Health and personal care stores	\$ 15,930,114	\$ 901	17,680	26,000	8,320	2,943,188	5.4	5 (0.41)
	447	Convenience Stores in Gas stations (excluding gas)	\$ 10,307,084	\$ 480	21,473	16,000	(5,473)	1,200,000	8.6	5 (3.59)
	448	Clothing and clothing accessories stores	\$ 6,686,564	\$ 353	18,942	0	(18,942)	1,580,253	4.2	0 (4.23)
	451	Sporting goods, hobby, musical, and book stores	\$ 4,353,015	\$ 292	14,908	42,000	27,092	1,670,268	2.6	8 5.39
	452 Adj.	Gen Merch. w/o warehouse and supercenters	\$ 3,278,588	\$ 214	15,321	9,000	(6,321)	1,588,244	2.1	1 (1.06)
	453	Miscellaneous store retailers	\$ 5,602,314	\$ 348	16,099	46,000	29,901	912,393	6.1	10 3.86
	7224	Drinking places (alcoholic beverages)	\$ 1,028,142	\$ 192	5,355	16,000	10,645	472,205	2.2	11 8.82
	722511	Full-service restaurants	\$ 16,440,350	\$ 300	54,801	33,000	(21,801)	967,204	17.0	10 (7.00)
	722513	Limited-service restaurants	\$ 11,135,977	\$ 350	31,817	13,000	(18,817)	824,707	13.5	6 (7.50)
	722515	Snack and nonalcoholic beverage bars	\$ 1,858,421	\$ 192	9,679	0	(9,679)	564,069	3.3	0 (3.29)
		Total Retail	\$ 98,220,229		207,820	298,000	90,180		46	44 (2)
		Total Food and Drink	\$ 30,462,890		101,652	62,000	(39,652)		36	27 (9)
		Total Retail	100%							
		Total Food and Drink	100%							

SECTION 8: RECOMMENDATIONS

This section uses findings from prior sections of this report, coupled with the insight and knowledge of the local study group, to begin the development of actionable tasks to support business development in the community.

Market Opportunities

The following business development opportunities were identified by the study team based on demand and supply calculations, consumer preferences, peer community visits, and the analysis of the demographics and consumer characteristics of residents of the trade area. Consideration was also given to commuters, employees, and visitors to the community. These categories may provide ideas for existing businesses to expand or new businesses to located in the community.

Retail

- antique
- appliance store
- art galleries
- bike shop with rentals
- bread store
- cheese store
- chocolate/candy
- clothing
- fresh food selection and availability
- grocers that sell local and fresh goods
- home improvements
- home furnishings
- lawn and garden
- lumberyard, building material supply
- office supplies
- pop-up shops
- rental store
- sporting goods including shooting sports, hunting, and fishing
- St. Vincent de Paul clothing branch downtown
- clothing consignment store
- specialty vintage shop, home goods/interior & upcycled gifts

Restaurants

- cafe with wine bar
- coffee shop with drive-thru service
- dairy bar
- family restaurant
- fast food
- food carts
- ice cream/yogurt shop
- outside or rooftop dining (Riverfront)
- upscale restaurant
- wine bar or tasting room

Services

- art classes and workshops with hands-on activities
- bed-and-breakfast
- canoe, boat, kayak rentals on Sauk Prairie side
- farm B&B
- farm tour
- farmers market
- hotel
- housing
- other businesses with in-store events and classes
- interactive childrens museum
- splash pad/playground/destination parks

- post secondary education – trades/health/etc.

Strengthen Existing Businesses

1. Utilize Trip Advisor/Google/Yelp and other online review sites to make sure businesses are included, engaged and promoting themselves. It was noted that one of the largest visitor businesses is not on TripAdvisor.
 - a. Chamber staff will identify a list of members who do not have a presence with online review sites and reach out to them to assist with on-boarding and enhancing that digital presence. Deadline: 12/31/2017
 - i. Review businesses who are featured on sites and check for reviews, response rate, photos, menus, directions, etc.
 - ii. Determine how to assist businesses to enhance their online sites.
 - iii. Develop a training program for 2018 that focuses on the needs of retail, restaurants, and attraction-based programs. Determine the best time of day to hold trainings and do face-to-face solicitation to send mass number of employees.
2. Develop annual customer service training plan for 2018: Pre & post high tourist season sessions. Deadline: 12/31/2017
 - a. Partner with the Dept. of Tourism and other corporate training departments to host sessions.
 - b. Develop tourism manual to highlight and encourage employees to be an extension of welcome center by providing referrals, directions, etc. to other local business.
 - c. Develop a business owner tour of other local businesses & have a round-table discussion with hospitality industry needs, specific to owners needs as operators.
 - d. Develop a monthly referral sheet to be used inside of retail, restaurant and attraction businesses to highlight other businesses and local events.
3. Determine what incentives, funding, grants could help businesses to take advantage of upcoming community enhancement projects along the riverfront and Great Sauk State Trail.
 - a. Develop strategies around purchasing behaviors of trail users.
4. Hold a series of town hall style meetings in 2018. The three focus areas are:
 - a. How to capitalize on change in 2018. Is your business and staff ready for increased biking visitors?
 - b. Preparation and long-term planning for Hwy 12 bypass discussions with DOT in 2020.
 - c. Employee Engagement & Recruitment – How has your business changed to be relevant in the next decade and beyond?
5. Consider launching a formalized business retention and expansion program which would include:
 - a. Establish a business retention and expansion team
 - b. Identify warning flags
 - c. Offer individual business assistance

- d. Develop business retention and expansion strategies

Attract New Businesses Including Entrepreneurs

1. It is possible that there are lodging market opportunities given the limited lodging capacity and conditions in the community. In addition, there are no chain affiliated properties to bring in visitors who may choose a brand hotel for incentives.
 - a. A formal feasibility study is needed for this type of venture given the large supply of facilities in the Wisconsin Dells and Middleton/Madison areas.
2. Consider developing a pop-up market style development in empty space in the downtown corridor. A focus on agriculture, culinary, local arts, etc.
3. Develop a work plan for business attraction
 - Step A: Form a business recruitment team
 - i. Select the team
 - ii. Develop a common purpose
 - iii. Draft a work plan
 - Step B: Create a supportive business environment
 - i. Make the environment appealing
 - ii. Overcome barriers to business investment in the district
 - iii. Offer incentives
 - Step C: Assemble recruitment and marketing materials
 - i. General marketing materials
 - ii. Assemble maps, building/site specific materials
 - Step D: Design an ideal tenant mix
 - i. Create a business wish list
 - ii. What opportunities from the wish list are supported by the market analysis and consumer survey?
 - Step E: Identify prospective tenants
 - i. Identify sources of leads
 1. Existing businesses within or near the business district
 2. Emerging entrepreneurs
 3. Existing local or regional businesses
 4. National chains
 5. Ensure a good fit
 - Step F: Contact prospective tenants
 - i. Send letter of introduction
 - ii. Make recruitment calls and visit their business
 - iii. Host the prospect in your community
 - iv. Follow-up
 - Step G: Close deals with prospects
 - Step H: Maximize your success by recognizing and supporting the new business
4. Work with Department of Tourism to develop employee recruitment and retention training

In addition to the business opportunities identified in the beginning of this section, the following are repeated/requested types of businesses that were identified by business operators and the study team as business recruitment prospects: hotel, bike and ski shop (i.e. - Erik's Bike Shop, Yellow Jersey, Budget Bicycles), full service car wash and detail (i.e. – Octopus Car Wash), fresh foods (Whole Foods Market), Clothing, hands-on art (Board and Brush); wine bar, food tasting shop (sample wines, mixes, dipping oils/breads, cheese/dips).

Improve Visitor and Resident Experience

1. Agritourism

The surrounding agricultural area can expand Sauk Prairie's visitor base and provide new and authentic experiences for both residents and visitors. Regionally, agritourism is a rapidly growing sector that can build upon existing food related businesses by locating a cluster of retail shops (beer, cheese, meats, etc.) in the downtown areas. It can also include culinary tourism which is the pursuit of unique and memorable eating and drinking experiences.

- a. Understand the interests of Wisconsin's ag tourists in their participation in farmers markets, food festivals, farm stands, wine tastings, creameries, bakeries, orchards, petting zoos, community supported agriculture (CSA's), and pick your own fruits or vegetable farms.
- b. Offer local products such as beef, beer, cheese, cherries, Christmas trees, cranberries, honey, maple syrup, wine and many more.
- c. Provide amenities important in the eyes of the agtourist. Include on-site restrooms, adequate parking, location and food and drink for purchase.
- d. Shared kitchens are another way to support the local food system through the production of foods for local consumption. Consider possible locations for a shared kitchen or food incubator for producers and entrepreneurs to prepare their local foods for sale to restaurants and retailers.

2. Recreation

- a. Help residents and visitors more easily access the river and park system. Consider improvements needed to the Sauk Prairie Loop. (Wollersheim through downtown, riverbottom, etc.) Consider improvements to parking and signage.
- b. Develop itineraries with other communities so that visitors have a seamless experience.
- c. Prepare for the completion of the new bike trail with strategies to make it a major recreational amenity for local residents and the regional cycling community.
- d. Make sure there are year-round activities to reduce seasonality, especially in the winter. Build winter activities such as XX ski trails (Lake Wisconsin Country Club or Lake Wisconsin.)

3. Physical Environment

- a. Address the lack of trees and greenery on Water Street; Consider opportunities to improve the view of Sauk City as one crosses the Highway 12 bridge.
- b. Consider softening the treeless streets by adding flowerpots.
- c. Examine the possibility for better day-to-day maintenance that could possibly be funded through the formation of a BID or through volunteer sources like - NHS, 4-H, church youth groups, FFA, etc.

- d. Review welcome and wayfinding signs such as at PF and 12. Reinstitute the sign committee.
- e. Consider improvements to the backs of buildings in Sauk City to create a sense of vitality. Restaurant patio umbrellas, building repairs, and improved access could help overcome the current issues view of downtown. Consider possible incentives

4. Service

- a. In addition to possible lodging development, consider Vacation Rental By Owner/Air BnB as alternatives. Examine Spring Green's efforts to capture and support tourist activity.
- b. Accept credit card at various prominent/popular restaurants. Not taking these cards greatly reduces revenue at these businesses.
- c. Explore the development of an eagle center as a year round interpretive bird attraction. Consider the \$4.5M Eagle Center in Lake City, Minnesota that offers daily tours.
- d. Conduct a survey of in-commuters to assess what businesses and services could be offered in the Study Areas to accommodate their commuting schedules.

Develop Community Marketing Initiatives

1. Improve the physical environment and communicate surroundings with branded signage
 - a. To the extent possible, consider architecture that complements local history or outdoor recreation flavor.
 - b. Incorporate branded signage between communities to communicate brand of area and direct those visiting or new to the community.
 - c. Address rehabilitation of abandoned or un-kept properties.
 - d. Examine ordinances in the business district that need to be improved and/or enforced. How does no enforcement impact the first impression?
2. Develop a marketing initiative that promotes:
 - a. Biking
 - b. Hiking
 - c. Fishing
 - d. Birding
 - e. Water Sports
 - f. Restaurants
 - i. Restaurant Week promotion
 - ii. In lieu of pub crawl, what about a cheese curd crawl?
 - g. Agritourism tours and opportunities
 - h. Winter tourism and winter sports
 - i. HOME Sauk Prairie – why relocating here makes sense.
3. Develop joint advertising opportunities with corporate partners to include:
 - a. Radio/TV opportunities
 - b. Adopt an Intersection – to help create gateways and keep them maintained
4. Develop a youth advisory council to help guide community placemaking for the next generation
 - a. Work with marketing and business students to determine look and needs
 - b. Have council work to help market through social media

- i. Create a Sauk Prairie location icon for Instagram/SnapChat
- ii. Develop promo videos directed and produced by high school and college students