Sauk Prairie
Market Analysis

An Analysis of Retail and Restaurant Opportunities for the Community's Business Districts

2005

Prepared by:

Sauk Prairie Area
Chamber of Commerce

With assistance from:

UW Extension

University of Wisconsin-Extension
Center for Community Economic Development

In partnership with:
Village of Prairie du Sac
Village of Sauk City
Sauk County Development Corporation
Alliant Energy
Wisconsin Public Power

Amcore Bank, Ballweg Chevrolet-Buick-Pontiac, Bank of Prairie du Sac, Community Business Bank, Consumers' Cooperative, Edge Consulting Engineers, First Weber Group, JKBA Inc., Kayser Chrysler Center, M & I Marshall & Ilsley Bank, McFarlane Mfg. Co., Inc., Schwarz Insurance, Wollersheim Winery

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Section

1

Introduction

To support the economic development goals of the Village of Sauk City; the Village of Prairie du Sac; and the local business community; the Sauk Prairie Area Chamber of Commerce conducted a market analysis for the various business districts of the greater Sauk Prairie community. Specific goals of the market analysis include:

- Identifying new retail and restaurant opportunities for both existing business owners and prospective entrepreneurs. New opportunities include potential business recruitment prospects as well as opportunities to diversify or expand product lines and services.

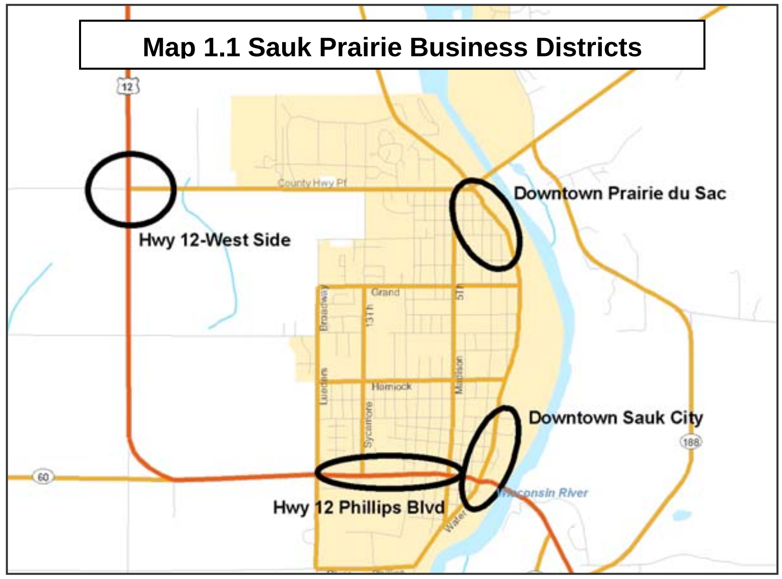
- Examining the physical layout of the business districts and its potential impact on expanded economic opportunities

- Determining other economic restructuring activities that could enhance the competitiveness of new and existing establishments in the Sauk Prairie area. In particular, the market information in this report is intended to help existing businesses improve their profitability by better understanding their competition and customer base. The market information also will serve as a basis for co-existing with regional competition and marketing Sauk Prairie businesses.

- Complementing the work performed by the Sauk Prairie Comprehensive Plan Steering Committee. While the Steering Committee will develop an overall plan for the communities, the market analysis provides a road map to implement the commercial business portion of the comprehensive plan.

The market analysis was conducted in the context of an ever-changing market environment. There are several anticipated changes that will impact local traffic and business demand. The most notable of these changes is the expansion of Highway 12 between Sauk Prairie and Madison. The improved access and shorter commuting times to Madison may bring population changes to Sauk Prairie that will change the size and composition of the communities' consumer segments. While the market analysis attempts to reconcile some of these anticipated changes, the evolving nature of the marketplace will require regular reassessment of market opportunities.

Business Districts



The analysis of retail and restaurant opportunities focuses on Sauk Prairie's distinct business districts. While the information in the study reflects overall market conditions in the Sauk Prairie community, each business district has unique opportunities based on their locations, physical layout, and the type of consumers they serve.
However, the intent of the overall study is not to pit business districts against each other, but rather capitalize on specific strengths of each commercial area.

As shown on Map 1.1 these districts include:

- *Downtown Sauk City* – The Downtown Sauk City business district begins along the corner of Highways 12 and 60, and extends several blocks to the north. The entrance of this business district has significant visibility and serves as an important gateway to the Sauk Prairie area. The business district is a pedestrian-oriented mix of convenience and destination retail; eating and drinking establishments; and personal and professional services. Several key anchors (such as the River's Edge Mall), and potential access to the Wisconsin River are a few of the business district's assets that could provide a basis for future opportunities.

- *Downtown Prairie du Sac* – Located north of Downtown Sauk City, Downtown Prairie du Sac extends along for several blocks along Highways 78 and 60. Downtown Prairie du Sac is also a mix of convenience and destination retailers and services. Key anchors and destinations include a movie theater, the Blue Spoon Cafe and a grocery store (Sentry Foods). Although Downtown Prairie du Sac has excellent views of the Wisconsin River, it has the least amount of visibility from Highway 12 of the four business districts. While both Downtown Prairie du Sac and Downtown Sauk City have a pedestrian orientation, the distance between these two business districts poses a challenge for developing a continuous pedestrian shopping district.

- *Phillips Blvd (Hwy 12)* –The Phillips Blvd business district extends east-west along Highway 12. In contrast to the two downtown business districts, Phillips is an auto-oriented commercial strip dominated by fast food establishments, convenience-based retailers and automobile dealerships. The business district is anchored by several auto dealerships (Kayser Chrysler Center and Ballweg Chevrolet-Buick-Pontiac), Sauk Prairie Harley Davidson and a grocery store (Piggly Wiggly). Phillips Blvd is well positioned to serve local consumers, as well as capture transient traffic from commuters and tourists.

- *Prairie Street Commercial Area (Highway PF)* – Similar to Highway 12, the Prairie Street commercial area is also auto-oriented and is positioned to server both the local resident population and the commuter market. As the Sauk Prairie area continues to grow, the Prairie Street Commercial area could have an opportunity to serve future residential development in this area.

Opportunities and challenges facing each of these business districts will be further evaluated throughout the remainder of this study.

Study Components

In examining opportunities for business expansion, recruitment and retention, the following sections are included in this analysis. Each section addresses various opportunities and challenges facing the Sauk Prairie market.

Section 2 - Comparable Community and Retail Mix Analysis - The comparable community analysis examines other communities for potential commercial development strategies that could be implemented in Sauk Prairie's business districts. The retail mix analysis examines business categories and market niches that may be underserved in the Sauk Prairie area.

Section 3 - Size and Shape of Trade Area – The trade area analysis examines customer patterns and market factors that impact the draw of Sauk Prairie's business districts. The trade area defined in Section 3 will serve as a basis for further study of market conditions.

Section 4 – Regional Economic Trends – An analysis of regional economic trends provides information on the broader Sauk Prairie region related to business development trends that could impact retail and restaurant development.

Section 5 - Demographic and Lifestyle Characteristics – An overview of resident demographic and psychographic information relevant to retail and restaurant potential.

Section 6 – Analysis of Business Operator and Comprehensive Planning Surveys - The business owner's survey summarizes information on business operator needs, ideas and perspectives relative to Sauk Prairie as a location to operate a business. Resident responses from the comprehensive planning survey pertinent to business development are also analyzed to reconcile consumer preferences with other secondary data sources.

Section 7 - Analysis of Retail Opportunities – The analysis of retail opportunities provides a more detailed examination of market potential for selected business categories. While the analysis focuses on several specific retail categories and niches, the analysis approach can be replicated for other retail categories as opportunities develop.

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Section 8 - Analysis of Restaurant Opportunities – Identifies possible restaurant concepts that might be appropriate for the Sauk Prairie area. The analysis considers attributes of location, local demand and the competitive supply of restaurants.

Section 9 - Conclusions and Recommendation – Incorporates findings from each of the previous sections with the intent of developing a market-driven plan for the four business districts. The market driven plan focuses on the activities of business expansion, niche development, space utilization, marketing, and business recruitment.

Contributors

A multidisciplinary project team including business leaders worked for several years on this analysis. The input of the project team resulted in recommendations for assisting future business district development efforts. While these conclusions are driven by current market information and community input, *the conclusions are made for the purpose of discussion and evaluation, and should not be used as a substitute for business feasibility and investment analysis.*

- This study was a combined effort of the Sauk Prairie Area Chamber of Commerce, the Villages of Prairie du Sac and Sauk City, and the Sauk County Development Corporation. Participating businesses include Alliant Energy, Wisconsin Public Power, Amcore Bank, Ballweg Chevrolet-Buick-Pontiac, Bank of Prairie du Sac, Community Business Bank, Consumers' Cooperative, Edge Consulting Engineers, First Weber Group, JKBA Inc., Kayser Chrysler Center, M & I Marshall & Ilsley Bank, McFarlane Mfg. Co., Inc., Schwarz Insurance, and Wollersheim Winery

- The research design, supervision, and reporting was provided by Bill Ryan and Matt Kures, University of Wisconsin - Center for Community Economic Development, University of Wisconsin Extension, with the help of UW-Madison graduate student Teresa Gillotti.

- Other contributors include community residents and business leaders who participated in surveys, interviews and review sessions.

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Section

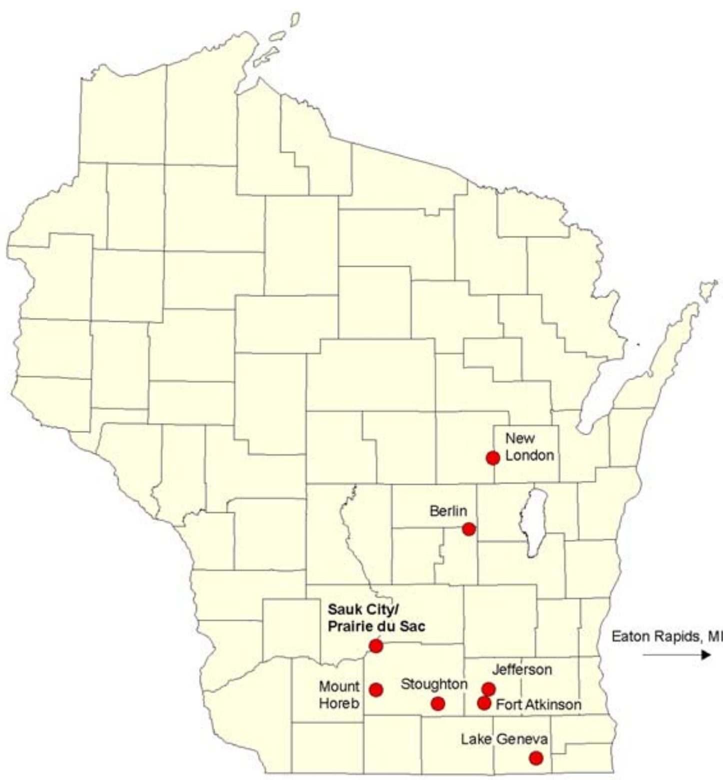
2

Comparable Community and Retail Mix Analysis

Section 2 compares Sauk City and Prairie du Sac to a number of other ag-urban, comparable communities. For the purposes of this analysis, comparable communities are defined as those communities with a similar population, similar distances to metropolitan areas, and other qualities analogous to the Sauk Prairie area (i.e. the presence of a river). Many of the comparable communities were also selected for their economically vibrant business districts. The comparable communities are used to analyze the Sauk Prairie area for retail gaps and niches, examine traffic counts, and to assess several downtown development strategies. Similar to Sauk Prairie, the communities used in this analysis are driven by development efforts arising from their local chambers of commerce.

Comparable Communities

Sauk City and Prairie du Sac are ag-urban communities approximately 20 miles northwest of Madison. While all ag-urban communities are different, many of them face similar challenges in determining appropriate market opportunities. Examining the success and challenges faced by other comparable communities can assist in understanding the Sauk Prairie market.



To provide outside perspectives, the eight following communities were compared to Sauk City and Prairie du Sac. These communities were selected by the study committee based on the criteria previously mentioned. Demographics and relevant websites for each comparable community are included in Appendix 2A at the end of this section.

Jefferson (zip code 53549) – With a population of over 7,000 residents, the City of Jefferson is a manufacturing community located along Highway 26 and is the seat of Jefferson County. Jefferson has a central location between both Madison and Milwaukee, placing it within commuting distances of both metro areas.

Fort Atkinson: (zip code 53538) – Fort Atkinson is a community of 12,000 people nearly 30 miles east of Madison. Located on Highways 12 and 26, the city is a locally important retail and tourist destination. While Fort Atkinson is somewhat larger in population, it was selected as a comparable community given its recognized downtown development successes and market position among day trippers and other tourists.

Stoughton (zip code 53589) - Stoughton is a bedroom community of Madison with more than 12,000 people. Stoughton is a logical comparable community due to its strong history in downtown revitalization and its similar distance from Madison. Again, Stoughton is somewhat larger than the Sauk Prairie area, but its past growth may provide insight into the future development expected in Sauk Prairie.

Berlin (zip code 54923) – Located in central Wisconsin, Berlin is a city of more than 5,000 residents situated 20 miles west of Oshkosh. Many of the city's assets include its historical shopping district, three championship golf courses, and its position in the Green Lake tourism region. The rationale for selecting Berlin is its similarity in population, its location adjacent to a river, and its relative distance from a large population center.

Lake Geneva (zip code 53147) - Lake Geneva is a southern Wisconsin community of more than 7,000 people. A noted tourist destination for residents of Chicago and Milwaukee, the area attracts visitors through its large resorts, lakes, and its variety of downtown clothing, gift and specialty stores. Lake Geneva is a logical comparable community given its population size, its vibrant downtown, and its status as a regional tourist destination.

Mount Horeb (zip code 53572) - Mount Horeb is a bedroom community of 6,000 residents located 20 miles west of Madison. While many commuters live in Mount Horeb, the community has also developed a reputation among day-trippers seeking a smaller community shopping experience and a unique product mix. The attractiveness of the community is partially due to its Norwegian culture, museums, and other nearby recreational attractions. Mt. Horeb is comparable to Sauk Prairie in population, is located on a major highway, and has a notable commuter population.

Mount Horeb is a growing community within Madison's commuting shed. The downtown has a unique mix of establishments that serves the local market as well as tourists visiting the area. (photo: Mt. Horeb Chamber of Commerce)

New London (zip code 54961) - New London is a city of about 7,000 residents situated 30 miles west of Appleton. The city's economy is based on its manufacturing and healthcare sectors, and is actively engaged in downtown revitalization. New London was selected as a comparable community due to its similar population, its proximity to a river, and its distance to a large population center.

Eaton Rapids (zip code 48827) - Eaton Rapids is a community of over 5,000 people only 18 miles southwest of Lansing, Michigan. The city is located on the Grand River where its downtown business district and parks are recognized assets to the city's economy and its residents. Eaton Rapids was chosen as a comparable community due to its population size and distance to a large community. In addition, a community from a neighboring state may provide an additional perspective on new opportunities for the Sauk Prairie area.

Data and information was collected from each of these comparable communities. Three specific communities were visited by the Sauk Prairie market analysis study committee and analyzed using a variety of qualitative and quantitative comparisons. Furthermore, all of the comparable communities were used to create a quantitative retail mix comparison for the Sauk Prairie area. The retail mix examines the types and number of businesses in Sauk Prairie relative to the selected comparable communities. The retail mix is used as one tool for assessing potential niches or business gaps in the Sauk Prairie area.

Summary of Visits to Selected Comparable Communities

The Sauk Prairie market analysis study committee visited three comparable communities in autumn 2004. The purpose of these visits was to explore other communities in Southern Wisconsin from a qualitative perspective and determine possible community development strategies that might be applied in the Sauk Prairie area. The downtown business districts in these three communities were evaluated from several perspectives:

- Physical design and layout
- Business mix and potential niches
- Incorporation of the local river into the downtown environment
- Quality of entrances and gateways into the community/downtown
- Other miscellaneous factors that contribute to the success of these communities' downtowns

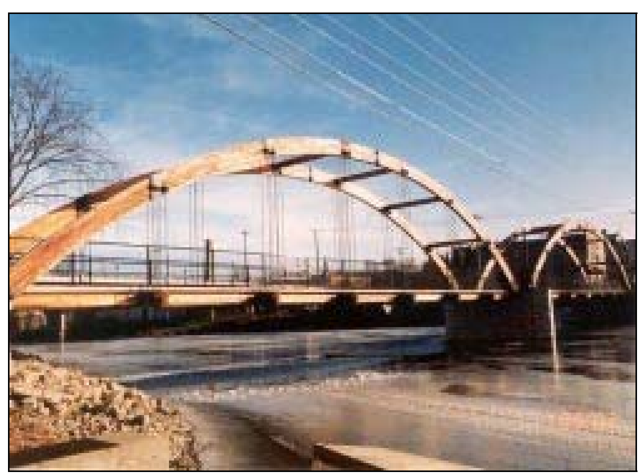
A summary of the visit to each community is presented below.

Jefferson

Jefferson is situated at the confluence of the Rock and Crawfish Rivers. The main downtown street (Highway 26) runs parallel to one river and has attractive gateways from several directions. The gateways provide distinctive signage which builds on the community's uniform branding theme of German heritage. Signage includes colorful yellow, red, and black banners displaying Gemuetlichkeit (pronounced guh meet la kite) which means Good Fellowship, Good Friends & Good Food. These banners are hung from decorative light poles both on the main street, as well as on streets that approach the downtown. Jefferson has created a consistent marketing strategy that incorporates the community's German history and heritage into a branding tool. Furthermore, the unified entrances and streetscapes differentiate the downtown shopping district from other commercial areas and provide a compelling reason to explore the downtown area either by car or foot.

To capitalize on its history, Jefferson property owners have recently renovated several of the larger downtown buildings. These buildings have been refurbished using a variety of financing mechanisms (including TIF), and now house a variety of businesses and cultural organizations. In guiding these efforts, Jefferson has enacted architectural and design guidelines that incorporate the community's history. The downtown buildings are primarily two-to-four stories, with an increasing number of residences in the upper floors. While there are gaps between some of the downtown buildings, there is a smaller lack of continuity than found in Sauk Prairie's downtown business districts. In general, the downtown buildings have a unified presence that contributes to the overall attractiveness of the business district.

Featured in their downtown revitalization efforts are a city maintained bike path (which is connected to the Glacial Drumlin State Trail) and a pedestrian bridge that creates an important linkage across the river. While many of the downtown buildings turn their backs to the river, there are other restaurants, offices, and parks that effectively incorporate views of the river.


The Milwaukee St. Walk Bridge provides a key pedestrian linkage to Downtown Jefferson (photo: Jefferson County Tourism)

The City of Jefferson Development Committee recruits retail and industrial businesses using somewhat of a passive approach. Nonetheless, the community is looking to attract additional specialty retail shops to enhance their business mix. Several successes within the past year have included a new quilt shop, an upholstery shop, and a soon-to-open pottery shop. Business recruitment and expansion efforts in the community have been overshadowed to some extent by the debate over Wal-Mart seeking a Jefferson location. At the time of the visit, the community and city council was split over the need for a local retailer of its size.

Fort Atkinson

Of the three communities visited by the study committee, Fort Atkinson is the most aggressive in pursuing downtown revitalization, and is also perhaps the most visually appealing. The entrances into Downtown Fort Atkinson are unified and define the district's boundaries. The city controls strict design guidelines with an emphasis placed on the use of Cream City brick. The downtown building stock includes a selection of attractive, two-to-four story buildings. The buildings in the downtown include a mix of completed renovations, on-going restorations and new construction. While Fort Atkinson's downtown is not as compact as those in Stoughton and Jefferson, the community has incorporated parks and green spaces into voids between buildings. Fort Atkinson has also incorporated the river into its downtown through the construction of a river walk. The river walk highlights the center of downtown and provides a pedestrian linkage for many of the businesses along the water. The river walk also allows several restaurants to provide outdoor seating.

Fort Atkinson has driven its downtown revitalization efforts using a variety of funding sources. The community established a tourism department five years ago that is funded by a room tax (based on 282 hotel rooms). Seventy percent of the tax is allocated to the Chamber of Commerce, and the remaining 30 percent is distributed to the city for enhancements. Using these funds, the Chamber hired a half-time tourism manager that also works with Jefferson County Tourism and the City of Jefferson. Additionally, the city has used its allocation of room tax funds to maintain community entrances, develop and construct the aforementioned river walk, and erect directional signs to commercial areas and parking.

The commercial mix in Downtown Fort Atkinson is unique and diverse. While downtown Fort Atkinson has utilized development mechanisms such as TIF, the community has also benefited from the talents and money of a private developer/entrepreneur (Doug Erdmann). The investments of this local developer have allowed Downtown Fort Atkinson to develop a business mix with an upscale destination component that targets visitors, but also serves the needs of local residents. The ability of Fort Atkinson to serve both of these market segments has benefited from the marketing of the community as a shopping destination for large metro areas such as Chicago and Milwaukee. Other current developments include the relocation of the headquarters for Verlo Mattress into the downtown and the construction of a new Walgreen's at a prime intersection. The Verlo Mattress relocation includes the rehab of a large four story brick building that will also provide additional commercial space for other businesses and bring employees downtown. Residential development is also a growing component of the downtown, with high-end condominiums under construction on both sides of the Rock River.

Fort Atkinson's Riverwalk connects downtown businesses and provides opportunities for outdoor seating (photo: Fort Atkinson Chamber of Commerce)

Stoughton

Potentially, Stoughton has the best building stock and streetscape of the three cities visited by the study committee. The community also has significantly more downtown retail than either Fort Atkinson or Jefferson. The character of Downtown Stoughton is enhanced by the continuity of buildings in the commercial district, the incorporation of the river, and its embrace of historic restoration and preservation. Similar to Jefferson and Fort Atkinson, Stoughton has enacted architectural and design guidelines. Furthermore, the city has identified several historic districts and provides funds to the Chamber of Commerce to publish brochures about each of these districts and the overall city. The Chamber has also funded a marketing (branding) program that is represented in Stoughton's signage, web sites, and community guide.

Funding for local redevelopment efforts has been obtained through a variety of programs and sources:

- Almost all of Stoughton's downtown is included in a TIF district.
- Stoughton has utilized a $5 million dollar matching CDBG grant for storefront improvement.
- The City and Chamber have created a community preparedness plan for economic development and are also partnering on a recruiting strategy with Alliant Energy and the Wisconsin Department of Commerce.
- Stoughton recently received a grant to refurbish upper floors in the downtown area with the purpose of converting these spaces to residential units.
- The community obtained an $18,000 BUILD grant (Better Urban Infill Development) from Dane County to plan the redevelopment of an industrial/warehouse district on the Yahara River. New tenants in this area include a restaurant and a performing arts center.

Stoughton's use of grants and other funding sources has resulted in large number of façade improvements and restorations. (Photo: Dane County BUILD Program)

Conclusions - Comparable Community Visits

A number of common components are exhibited in the downtowns of Jefferson, Fort Atkinson and Stoughton. *In general, these components recognize that a healthy downtown's economic performance and the physical structure/appearance are inextricably linked.* Several themes or ideas that could be extended to Sauk Prairie include:

- *Enhancing the mixed-use composition necessary to a vibrant downtown.* To most residents, retail is the most visible and desirable function in a downtown. However, non-retail buildings and establishments are vital to a vibrant downtown. Different uses generate varying types of consumer traffic throughout the day. Specific examples from Fort Atkinson, Jefferson and Stoughton include the development of additional downtown residential units. These downtown residences provide a captive consumer audience and assist in overcoming perceived safety problems often inherent in downtown business districts. Furthermore, Fort Atkinson's ability to attract a company headquarters into an abandoned warehouse provided a catalyst for reinvestment, added employees to downtown, and provided additional retail space.
- *Defining and enhancing gateways into downtown business districts* – All three communities have actively defined and improved the gateways into their downtowns. These gateways give potential customers compelling reasons to visit their commercial districts and differentiate the boundaries of each downtown from other areas of the community.

- *Incorporation of the local river(s) into the downtown business districts* – The three communities acknowledged the assets provided by their local waterways and made conscious efforts to incorporate their river into the downtown environment. Equally important in these efforts are the linkages created among businesses and anchors located along each river.

- *Promoting continuity of buildings and uniform multi-story buildings in the downtown shopping districts* – When shopping, pedestrians will typically only travel three or four blocks in a given direction. Furthermore, shoppers will often turn around when "dead spaces" are encountered in a shopping district. Dead spaces can include vacant lots, blank walls, parking structures, and long expanses of non-retail uses. In meeting these pedestrian needs, Stoughton, Fort Atkinson and Jefferson all have high levels of building continuity in their downtowns. The continuity provides a pedestrian-friendly shopping environment and encourages shoppers to explore the entire district. The continuity is enhanced through the use of multi-story buildings that enhance the pedestrian scale and atmosphere of the downtowns.

- *Use of diverse funding sources* – While each community pursued different funding sources, all three of the cities sought a wide variety of private and public sources to be used for development purposes. Furthermore, the three communities used these sources for a variety of economic restructuring related activities including physical improvements; marketing efforts; and business expansion, retention and attraction activities.

- *Creating a brand and marketing it to tourists and visitors* – The so-called "experience economy" is important to attracting non-local consumers. Developing a unique shopping atmosphere and an associated brand has helped to establish the three comparable communities as visitor destinations and bring outside dollars into the downtown districts. Stoughton and Jefferson recognize the respective Norwegian and German heritages in each community. These heritages are represented in the communities' architecture, community events, and signage. Furthermore, Fort Atkinson is positioning itself as small town with a hip shopping experience. The intent of this positioning strategy is to appeal to higher-income consumers from non-local markets

Traffic Data Analysis

Street and highway traffic volume provides an important indicator of visibility and travel through a community. Traffic counts are particularly relevant to convenience-based retailers such as fast-food restaurants, convenience stores, and pharmacies. These retailers often look for prime intersections (the so-called 100 percent corner) and often require minimum average daily traffic counts to survive. Conversely, high traffic counts may hinder access to parking and have a negative impact on the pedestrian friendly nature of typical downtowns.

Table 2.1 examines downtown traffic counts in Sauk Prairie relative to those in the comparable community downtowns[1]. With an average daily traffic count of 8,600 vehicles, Prairie du Sac's downtown traffic volume is smaller than in Downtown Sauk City and the comparable community average. Downtown Prairie du Sac's smaller traffic count and geographic distance from Highway 12 impacts the visibility of the business district. While local residents are conscious of its location, commuters and transient tourists may not be aware of the shopping opportunities in Downtown Prairie du Sac. Providing directional signage and developing a marketing strategy that promotes the location of the district may help in overcoming visibility problems.

The intersection of Phillips Blvd and Water St has the highest traffic count in the area with an average of 15,000 vehicles per day. As the gateway into Downtown Sauk City, this intersection provides excellent opportunities for nearby establishments to capture sales from this traffic. Other communities have developed strategies for capturing similar traffic by developing defined gateways, creating directional signage, and establishing anchor businesses at the entrances business district.

[1] Traffic counts for the entire Sauk Prairie area are available from the Wisconsin DOT at: http://www.dot.wisconsin.gov/travel/counts/docs/sauk/saukcity2002.pdf

The expansion of Highway 12 is also projected to bring additional traffic to the intersection of Phillips Blvd and Water St. and Downtown Sauk City. Table 2.2 examines forecasted traffic counts from 2008 and 2018. By 2008, traffic counts on Highway 12 at the Wisconsin River are projected to increase 35 percent from 2002 figures. By 2018, these counts are projected to be 59 percent higher than 2002 traffic volumes. The projected increases may provide additional customer potential for businesses in Downtown Sauk City.

Table 2.1 – Downtown Traffic Counts for Comparable Communities

Community	Year of Collection	Annual Avg. Daily Traffic Downtown (Vehicles)	Location
Sauk City	**2002**	**15,000**	**Corner of Water and Phillips (Hwys, 12, 78, 60)**
Prairie du Sac	**2002**	**8,600**	**Water St – North of Broadway (Hwys 78 and 60)**
Stoughton	2002	15,900	Main St – West of Yahara River (Hwy 51)
Mount Horeb	2002	13,000	Main St – East of Fourth St (Hwy 78)
Lake Geneva	2002	22,100	Main St (Hwy 50) – West of Lake Shore Dr
Jefferson	2002	16,200	Corner of Racine and Main (Hwys 18 and 26)
Fort Atkinson	2000	15,000	Main St – Rock River Bridge (Hwys 12 and 89
Berlin	2002	14,700	Huron St – Fox River Bridge (Hwys 49 and 91)
New London	2003	9,100	Pearl St – South of Wolf River
Average		**14,400**	

Source: Wisconsin Department of Transportation Highway Traffic Volume Data (2000-2003)

Table 2.2 - Traffic Count Forecasts for Downtown Sauk City

Location	2002 Count	2008 Projection	2018 Projection
Water Street – Downtown Sauk City	10,700	10,900	13,400
Highway 12 – Downtown Sauk City (Wisconsin River Bridge Crossing)	15,000	20,300	23,900

Source: Traffic Forecasting Section; Bureau of State Highway Programs; Division of Transportation Investment Management

Retail Mix Analysis

Examining the retail mix of a downtown or business district provides a useful snapshot of the types and number of establishments located in the area. While the mix is useful on its own, comparing it to the retail mix in other comparable communities provides a means of determining possible retail and service opportunities. Specifically, the business mix analysis can discover potential gaps in Sauk Prairie's business mix or identify potential niches that can be used to market the community. The business mix was performed by comparing the number and types of businesses in zip codes around all comparable communities, as well as in the downtowns of several specific communities.

When evaluating the retail mix comparisons, the reader should be aware of two caveats placed on the results:

1. Each business is placed into only one retail category using NAICS codes. The category used was based on the primary type of goods or services provided by the business. For instance, a hardware store may sell some auto parts, but should be categorized as a hardware store given its primary line of business. Accordingly, some readers may disagree with certain business classifications.

2. The retail mix in any community is dynamic and may not always reflect the current business types and number of establishments. Therefore, the reader should use the numbers as guidelines rather than as a basis for making specific recommendations.

Zip Code Retail Mix Analysis

The data used in the zip code retail mix analysis is based on the U.S. Census Bureau's 2002 Zip Code Business Patterns. The data are derived from each community's respective zip code area (as calculated by the U.S. Census Bureau) and encompass the downtown districts in each community. Again, note that each business is placed into only one category by the Census Bureau. Certain businesses, such as home-based businesses, may not be included in the tallies shown in Table 2.3.

Table 2.3 – Zip Code Retail Mix Analysis for the Sauk Prairie Area

NAICS	Retail Business Description (Zip Codes)	Sauk City (53583)	Prairie du Sac (53578)	Sauk-Prairie Area	Jefferson (53549)	Fort Atkinson (53538)	Stoughton (53589)	Berlin (54923)	Mt. Horeb (53572)	New London (54961)	Lake Geneva (53147)	Eaton Rapids, MI (48827)
44	Retail Trade Total	36	24	60	31	53	51	39	37	48	94	29
44111	New car dealers	2	1	3	1	2	2	3	1	3	3	1
44112	Used car dealers		1	1	3	4		3		1		
44121	Recreational vehicle dealers	1		1								1
44122	Motorcycle, boat, and other motor vehicle dealers	2		2		1	1		1	1	1	
44131	Automotive parts and accessories stores	2		2	1	1	2	2	2	4	3	1
44132	Tire dealers			2		1		1		1		
44211	Furniture stores	1		0		3		2		2	2	1
44221	Floor covering stores	1		1	1	1	2	2		2	1	1
44229	Other home furnishings stores	1	1	2		1					2	
44311	Appliance, television, and other electronics stores	2	1	2	2	1	3		2	1	3	
44312	Computer and software stores				2	1		1		1		4
44313	Camera and photographic supplies stores											
44411	Home centers		1	1							1	
44412	Paint and wallpaper stores	1		1		1					2	
44413	Hardware stores		1	1	2	2	1	1	1	2	1	2
44419	Other building material dealers	2		2	1	2	3	1		1	2	1
44421	Outdoor power equipment stores						1	1	1	1	1	
44422	Nursery and garden centers	1	1	2	1	2	2	1			2	1
44511	Supermarkets & other grocers (not convenience)	2	2	4	2	4	2	2	2	4	2	1
44512	Convenience stores			4		1			1		1	3
4452	Specialty food stores	1		1			1		1	1	2	
44531	Beer, wine, and liquor stores	1		1	3	1	3	1	1	2	3	
44611	Pharmacies and drug stores	2	1	3	1	1	2	1	1	3	3	3
44612	Cosmetics, beauty supplies, and perfume stores						1		1			
44613	Optical goods stores			1		1	1				1	
44619	Other health and personal care stores					1			1		2	1
44711	Gasoline stations with convenience stores	1	1	2	5	7	4	3	1	4	6	3
44719	Other gasoline stations	2	2	4		2	1	2	1	1	2	
44811	Men's clothing stores					1	1			1	1	
44812	Women's clothing stores								1		12	
44813	Children's and infants' clothing stores											
44814	Family clothing stores				1			1		1	4	
44815	Clothing accessories stores											
44819	Other clothing stores							1			2	
44821	Shoe stores	1		1		2	1	1		2	1	
44831	Jewelry stores				1	2	3	1		1	2	
44832	Luggage and leather goods stores											
45111	Sporting goods stores	2	2	4		1	1				4	1
45112	Hobby, toy, and game stores		1	1							1	1
45113	Sewing, needlework, and piece goods stores	1		1			1		1			
45114	Musical instrument and supplies stores											
45121	Book stores and news dealers					1			3	1	3	
45122	Prerecorded tape, CD, and record stores	1		1								
45211	Department stores (not leased depts.)					2	1	1		1	1	
45291	Warehouse clubs and superstores											
45299	All other general merchandise stores	3		3	2		1		1	1	1	1
45311	Florists	1	1	2		2	2	2		4		1
45321	Office supplies and stationery stores		1	1	1		1	1				
45322	Gift, novelty, and souvenir stores		2	2		1	3	2	7		10	1
45331	Used merchandise stores		2	2	1		2	2	5	1	2	
45391	Pet and pet supplies stores											
45392	Art dealers	1	1	2			2		1		4	

Downtown Retail Mix Analysis

The retail mix analysis also evaluated the current (2004) number and types of retail and restaurant businesses in *Downtown* Sauk City and Prairie du Sac relative to three comparison communities in the region. Data was collected during on-site visits to Fort Atkinson, Jefferson and Stoughton. The advantage of performing a downtown visit is that the analysis provides current data for the downtown district, rather than the larger zip code area. The results are shown in Table 2.4.

Table 2.4 – Retail Mix Analysis for Sauk Prairie's Downtown Business Districts

NAICS	Business Description (Downtown Area Only)	Sauk City	Prairie du Sac	Total Sauk Prairie	Jefferson	Fort Atkinson	Stoughton
44	Retail Trade Total						
44111	New car dealers						
44112	Used car dealers	1	1	2			1
44121	Recreational vehicle dealers						
44122	Motorcycle, boat, and other motor vehicle dealers	1		1			
44131	Automotive parts and accessories stores	2		2			2
44132	Tire dealers					1	1
44211	Furniture stores					1	1
44221	Floor covering stores						2
44229	Other home furnishings stores					1	1
44311	Appliance, television, and other electronics stores		1	1	1		1
44312	Computer and software stores						
44313	Camera and photographic supplies stores						
44411	Home centers						
44412	Paint and wallpaper stores		1	1		1	
44413	Hardware stores	1		1	1	1	
44419	Other building material dealers		1	1	1		
44421	Outdoor power equipment stores						
44422	Nursery and garden centers						
44511	Supermarkets & other grocers (not convenience)		1	1		1	
44512	Convenience stores						
4452	Specialty food stores	1		1	1		3
44531	Beer, wine, and liquor stores	1		1			
44611	Pharmacies and drug stores	2	1	3	1	1	2
44612	Cosmetics, beauty supplies, and perfume stores						1
44613	Optical goods stores						
44619	Other health and personal care stores						
44711	Gasoline stations with convenience stores	1		1	2	1	
44719	Other gasoline stations	1		1			1
44811	Men's clothing stores					1	
44812	Women's clothing stores						2
44813	Children's and infants' clothing stores						
44814	Family clothing stores						
44815	Clothing accessories stores						
44819	Other clothing stores					1	
44821	Shoe stores	1		1	1		
44831	Jewelry stores				1	2	1
44832	Luggage and leather goods stores						
45111	Sporting goods stores	2	2	4	1	3	1
45112	Hobby, toy, and game stores		1	1	1		2
45113	Sewing, needlework, and piece goods stores	1		1			3
45114	Musical instrument and supplies stores						
45121	Book stores and news dealers					1	1
45122	Prerecorded tape, CD, and record stores	1		1			
45211	Department stores (not leased depts.)						
45291	Warehouse clubs and superstores						
45299	All other general merchandise stores	1		1	1		
45311	Florists	1	1	2	1	1	2
45321	Office supplies and stationery stores		1	1		1	
45322	Gift, novelty, and souvenir stores		2	2	3	3	14
45331	Used merchandise stores	1		1	2	2	2
45391	Pet and pet supplies stores						
45392	Art dealers		1	1		3	4
7221/7222	Restaurants	3	4	7	8	9	5
7224	Taverns	5	2	7	5	8	10

Conclusions – Retail Mix Analysis

When evaluating the Sauk Prairie area relative to the comparable communities, a number of strengths and opportunities become apparent:

- The business mix suggests that Sauk Prairie (the sum of both zip codes) is above average in terms of the overall number of businesses (60 retailers in the Sauk Prairie zip codes compared to 47 in the comparable communities). However, these figures partially reflect the use of two zip codes for the Sauk Prairie analysis, compared with one zip code for other communities. *Despite this difference, there appears to be categories where Sauk Prairie may have gaps in the retail mix.*

- Potential trade area gaps for Sauk Prairie include: computer and software stores, jewelry stores, clothing stores (especially for women), water recreation stores, specialty food, musical instruments, art dealers, and gift/souvenir stores. *The gap in gift/souvenir stores appears to be significant given Sauk Prairie's relative position as a tourism destination.* These gaps may provide opportunities for exploring business expansion and recruitment opportunities in Section 7.

- Retail strengths, or those categories with higher than average establishment counts, include: grocery stores, motorcycle/boat/other motor vehicle dealers, pharmacies, home furnishing stores, appliance/TV/electronic stores, and other general merchandise stores. These strengths are found in both convenience-based and destination-oriented retail categories. One category in particular, motorcycle/boat/other motor vehicle dealers, captures Sauk Prairie Harley Davidson. *This category provides an example of how a unique retailer focusing on the broader market can find success in Sauk Prairie.*

- With a few exceptions, apparel and specialty retail stores (books, music, toys, etc.) are rare in the comparable communities. The absence of these retail types is likely due to limited demand in communities of this size, changing consumer habits, and the presence of large national discount stores.

- Retail categories where Sauk Prairie's downtowns have fewer than average businesses may reflect potential business opportunities. Specific categories showing possible gaps include furniture stores, floor covering stores, jewelry stores, gift novelty stores, and art dealers. *Again, the gap in the gift/novelty store category is somewhat surprising given Sauk Prairie's desired position among tourists*.

- While Sauk Prairie's downtown business districts include one art dealer, both Stoughton and Fort Atkinson have multiple establishments. *The presence of several art dealers in these downtowns represents the importance of establishing a critical mass for certain destination-retail categories.* With a few exceptions, Sauk Prairie's downtown business districts lack a critical mass in destination-oriented business categories.

- Niche-based development strategies will be vital for differentiating Sauk Prairie's downtown business districts from other regional shopping opportunities. With the exception of retailers serving the local resident population, the downtown business mix does not suggest any existing niche with an overwhelming market presence. The remaining analyses in this report will seek to find potential niches that are suggested by local market conditions.

Appendix 2A – Selected Demographics and Websites for Comparable Communities

Community and Chamber of Commerce Websites	Community Population (2000)*	Population in 20 mile radius (2000) *	Distance to Nearest Metro Area**	Per Capita Income (1999)*	Median Age (2000)*
Sauk City/Prairie du Sac http://www.saukprairie.com	6,340	301,036	22 miles (Madison)	$20,438	36.5 years
Jefferson http://www.jefnet.com/coc/	7,338	167,930	24 miles (Janesville)	$19,124	36.2 years
Fort Atkinson http://www.fortchamber.com/	11,621	204,907	19 miles (Janesville)	$21,008	36.5 years
Stoughton http://www.stoughtonwi.com/	12,354	461,698	14 miles (Madison)	$21,037	35.2 years
Berlin http://www.1berlin.com/	5,305	97,644	20 miles (Oshkosh)	$17,667	38.3 years
Lake Geneva http://www.lakegenevawi.cc/	7,148	279,586	30 miles (Kenosha)	$21,536	36.5 years
Mount Horeb http://www.mthorebchamber.com/	5,860	291,405	18 miles (Madison)	$23,359	34.0 years
New London http://www.newlondonchamber.com/	7,085	183,862	19 miles (Appleton)	$18,153	35.3 years
Eaton Rapids (Michigan) http://www.eatonrapidschamber.com/	5,330	400,672	14.7 (Lansing)	$18,446	31.9 years

* 2000 Census Data
** Straight line distance from community geographic centroid to MSA geographic centroid

Section

3

Size and Shape of Trade Area

Section 3 analyzes the size and shape of the trade area for Sauk Prairie Area businesses. The trade area defines the boundaries that will serve as the basis for further analysis in this report.

The trade area is the geographic region that generates the majority of customers for Sauk Prairie area retail and service businesses. The analysis realizes that different business types have different trade areas. That is, some businesses will draw customers from a greater distance than others. While communities often have multiple trade areas (primary, secondary, convenience, etc.), a single trade area is defined for the Sauk Prairie area. The decision to use a single trade area is based on the locations of regional retail centers both north and south of the Sauk Prairie's business districts. In general, the Sauk Prairie Area trade area is intended to mirror the overall market area for the two communities.

Evaluating the trade area requires analyzing the origins of several distinct market segments:

- *Local Residents* – Residents of the Sauk Prairie Area provide the greatest spending potential for most business categories. For some convenience businesses, the primary trade area may represent 90 percent of its customers. For destination shopping businesses, the primary trade area may represent less than 50 percent of its customers. For purposes of this market analysis, an overall average of 70 to 75 percent of all customers is used to establish the trade area.
- *Employees working in the Sauk Prairie Area* – Employees working at local businesses and industries provide a sizable opportunity for many business types. While many of these employees live outside of the communities of Sauk City and Prairie du Sac, these workers are a captive market segment for many hours in a given week.
- *Tourists and Visitors to the Sauk Prairie Area* – Tourists and visitors are attracted to the Sauk Prairie Area for events such as Eagle Watching Days, the MDA Freedom Ride and the Grape Stomp Festival. Furthermore, the area is a gateway to the Wisconsin Dells area, the Wisconsin River and many other recreational activities in the Baraboo Hills.

To examine these market segments, Section 3 summarizes an analysis of customer origins, commuting patterns, drive times and other geographic boundaries that may influence the trade area.

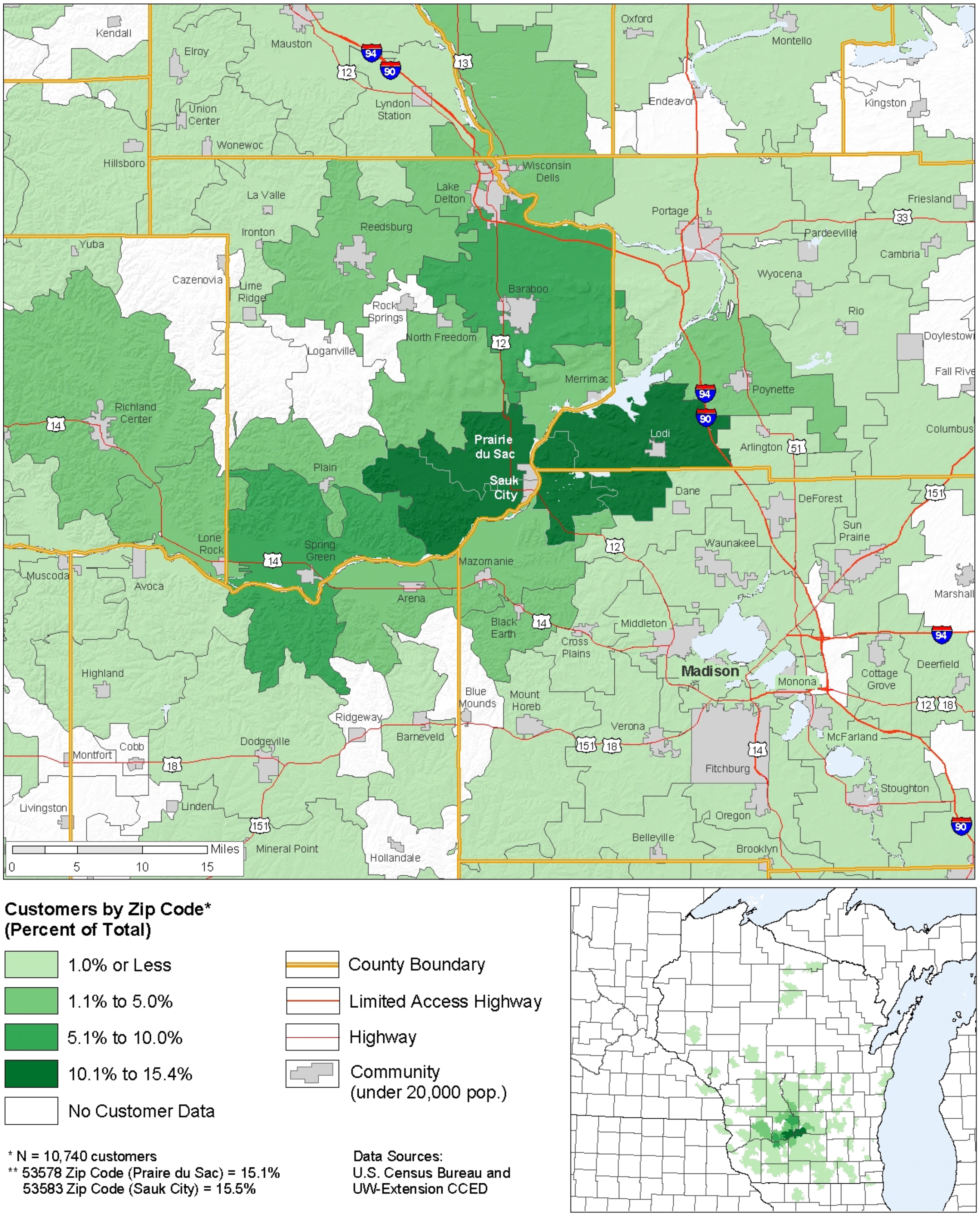
Customer Origins

For this analysis, actual customer zip codes were used to analyze the drawing power of Sauk Prairie Area businesses. These zip codes were obtained from a variety of representative attractions and businesses including a mix of five retailers, two large service businesses and two businesses focusing on the tourist market segment. Information from each business was analyzed and mapped using Geographic Information Systems (GIS).

Mapping customer zip codes provides one estimate of the overall "community" trade area. As previously mentioned, we must recognize that each business has a unique trade area. Furthermore, people residing in the trade area purchase certain goods and services outside the area. However, this method does have distinct advantages as it is based on actual customer data. Two samples of customer origins are shown on the following maps. Map 3.1 shows a sample of customer origins for a business with a local customer market, while Map 3.2 provides a sample for a business focusing on the non-resident (visitor) market.

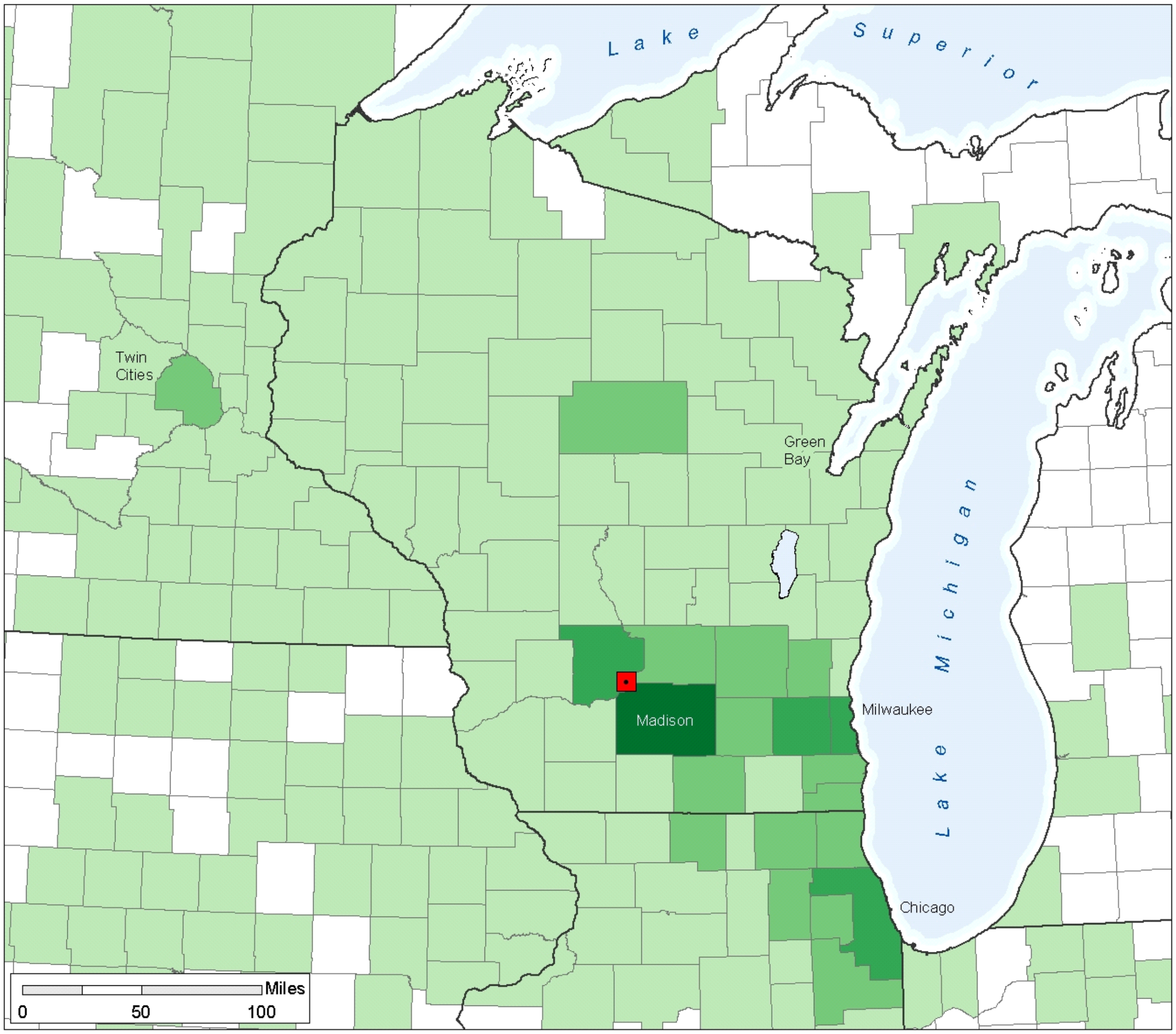
Map 3.1 - Business #1 Customer Origins by Zip Code

(As Percent of All Customer Zip Codes)



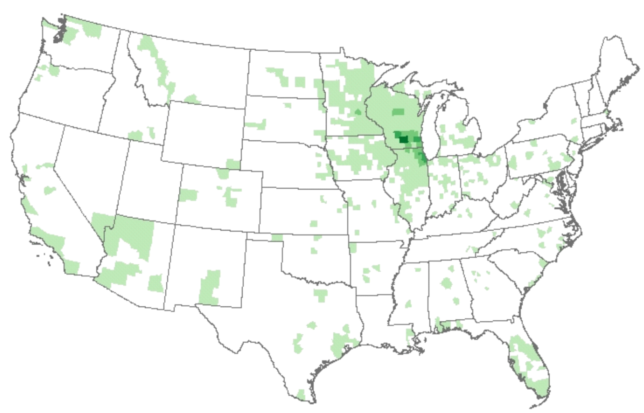
Map 3.2 - Business #9 Customer Origins by County

(As Percent of All Customers)



Customers by County
(Percent of Total, n = 6,535)

- 1.0% or Less
- 1.1% to 4.0%
- 4.1% to 10.0%
- 10.1% or More*
- No Customer Data
- State Border
- Sauk City/Prairie du Sac



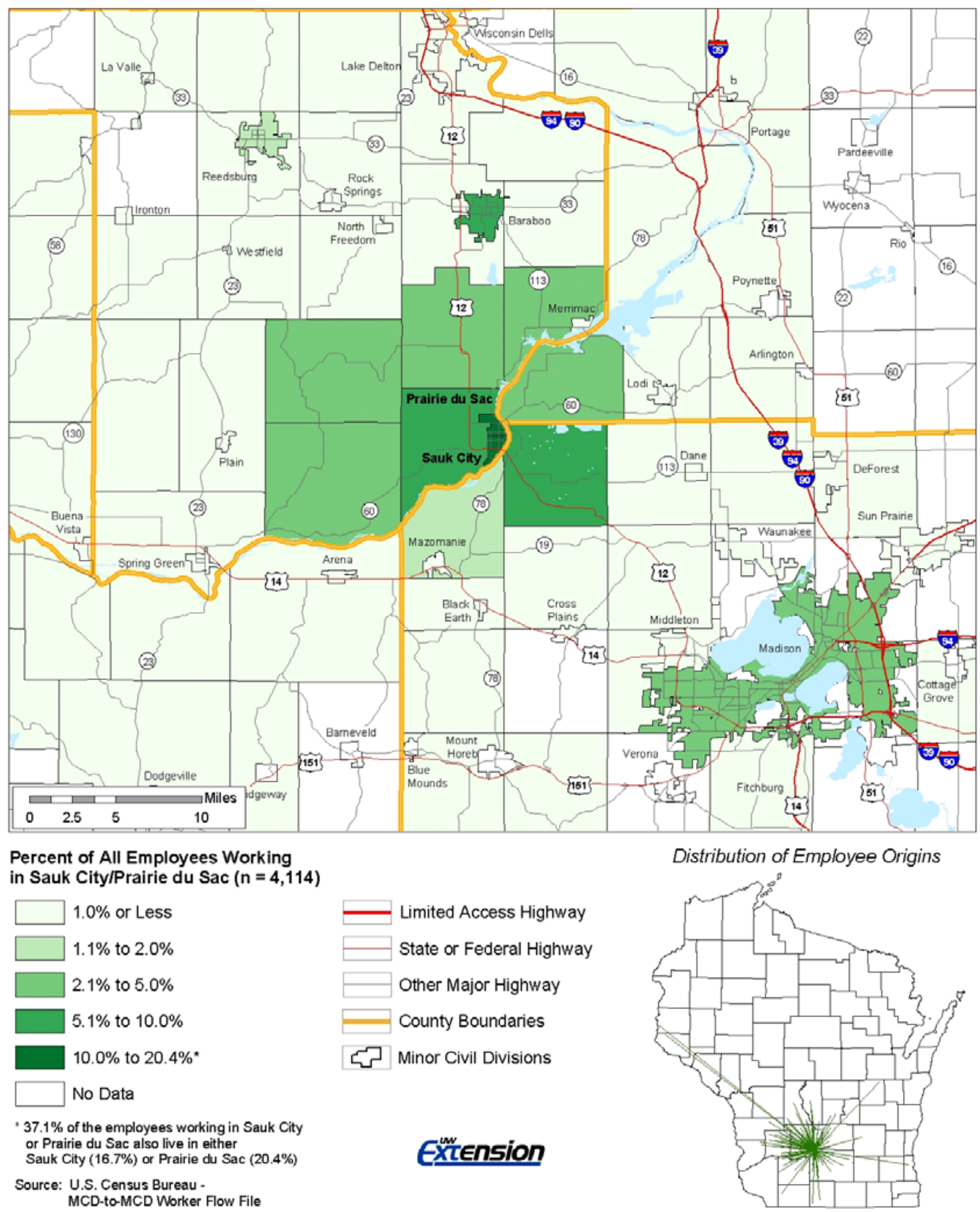
* Largest Percentage (17.9%) = Dane County, WI

Data Sources: U.S. Census Bureau and UW-Extension CCED

Employee Origins

As previously mentioned, employees commuting into Sauk City and Prairie du Sac represent an important consumer segment. In the year 2000, over 4,100 employees worked in the two communities. Map 3.3 examines the place of residence for these workers. While the highest percentages of workers live in either Sauk City or Prairie du Sac, these two communities only account for 37.1 percent of the employees working in the communities. In contrast, 62.9 percent of the employees working in Sauk City/Prairie du Sac live outside of the two communities. While many of these workers originate in the surrounding townships, Baraboo and Madison are two other notable origins for commuters. Worker flow in the Sauk Prairie area is further explored in Section 4 of this report.

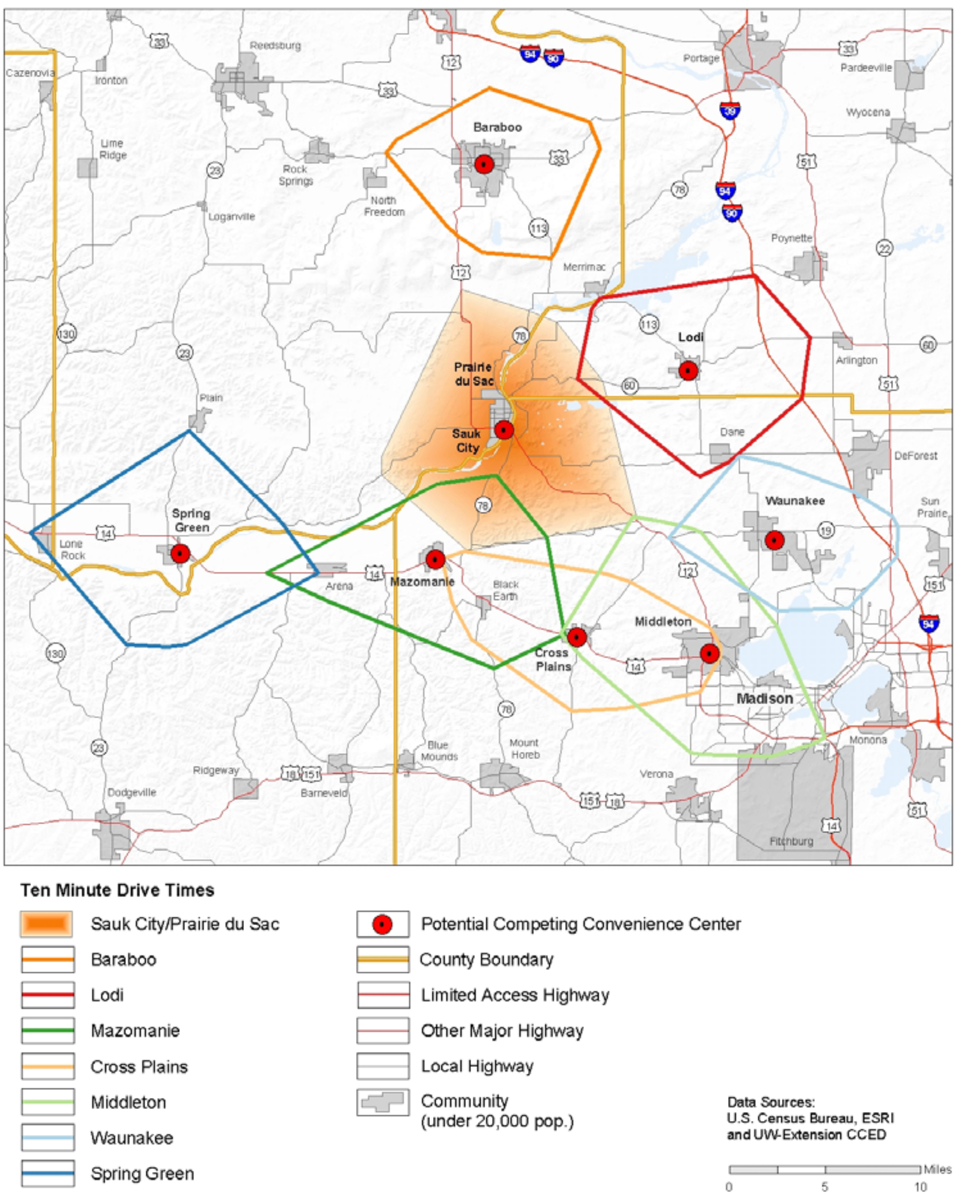
Map 3.3 - Employees Working in Sauk City and Prairie du Sac (Minor Civil Division of Residence)



Drive Time Analysis

Analyzing drive times around the Sauk Prairie Area is useful in evaluating the market for those goods and services purchased on the basis of convenience (i.e. groceries). Analyzing drive times around the Sauk Prairie area relative to surrounding communities determines those areas closest to Sauk Prairie and the most likely origins of convenience-seeking customers. Map 3.4 shows ten-minute drive times around the Sauk Prairie area and several surrounding communities. Within this drive time, Sauk Prairie is somewhat isolated from other competing communities. The only community showing significant overlap is Mazomanie, which has a limited selection of convenience items[1]. While this analysis cannot predict shopping preferences for individuals, it does show that Sauk Prairie has at least the geographic potential to capture much of the convenience market segment.

Map 3.4 - Sauk Prairie Area Competitive Drive Time Analysis
(Ten Minute Drive Times from Potential Competing Convenience Centers)

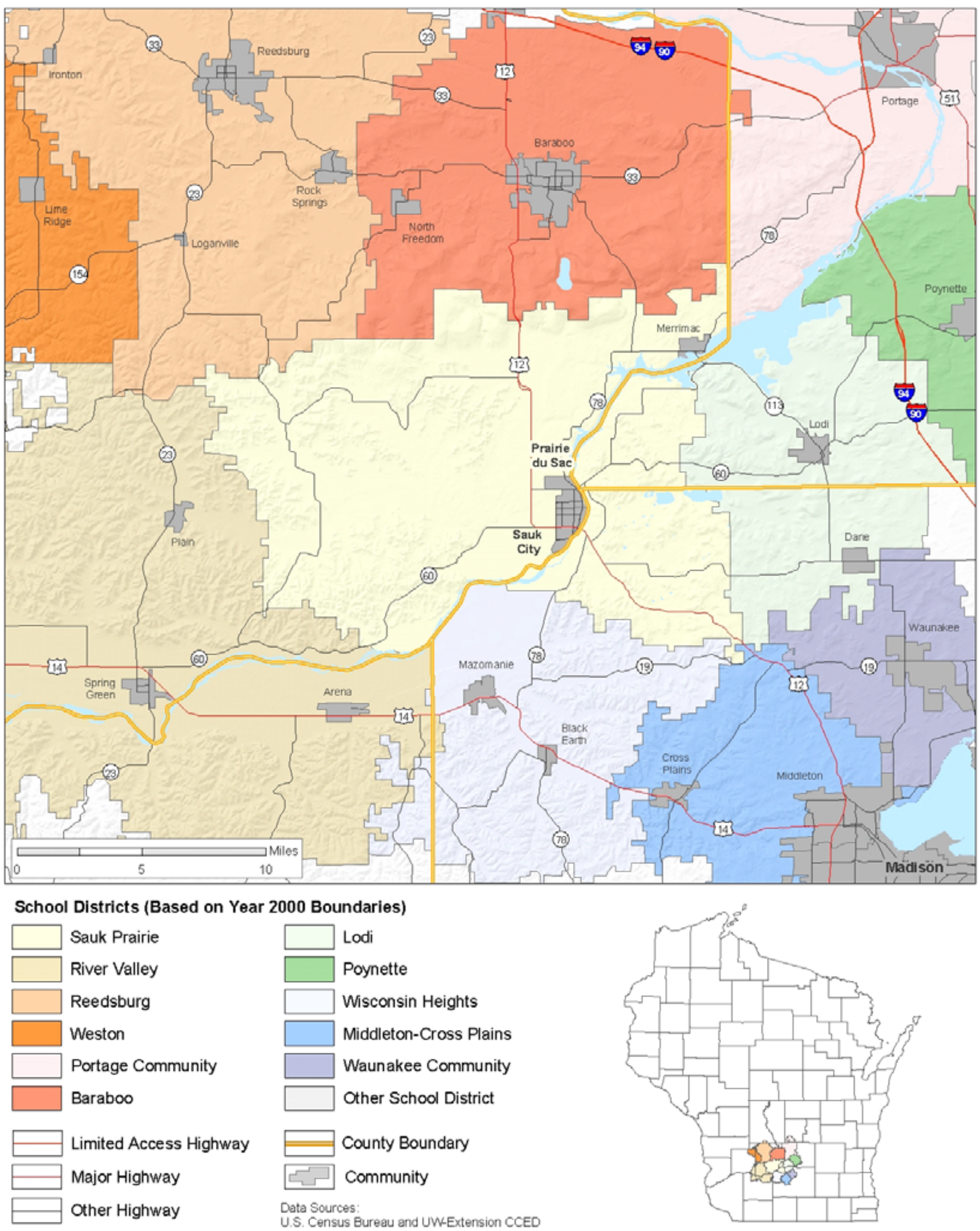


[1] The drive time calculations are based on destination points along major highways. If the drive times to convenience based businesses in West Baraboo are considered (rather than Baraboo), there may be some additional overlap.

School District Boundaries

School district boundaries provide an additional method for examining people traveling into and out of the Sauk City/Prairie du Sac area. Parents of students within the district travel into Sauk City/Prairie du Sac when shuttling their children to school or when attending school functions. Accordingly, these people associated with the school district have an inherent attachment to the area and provide a potential customer segment for area businesses. The district boundaries are shown on Map 3.5 and include the communities of Merrimac, Sauk City, and Prairie du Sac (along with a number of rural areas to the north, west and southeast).

Map 3.5 - Sauk Prairie Area School District Boundaries



Conclusions

The Sauk Prairie market analysis study committee examined the customer origins, employee residences and other geographic considerations. Using this information, the Sauk Prairie trade area was defined using the areas listed in Table 3.1 and shown on Map 3.6 (following page). The trade area is primarily located in southern Sauk County and includes small portions of Dane and Columbia Counties. When evaluating the trade area, a number of factors should be considered:

- While customer origins were analyzed by zip codes, the Sauk Prairie trade area is based on county subdivisions (minor civil divisions) for several reasons: 1) county subdivisions allow for a more refined approximation of the trade area boundaries; 2) county subdivisions are more representative of the worker flow data shown in Map 3.3; 3) county subdivisions match the units of analysis used in the comprehensive planning process.

- The trade area recognizes the proximity of the large commercial centers to the north in Baraboo and to the south in Middleton and Madison.

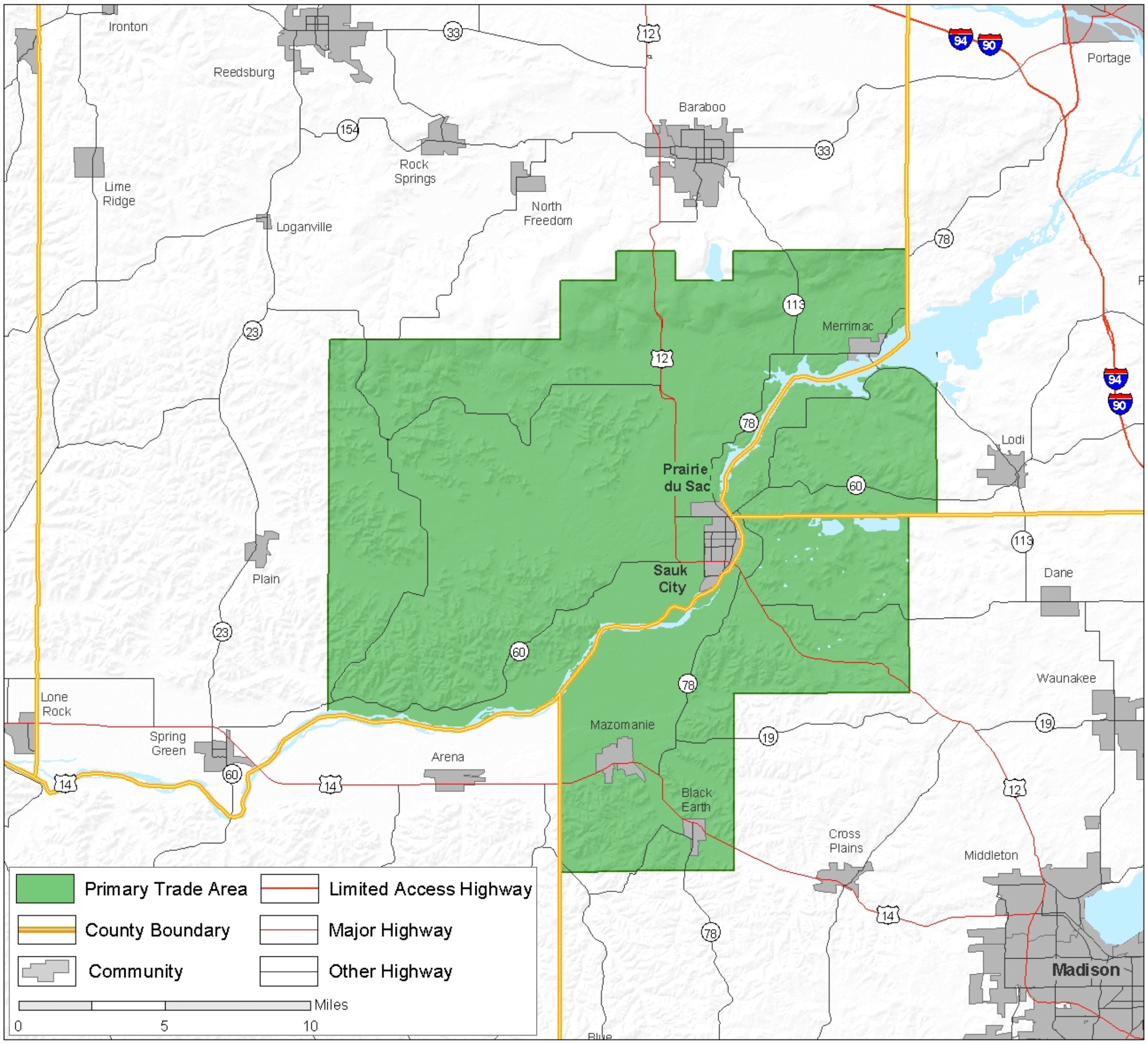
- The trade area approximates those areas that may provide the best opportunities for capturing convenience-based shopping opportunities. Partially based on the results of the drive time analysis around the Sauk Prairie area, the trade area is also representative of the geographic travel barriers presented by the road network needed to cross the Wisconsin River to the south and east, and the Baraboo Hills to the north.

- Certain businesses in the Sauk Prairie trade area draw from a much larger distance than the community trade area. These destination businesses may include Sauk Prairie Harley Davidson, the community's automobile dealerships, the River's Edge Mall and various tourist attractions. *Accordingly, unique destination-type businesses may want to consider a broader market when assessing market opportunities.*

Table 3.1 – County Subdivisions Comprising the Sauk Prairie Trade Area

Town of Prairie du Sac (Sauk County)	Town of Black Earth (Dane County)
Village of Prairie du Sac (Sauk County)	Village of Black Earth (Dane County)
Village of Sauk City (Sauk County)	Town of Mazomanie (Dane County)
Town of Merrimac (Sauk County)	Village of Mazomanie (Dane County)
Village of Merrimac (Sauk County)	Town of Roxbury (Dane County)
Town of Honey Creek (Sauk County)	Town of Sumpter (Sauk County)
Town of Troy (Sauk County)	Town of West Point (Columbia County)

Map 3.6 - Sauk Prairie Primary Trade Area Boundaries



Section

4

Regional Economic Trends

Sauk Prairie's trade area is impacted by regional economic conditions. Trends in population, income, employment, industry structure, tourism, retail sales and commuters provide additional insight into broader market opportunities, consumer segments, and the future direction of the region's economy.

Sauk Prairie is part of an open regional economy. Local residents work in businesses throughout the region, while Sauk Prairie establishments employ workers from surrounding communities. Sauk Prairie businesses also purchase goods and services both in and outside of the community, while exporting products throughout the state and nation. Subsequently, local market opportunities will be impacted by trends and conditions in the region, as well as the trade area defined in Section 3. As previously noted, the Sauk Prairie trade area is primarily split between Sauk and Dane counties[1]. Given this location, the following analyses seek to examine the regional economy using both of these counties. To provide perspective, economic data for Sauk and Dane counties are also compared with the State of Wisconsin.

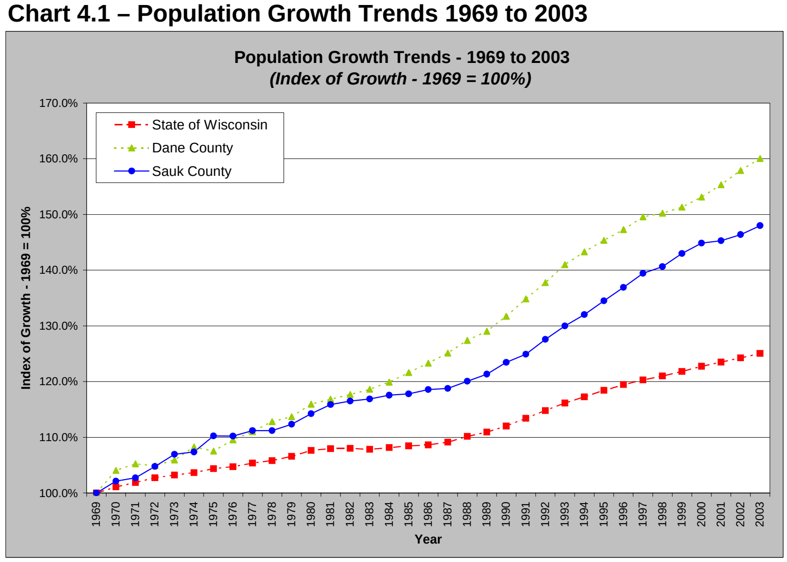
Regional Population and Employment Trends

The Sauk Prairie trade area is part of a region growing in both population and employment. Chart 4.1 depicts the region's population "index of growth" between 1969 and 2003. An index of growth is a cumulative measure of change that calculates the percent difference in population between a given year and a starting year (1969 in this case)[2]. Specifically, Sauk County's population grew 48 percent between 1969 and 2003 while Dane County grew 60 percent. Both of these growth rates were significantly larger than the State of Wisconsin's 25 percent increase, and reflect the scale of the region's growth.

Estimates from the Wisconsin Department of Administration (DOA) suggest that these population growth trends will continue over the next 25 years. Between 2005 and 2030, Dane County is predicted to add 124,000 residents and grow at a rate of 27.2 percent. Furthermore, Sauk County is projected to add 12,000 new residents at a rate of 20.8 percent over this period. These anticipated growth rates for Dane County and Sauk County are the third and ninth fastest rates, respectively, of all Wisconsin counties. The region's projected population growth should provide the area with rising consumer demand over the next several decades.

The trend lines in Chart 4.1 show that population growth occurred at faster rates between the late 1980's and 2003. To understand where much of this growth occurred, Map 4.1 depicts the region's change in population by

Chart 4.1 – Population Growth Trends 1969 to 2003

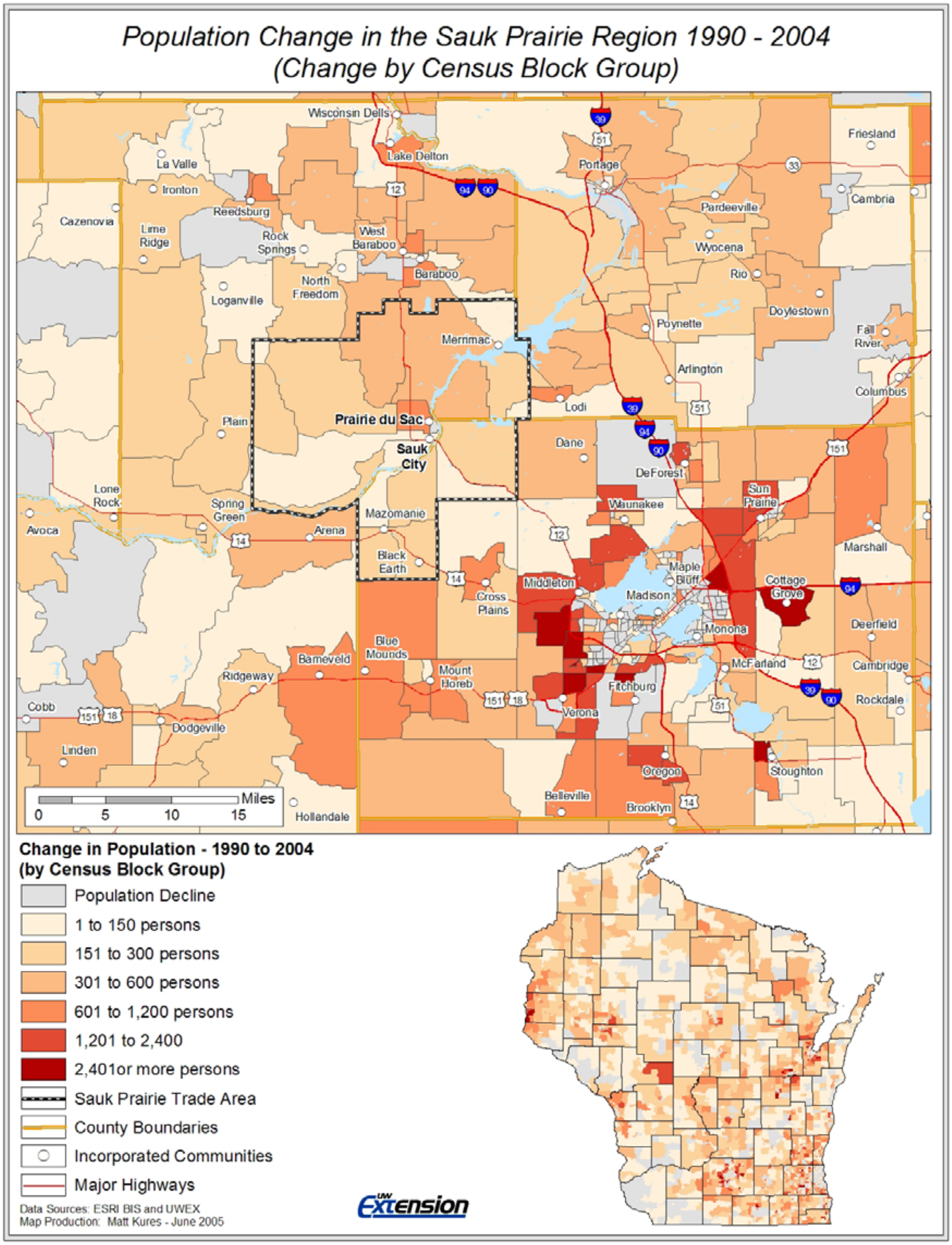


Source: Bureau of Economic Analysis: Regional Economic Information System

[1] A small portion of the Sauk Prairie trade area is located in Columbia County.
[2] More information on using an index of growth is available at: http://www.uwex.edu/ces/cced/dma/6.html

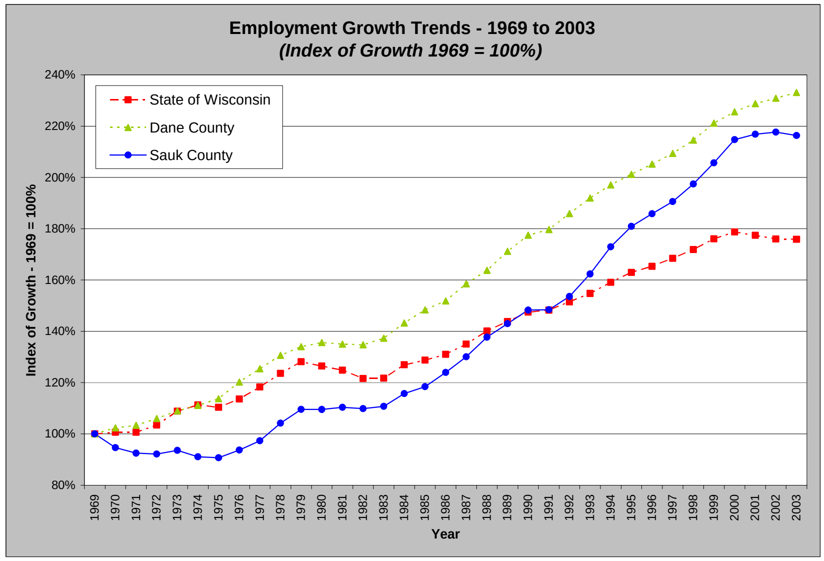
Census block group between 1990 and 2004. These estimates of change show that many of the areas within the Sauk Prairie trade area experienced moderate growth during this period. The areas showing the greatest growth are located on Madison's periphery. Many of these high growth areas north and west of Madison are within a reasonable driving distance of Sauk Prairie and may provide a growing secondary market. Note there are also several areas showing population decreases. However, these areas should not necessarily be thought of as being in decline. For instance, consider several block groups on Madison's West Side. While several of these block groups show a decrease in population, many of these areas also have some of the highest household incomes in the state. The decreasing population might be attributed to other factors such as declining household sizes.

Map 4.1 – Population Change by Census Block Group 1990 to 2004



Employment increases in the region predictably have mirrored the population growth in Dane and Sauk counties. Chart 4.2 shows employment indices of growth for the two counties relative to the State of Wisconsin[3]. In contrast to Dane County and the state, Sauk County experienced a decrease in employment during the early 1970's. A low mark in total employment occurred in 1975, which coincided with the closing of the Badger Army Ammunition Plant. Since this period, Sauk County has exhibited dramatic growth in overall employment. In particular, starting in the mid-1980's employment grew significantly and the county's growth rate surpassed that of the State of Wisconsin in the early 1990's. While Sauk County's growth in employment has leveled off during the most recent recessionary period, this stagnation has been less dramatic than that of the State of Wisconsin.

Chart 4.2 – Employment Growth Trends 1969 to 2003



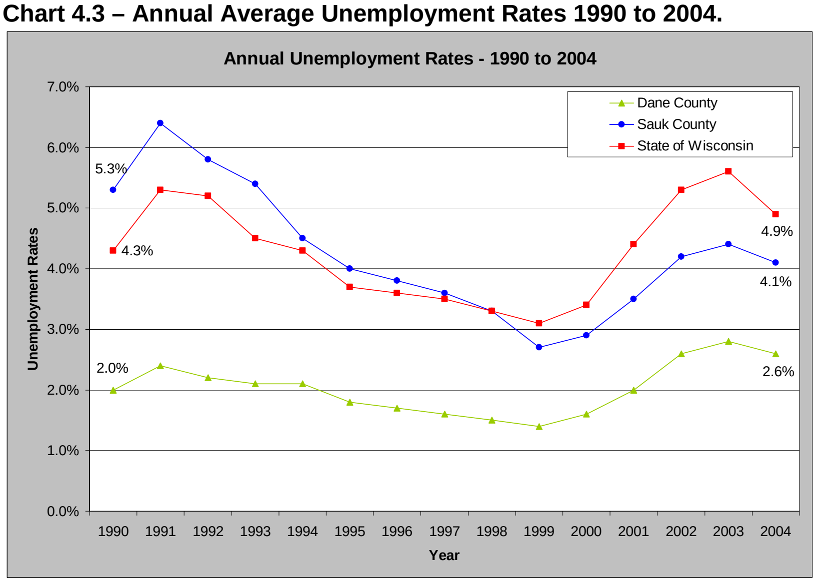
Source: Bureau of Economic Analysis: Regional Economic Information System

Note that the employment growth shown in Chart 4.2 does not track the type or quality of jobs in the region. Furthermore, changes in industrial classification systems preclude a historical analysis in employment shifts by industry. However, current employment levels by two-digit NAICS industry categories are included in Appendix 4A at the end of this section. Appendix 4A also includes the largest individual employers in Sauk Prairie.

Concurrent with the trends in employment growth are relatively low unemployment rates in Sauk and Dane counties. Chart 4.3 shows annual average unemployment rates for Dane County, Sauk County and the State of Wisconsin. The chart shows that Dane County had very low unemployment over the last fourteen years. In fact, the county's unemployment rate traditionally has been one of the lowest in the nation and is reflective of the area's stable economy. While Sauk County consistently shows a higher unemployment rate, the county's annual figure dropped below Wisconsin's average in 1999, and has remained below the state through 2004.

The employment trends shown in Charts 4.2 and 4.3 show that both Sauk County and Dane County have experienced steady employment growth and relatively low unemployment. If these employment trends persist, the region will continue to have a strong economy and provide a foundation for additional economic opportunities.

Chart 4.3 – Annual Average Unemployment Rates 1990 to 2004.



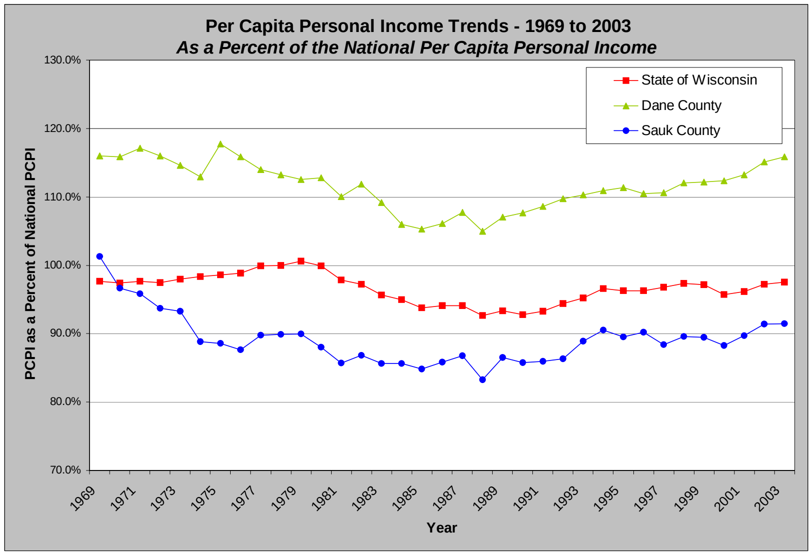
Source: Wisconsin Department of Workforce Development

[3] The employment trends shown in Chart 4.2 include both full and part time employees.

Personal Income and Earning Trends

Personal income trends provide an important measure of regional economic activity over time. Personal income consists of income that is received by persons from earnings and wages, government and business transfer payments, and interest. When compared to state or national trends, it provides an indication of how well the region's economy is performing. In doing so, Chart 4.4 depicts the region's per capita personal income relative to the overall U.S. average between 1969 and 2003. Not surprisingly, per capita personal income in Dane County has been higher than the nation and State of Wisconsin over this period. Despite a relative decline throughout the 1970's and 1980's, Dane County's income has seen a steady increase over the last decade.

Chart 4.4 – Per Capita Personal Income Trends – 1969 to 2003

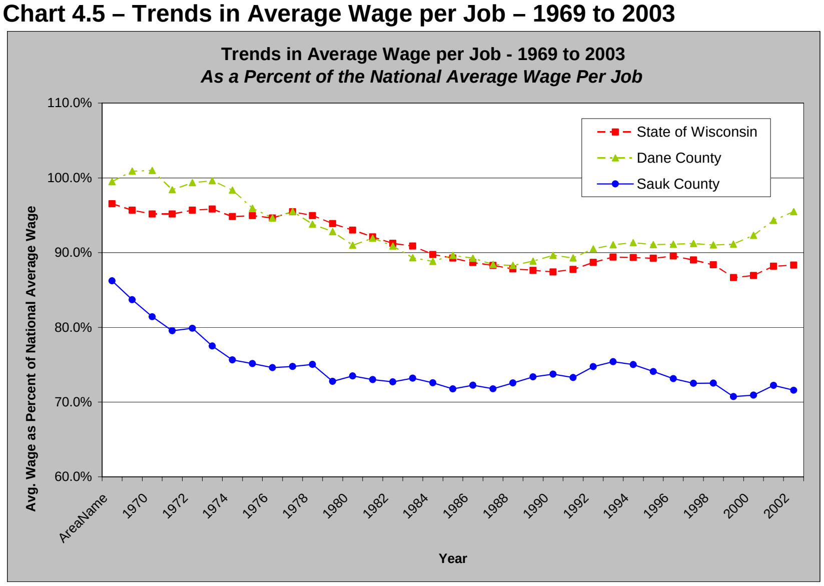


Source: Bureau of Economic Analysis: Regional Economic Information System

Sauk County's per capita income was actually higher than the national average in 1969. Similar to Dane County, Sauk County experienced a relative decrease in PCPI in previous decades. More recently, Sauk County incomes have shown moderate increases similar to those of the state. The high incomes shown in Dane County and the recent increases in Sauk County's income are relevant, as they should have a positive impact on regional spending potential.

Earnings are typically the largest component of a region's income. Earnings include wage and salary disbursements, other labor income, and proprietor's income (both farm and non-farm). Chart 4.5 shows the region's average wage per job as a percentage of the national average wage per job. Unlike the per capita personal income trends shown in Chart 4.4, Dane County's average wage per job is more similar to that of the State of Wisconsin. Furthermore, both Dane and Sauk counties' average wage have decreased somewhat relative to the U.S. average over the past three decades. While Dane County has experienced a recent increase, the county has not yet achieved the same relative position it had in the early 1970's. These trends may suggest that the region's per capita incomes should be lower than those exhibited in Chart 4.4. However, the trends in average wage per job are likely offset by other income sources and an increase in two earner households over this period.

Chart 4.5 – Trends in Average Wage per Job – 1969 to 2003



Source: Bureau of Economic Analysis: Regional Economic Information System

Again, the changes in industrial classification systems preclude a lengthy historical analysis of wage changes in different industry sectors. Current wages are listed by broad industry sector in Appendix 4B.

Regional Industry Structure

While population, employment and income trends provide important information on the direction of the region's economy, it is also necessary to examine the region's industry structure. Understanding the area's key industries is vital to determining an industry's economic impact, creating industry retention and targeting initiatives, and developing future economic development strategies. The following analysis provides a basic understanding of the regional industry structure using the measures of industry concentration (location quotients), employment, earnings and income. A regional input-output model was constructed for this analysis using 2001 IMPLAN Data (Impact Analysis for Planning). *At the time of the analysis, the 2001 dataset was the most current and may not reflect current changes to the regional economic structure.* These analyses can be updated as future data become available. As the economies of Sauk County and Dane County are dramatically different, only Sauk County's industry structure is analyzed. *Note that the intent of the following analysis is not to choose those industries that should receive the most support or funding. Instead, the purpose is to highlight some of Sauk County's larger industries that could provide sources of regional competitive advantages*.

Measures of Industry Size

Table 4.1 on the following page examines Sauk County's top 25 industries based on employment. As the employment figures include both full and part time employment, it is not surprising that the three categories of food services and drinking places, hotels and motels, and non-store retailers account for the largest number of jobs in Sauk County. The relatively low earnings per job in these categories are also somewhat attributed to the part-time nature of many positions within these industries. Similar to most counties, government in the forms of education and non-education also employ a sizeable number of people. In addition, several other industries have sizeable employment and have higher than average earnings. These industries are a mix of production and service-based industries and include:

- Hospitals and health care providers (including Sauk Prairie Memorial Hospital)
- Architectural and engineering services (i.e. Ramaker and Associates, EDGE Consulting Engineers)
- Plastics manufacturing (such as Teel Plastics and Flambeau, Inc)
- Ferrous metal foundries (Grede Foundries, Inc) and Glass and glass products (Cardinal Glass)
- Commercial printing (Perry Judd)
- Construction of residential and non-residential buildings
- Wholesale trade (Sysco and others)

To provide another industry perspective, Table 4.2 reports Sauk County's top 25 industries in terms of total earnings in Sauk County. Earnings include both wages and benefits paid to employees. Similar to its rankings in total employment, public education and other public institutions account for the first and third highest amounts of total earnings in Sauk County. Both of these industry categories also pay higher than average wages per job. Wholesale trade also accounts for a sizeable amount of total earnings, with high levels of average earnings per job and total income per job. Other industries that account for high total earnings and high overall employment consist of those bulleted in the list above. Several industries that have high total earnings, but are not in the top 25 in total employment include truck transportation, motor vehicle and parts dealers, management of companies and enterprises, and metal valve manufacturing. These industries provide sizeable overall earnings in Sauk County despite somewhat lower employment levels.

Only six of the top 25 industries have average earnings per job that are lower than the county average. These industries include food services and drinking places; hotels and motels, non-store retailers, nursing and residential care facilities; agriculture and forestry support activities; and food and beverage stores. Several of these industries tend to require lower-skilled labor or have seasonal or part-time employment. These categories also show that both high and low-wage industries can have considerable impacts on the Sauk County economy. Furthermore, the average earnings per job reported in the hospitals category often surprises people. While hospitals have highly paid doctors and medical support staff, hospitals also require a large number of people working in food-service, custodial areas, and other lower paid occupations. Similar occupational mixes in other industries may help to explain these types of perceived wage disparities.

Table 4.1 – Top Twenty-five Sauk County Industries Based on Employment

Industry	Employment	Earnings per Job	Total Income per Job
Food services and drinking places	3,477	$9,619	$15,709
Non-store retailers	3,266	$6,720	$10,588
State & Local Education	2,451	$34,066	$39,007
State & Local Non-Education	1,567	$31,892	$37,405
Hotels and motels, including casino hotels	1,549	$12,185	$24,183
Wholesale trade	1,509	$47,647	$88,098
Hospitals	1,308	$34,590	$35,457
Other amusement, gambling, and recreation industries	1,275	$17,474	$36,209
Cattle ranching and farming	1,179	$7,754	$4,197
Architectural and engineering services	960	$28,213	$43,577
Plastics plumbing fixtures and all other plastics	871	$36,676	$60,336
Agriculture and forestry support activities	832	$14,194	$17,246
Employment services	820	$11,628	$15,438
Commercial printing	816	$25,613	$33,097
Offices of physicians, dentists, and other health providers	802	$47,435	$62,317
Ferrous metal foundries	766	$53,461	$62,321
Glass and glass products, except glass containers	718	$46,713	$83,313
Commercial and institutional buildings	682	$40,452	$44,076
Real estate	657	$8,230	$76,514
Nursing and residential care facilities	607	$20,208	$22,430
General merchandise stores	581	$18,143	$25,756
Miscellaneous store retailers	552	$16,822	$23,540
Food and beverage stores	536	$21,289	$30,840
Monetary authorities and depository credit intermediaries	471	$28,068	$92,138
New residential 1-unit structures (non-farm)	460	$40,711	$54,870
Sauk County Average		*$24,663*	*$45,906*

Source: IMPLAN 2001 and UW-Extension

Table 4.2 – Top Twenty-five Sauk County Industries Based on Total Earnings

Industry	Total Earnings	Employment	Earnings per Job	Total Income per Job
State & Local Education	$83,496,000	2,451	$34,066	$39,007
Wholesale trade	$71,900,000	1,509	$47,647	$88,098
State & Local Non-Education	$49,974,000	1,567	$31,892	$37,405
Hospitals	$45,244,000	1,308	$34,590	$35,457
Ferrous metal foundries	$40,951,000	766	$53,461	$62,321
Offices of physicians, dentists, and other health providers	$38,043,000	802	$47,435	$62,317
Glass and glass products, except glass containers	$33,540,000	718	$46,713	$83,313
Food services and drinking places	$33,447,000	3,477	$9,619	$15,709
Plastics plumbing fixtures and all other plastics	$31,945,000	871	$36,676	$60,336
Commercial and institutional buildings	$27,588,000	682	$40,452	$44,076
Architectural and engineering services	$27,084,000	960	$28,213	$43,577
Other amusement, gambling, and recreation industries	$22,279,000	1,275	$17,474	$36,209
Non-store retailers	$21,946,000	3,266	$6,720	$10,588
Commercial printing	$20,900,000	816	$25,613	$33,097
Hotels and motels, including casino hotels	$18,874,000	1,549	$12,185	$24,183
New residential 1-unit structures (non-farm)	$18,727,000	460	$40,711	$54,870
Other new construction	$18,016,000	432	$41,704	$44,734
Truck transportation	$15,806,000	394	$40,117	$67,764
Motor vehicle and parts dealers	$15,787,000	365	$43,252	$58,244
Management of companies and enterprises	$15,469,000	324	$47,744	$54,951
Monetary authorities and depository credit intermediaries	$13,220,000	471	$28,068	$92,138
Nursing and residential care facilities	$12,266,000	607	$20,208	$22,430
Agriculture and forestry support activities	$11,809,000	832	$14,194	$17,246
Food and beverage stores	$11,411,000	536	$21,289	$30,840
Metal valve manufacturing	$11,400,000	297	$38,384	$74,980
Sauk County Averages			*$24,663*	*$45,906*

Source: IMPLAN 2001 and UW-Extension

Table 4.3 ranks Sauk County's top 25 industries based on total income. In addition to earnings, total income also includes proprietor and other property type income. These two income types are paid to individuals in the forms of self-employment income and business profits, rents, dividends, royalties and interest. Accordingly, large differences between earnings per job and total income per job can be attributed to several factors. Many industries may not have high earnings per job, but could have large total income per job due to the pay or ownership structure. For example, real estate has low levels in earnings per job, but high levels of total income per job. The differences in earnings and income are explained by the large portion of compensation that comes in the form of real estate transaction commissions. An industry's level of total income can also be impacted by the location of a business owner relative to the location of the business itself. For those companies that are locally owned, owner income typically remains in the community. However, companies that are operated by a non-local owner will see profits leave the community.

Despite a small number of employees, the category of lessors of non-financial intangible assets has the highest level of total income and total income per job. This industry category is involved in assigning rights to assets, such as patents, trademarks, brand names, and/or franchise agreements for which a royalty payment or licensing fee is paid to the asset holder. Other industries with large levels of total income include several of those previously noted: wholesale trade, state and local government (education and non-education), glass and glass products, and plastics manufacturing. The tourism industry is represented in the form of other amusement, gambling and recreation industries and hotels and motels. While these two categories have relatively low earnings per job, they do have higher levels of total income per job. These types of differences suggest that the impact of a given industry should not be solely judged on the earnings paid to employees.

Remaining industries in Table 4.3 include a mixture of the production and service-based industries noted in previous industry rankings. However, ten of the 25 largest industries in Table 4.5 have levels of total income per job that are lower than the county average. These differences may be attributed to the location of business owners, business profitability, or other factors.

Table 4.3 – Top Twenty-five Sauk County Industries Based on Total Income

Industry	Total Income	Employment	Earnings per Job	Total Income per Job
Lessors of non-financial intangible assets	$262,992,000	69	$50,913	$3,811,478
Wholesale trade	$132,940,000	1,509	$47,647	$88,098
State & Local Education	$95,605,000	2,451	$34,066	$39,007
Glass and glass products, except glass containers	$59,819,000	718	$46,713	$83,313
State & Local Non-Education	$58,613,000	1,567	$31,892	$37,405
Food services and drinking places	$54,620,000	3,477	$9,619	$15,709
Plastics plumbing fixtures and all other plastics	$52,553,000	871	$36,676	$60,336
Real estate	$50,270,000	657	$8,230	$76,514
Offices of physicians, dentists, and other health providers	$49,978,000	802	$47,435	$62,317
Ferrous metal foundries	$47,738,000	766	$53,461	$62,321
Hospitals	$46,378,000	1,308	$34,590	$35,457
Other amusement, gambling, and recreation industries	$46,167,000	1,275	$17,474	$36,209
Monetary authorities & depository credit intermediaries	$43,397,000	471	$28,068	$92,138
Architectural and engineering services	$41,834,000	960	$28,213	$43,577
Hotels and motels, including casino hotels	$37,460,000	1,549	$12,185	$24,183
Non-store retailers	$34,581,000	3,266	$6,720	$10,588
Commercial and institutional building construction	$30,060,000	682	$40,452	$44,076
Commercial printing	$27,007,000	816	$25,613	$33,097
Truck transportation	$26,699,000	394	$40,117	$67,764
Cutlery and flatware, except precious, manufacturing	$26,192,000	283	$39,459	$92,551
Automotive repair and maintenance, except car wash	$25,901,000	447	$18,586	$57,944
New residential 1-unit structures (non-farm)	$25,240,000	460	$40,711	$54,870
All other transportation equipment manufacturing	$23,382,000	141	$50,652	$165,830
Metal valve manufacturing	$22,269,000	297	$38,384	$74,980
Motor vehicle and parts dealers	$21,259,000	365	$43,252	$58,244
Sauk County Averages			*$24,663*	*$45,906*

Source: IMPLAN 2001 and UW-Extension

Location Quotients

Location quotients (LQs) provide one method for analyzing industry concentration and specialization in Sauk County. A location quotient is calculated by comparing a given industry's percent of total Sauk County employment to the same industry's percent of overall national employment.

$$\textit{Location Quotient (LQ) for industry (i) in Sauk County} = \frac{\dfrac{\text{Industry (i) Sauk County employment}}{\text{Total Sauk County employment}}}{\dfrac{\text{Industry (i) national employment}}{\text{Total national employment}}}$$

The critical value for a location quotient is 1.0. An LQ of 1.0 means a region has the same proportion of local employment in an industry as the nation. An LQ greater than 1.0 means that the region's share of employment in a given industry is greater than the national share. Conversely, an LQ less than 1.0 means the region's employment in an industry is below the national percentage. Due to accuracy issues with employment data, location quotients between 0.75 and 1.25 are generally considered close enough to 1.0 not to be significantly different.

A location quotient of 1.0 suggests that the local level of demand for that good or service is satisfied by local industries (supply equals demand). Consequently, location quotients greater than 1.0 are important as they suggest that a region has a specialization in a given industry. Given the assumption that local conditions and preferences are the same as those nationally, an LQ greater than 1.0 implies that the industry is producing more goods or services than can be consumed locally. Subsequently, these goods and services are exported out of the region and bring outside dollars into the area (i.e. they have an export-orientation). Conversely, an LQ less than 1.0 suggests that local industries are not satisfying local demand (demand is greater than supply and the good or service must be imported).

Note that differences in local demand compared to national demand, or the efficiency of an industry within a region have the potential to skew the results of a location quotient analysis. Furthermore, Sauk County should not seek to satisfy all local demand with local industries. Certain industries are best suited for other locations and are not feasible for Sauk County (i.e. petroleum refineries). Nonetheless, LQ's serve as a basis for examining export industries and determining areas of specialization within Sauk County.

Table 4.4 on the following page ranks the top 25 Sauk County industries in terms of location quotients. Almost all of top industries ranked by location quotients are classified as good producing, especially through manufacturing or agriculture. Several observations can be drawn from the location quotients shown in Table 4.4:

- The impact of agriculture is seen in primary production, support industries, and value added aspects. The production categories of cattle ranching and farming (i.e. dairy cattle), and all other crop farming both have large LQ's and employ a sizeable number of employees. Agricultural support activities and fertilizer manufacturing are important support industries for the region's agricultural producers. Furthermore, the value added food processing categories of creamery butter manufacturing and cheese manufacturing also have large location quotients, albeit with smaller employment levels.

- The importance of local plastics manufacturers is also shown in Table 4.4. The manufacturing categories of plastic pipe, fittings and profile shapes; plastics packaging materials; and plastic plumbing fixtures and all other plastics all have location quotients greater than 8.0 and have notable numbers of employees. These industries also have higher than average earnings per jobs.

- Other industries with large location quotients include a variety of categories that ranked highly in previous analyses of total employment, earnings and total income. These categories include glass manufacturing, ferrous metal foundries, non-store retailers and commercial printing. These industries and other categories that rank highly in multiple measures of industry size imply their overall impact on the area and may suggest opportunities for industry support, expansion and retention.

- The export orientation of the region's tourism industry is shown by several industry categories in Table 4.4. The categories of hotels and motels, and other accommodations both serve the non-local market and have large location quotients.

- Several of the industries with large location quotients are smaller industries with lower employment levels. While these industries are important to Sauk County, they are not foundations of the region's economy.

- Several of the industries with large LQ's also show significant concentrations in surrounding counties. Specific categories with regional concentrations include plastics, printing, and ag-related industries. These regional concentrations could provide core industries for developing regional industry cluster initiatives or working with statewide cluster programs for these industries. In exploring these regional concentrations, national maps of location quotients by county are available on-line through UW-Extension's Center for Community Economic Development at: http://www.uwex.edu/ces/cced/industryclusterindex.html

Table 4.4 – Top Twenty-five Sauk County Industries Based on Location Quotients

Industry	Sauk County LQ	Employment	State of WI LQ
Creamery butter manufacturing	113.80	56	21.85
Cutlery and flatware, except precious, manufacturing	101.55	283	5.38
All other transportation equipment manufacturing	37.01	141	3.92
Ferrous metal foundries	26.43	766	5.29
Glass and glass products, except glass containers	23.94	718	1.41
Electric power and specialty transformer manufacturing	21.72	195	5.47
Scales, balances, and miscellaneous general purpose	20.74	289	3.96
Cheese manufacturing	14.63	146	17.20
Plastics pipe, fittings, and profile shapes	12.98	227	0.86
Metal can, box, and other container manufacturing	11.80	172	3.08
Metal valve manufacturing	9.83	297	1.43
Plastics packaging materials, film and sheet	8.98	224	2.85
Lessors of non-financial intangible assets	8.33	69	0.56
Stone mining and quarrying	8.30	119	1.45
Plastics plumbing fixtures and all other plastics	8.15	871	2.78
Non-store retailers	6.94	3,266	1.66
Miscellaneous wood product manufacturing	6.64	60	3.25
Fertilizer, mixing only, manufacturing	6.13	14	2.25
Industrial pattern manufacturing	5.77	11	7.42
Other accommodations	5.64	222	1.43
All other crop farming	5.40	401	3.37
Agriculture and forestry support activities	5.13	832	0.66
Commercial printing	4.96	816	2.50
Cattle ranching and farming	4.96	1,179	2.74
Hotels and motels, including casino hotels	4.76	1,549	0.84

Source: IMPLAN 2001 and UW-Extension

Industry Imports and Exports

While location quotients provide some perspective on those industries that may be bringing outside dollars into Sauk County, an analysis of imports and exports by Sauk County industries can examine the actual flow of dollars. An examination of imports and exports will assist in providing additional insights into “gaps” and “disconnects” in the local economy. Gaps and disconnects occur in the local economy where there are products and services with high levels of importation. More specifically:

- A *gap* in supply occurs when certain goods and services are simply not available within Sauk County and must be purchased elsewhere. There are many reasons for gaps and they may actually be desirable in those industry categories the region has deemed to have a negative impact on the local economy.

- A *disconnect* arises when a good or service is available locally, but consumers and businesses choose to purchase that service outside of the region. Reasons for a disconnect include a lack of information within the business community, long standing partnerships between firms, unfavorable pricing policies, mistrust, or specialization or expertise of firms in a specific industry.

To help identify possible gaps and disconnects in Sauk County’s economy, Table 4.5 examines those goods or services with the 25 largest levels of “intermediate imports.” Intermediate imports are goods and services imported into Sauk County by other industries (business-to-business sales), rather than by private households or public institutions. While imports by private households and public institutions are important, they are less relevant to this analysis.

Once gaps and disconnects have been identified, there may be opportunities for reducing the amount of imports within certain categories through “import substitution.” That is, there may be opportunities to reduce imports, by substituting goods and services produced by local companies. These import substitution opportunities could ultimately suggest prospects for strengthening local businesses or future business recruitment. *However, the information reported in Table 4.5 is based on national purchasing patterns and should be used only as a guideline. If import substitution is pursued as an economic development strategy, opportunities will need to be confirmed with local primary research.*

Table 4.5 shows that several goods and services are imported into Sauk County because they are not available locally (i.e. those categories showing no employees. These imports constitute gaps and include petroleum refineries, iron and steel mills, paper and paperboard mills, natural gas distribution, aluminum manufacturing, machinery and equipment rental and leasing, and other basic organic chemical manufacturing. There are logical reasons that Sauk County does not have many of these industries, and Sauk County may not be in a position to close these gaps (or have no desire given the nature of several of these categories). Another category showing a gap in Table 4.5 is fluid milk manufacturing. However, the County Business Pattern dataset produced by the U.S. Census Bureau shows that Sauk County does have one fluid milk manufacturer located within the county. The gap in this category may be due to a misclassification in IMPLAN data with this industry classified under another dairy-related industry such as cheese or butter manufacturing. These types of inconsistencies are a reality of the dataset and reiterate the need to perform local research before pursing opportunities.

The other categories in Table 4.5 represent disconnects in the Sauk County economy. *That is, these goods and services are present locally, but are being imported for one reason or another. Ultimately, the appropriateness of pursing these goods and services needs to be determined by Sauk County’s citizens and economic development professionals*. However, several industries that show disconnects could provide good matches for Sauk Prairie business districts. In particular, advertising and related services, management of companies and enterprises, legal services, business support services and accounting and bookkeeping services all show large levels of imports. These industries are also already present with Sauk County and a number of them have relatively high average income per job. With the proper research, there may be possibilities for existing establishments to capture some of these imports by working with the needs of local companies. Furthermore, further analysis could point to business recruitment opportunities for some of these service categories. These business types have the additional benefit of being well suited to building vacancies in Downtown Prairie du Sac or Sauk City. UW-Extension can provide additional information on the nature of these disconnects if desired. *Again, further local research is needed before any of these categories are pursued.*

Table 4.5 – Top Twenty-five Sauk County Industries Based on Intermediate Imports.

Industry	Intermediate Imports	Total Exports	Employment	Total Income per job
Plastics material and resin manufacturing	$49,461,740	$7,357,780	13	$61,846
Real estate	$46,868,800	$77,510	657	$76,514
Wholesale trade	$34,827,920	$37,983,120	1,509	$88,098
Management of companies and enterprises	$28,308,980	$3,128,050	324	$54,951
Fluid milk manufacturing	$23,864,850	$-	0	$-
Iron and steel mills	$22,808,080	$-	0	$-
Petroleum refineries	$21,952,950	$-	0	$-
Telecommunications	$21,630,290	$88,400	50	$74,280
Paper and paperboard mills	$19,877,100	$-	0	$-
Securities, commodity contracts and investments	$18,971,690	$75,110	50	$13,560
Paperboard container manufacturing	$16,510,690	$101,000	0	$-
Power generation and supply	$16,339,360	$18,510	32	$236,906
Advertising and related services	$16,207,440	$14,612,030	183	$23,705
Non-depository credit intermediation & related activities	$15,264,440	$-	71	$76,070
Natural gas distribution	$12,041,210	$-	0	$-
Couriers and messengers	$11,749,400	$-	28	$73,964
Aluminum sheet, plate, and foil manufacturing	$11,644,000	$-	0	$-
Machinery and equipment rental and leasing	$11,545,140	$-	0	$-
Monetary authorities & depository credit intermediaries	$11,452,490	$17,190,050	471	$92,138
Other basic organic chemical manufacturing	$11,314,200	$-	0	$-
Grain farming	$11,280,970	$20,157,420	365	$18,792
Legal services	$10,976,610	$184,030	217	$36,203
Architectural and engineering services	$10,962,240	$29,795,780	960	$43,577
Business support services	$10,777,740	$190	2	$36,500
Accounting and bookkeeping services	$10,713,900	$11,380	82	$21,768

Source: IMPLAN 2001 and UW-Extension

Retail Surplus and Leakage Estimates

Retail surplus and leakage compares actual retail sales in Sauk County to an estimated amount of potential sales. If actual sales exceed potential sales, then Sauk County is said to have a "surplus" in retail sales. A surplus in sales may indicate that Sauk County is pulling customers from surrounding counties or that Sauk County residents spend at higher than average rates. In contrast, if potential sales are larger than actual sales, then Sauk County is said to have a "leakage" in retail sales. A leakage may indicate that Sauk County is losing customers to surrounding retail centers. Subsequently, a leakage might indicate potential for filling a sales gap. More information on the steps used to calculate surplus and leakage is available at http://www.uwex.edu/ces/cced/dma/6.html

Table 4.6 shows estimates of retail surpluses and leakages for Sauk County. The numbers report statistics for overall retail sales as well as broad sub-categories of sales. The results in Table 4.6 are based on sales tax data collected by the Wisconsin Department of Revenue (DOR). The DOR suggests that the accuracy of these numbers depends on which retail category a business uses to classify itself. For instance, a Super Wal-Mart could be reported as either a grocery store or a department store. Furthermore, many of the sales by food and beverage stores are non-taxable. Subsequently, the actual sales for this retail category will be underreported along with other categories with a large number of grocery sales. *Given these caveats, the figures in Table 4.6 should only be used to examine trends rather than specific numbers.*

In terms of overall sales, Sauk County had a surplus of almost $210 million. The size of this surplus suggests that the County is attracting customers from beyond its borders. Given the attraction of the Wisconsin Dells area and Sauk County's other tourism opportunities, this attraction of outside consumers is not surprising. Examining the subcategories of retail, only four categories show a retail leakage: clothing and accessory stores; electronic and appliance stores; health and personal care stores; and sporting goods, hobby, book, and music stores. The leakage in health and personal care stores is small should not be considered as a clear sales gap. The remaining categories showing a leakage may suggest preliminary opportunities for exploring expansion or recruitment. However, the leakages in these categories are likely a function of Sauk County's proximity to Madison and its critical mass of shopping opportunities in these three retail categories.

Table 4.6 – Sauk County Retail Surplus and Leakage - 2003

Retail Category	Sauk County Taxable Sales (2003)	Potential Sales (2003)	Surplus (Leakage)
All Retail Categories	$ 636,998,060	$427,246,125	$209,751,935
Food Services & Drinking Places*	$ 121,169,791	$57,097,209	$64,072,582
Automobiles & Other Motor Vehicles	$ 119,090,691	$91,190,658	$27,900,032
Gasoline Stations (including convenience stores)	$ 18,069,856	$11,232,985	$6,836,871
Clothing & Accessories Stores	$ 10,318,970	$20,922,382	($10,603,413)
Electronic & Appliance Stores	$ 9,043,210	$12,767,514	($3,724,305)
Food & Beverage Stores	$ 37,820,983	$33,025,554	$4,795,429
Furniture & Home Furnishings Stores	$ 95,879,880	$58,474,316	$37,405,564
Health & Personal Care Stores	$ 6,112,934	$6,141,126	($28,193)
Sporting Goods, Hobby, Book, & Music Stores	$ 7,371,497	$9,635,390	($2,263,893)
General Merchandise Stores	$ 134,958,850	$66,910,009	$68,048,841
Other Store Retailers	$ 72,707,196	$55,647,756	$17,059,440
Non-store Retailers	$ 4,454,201	$4,201,222	$252,979

Source: WI Department of Revenue and UW-Extension
*Food Services and Drinking Places are classified as retail for this analysis

Worker Flow and Commuting Patterns

Exurban communities such as Sauk City and Prairie du Sac often have a dynamic commuter population. Employers in Sauk City and Prairie du Sac employ workers from outside of the community boundaries, while local residents work in Madison, Baraboo and other employment centers. The exchange of commuters provides opportunities and challenges for capturing expenditures by these workers. Strategies for capturing commuter spending are especially important when considering that many of their expenditures are made in establishments not traditionally associated with commuting. Recent research shows that commuter spending impacts furniture stores, general merchandise stores, apparel stores, auto parts stores, building material stores, grocery stores, and other miscellaneous retailers. While worker flow can be examined from a variety of perspectives, Sauk Prairie commuters are examined using the following measures:

- *Employees working in Sauk City or Prairie du Sac and living outside of the trade area* – Commuter expenditures are most likely captured from workers traveling through the trade area to work elsewhere, or from employees working in local businesses. Consequently, local businesses are most likely to capture sales from people working in either Sauk City or Prairie du Sac rather than the overall trade area. For instance, even though Mazomanie is in the trade area, an employee working in Mazomanie and living in Madison is unlikely to make another trip to Sauk City or Prairie du Sac to shop before or after work.

- *Employees living in the Sauk Prairie trade area and working elsewhere* – Employees living in the trade area and working elsewhere may have access to other shopping opportunities. Accordingly, this commuter segment could represent a source of sales leakage.

Table 4.7 reports the number of people working in Sauk City and Prairie du Sac. These employees are segmented into those living in Sauk City or Prairie du Sac; those living elsewhere in the Sauk Prairie trade area; and those commuting in from outside of the trade area. These three employee categories are somewhat equally distributed. Just over one-third of the employees working in Sauk City or Prairie du Sac also lives in the two communities and should be considered non-commuting. An additional thirty percent of the people working in the two communities live in the broader Sauk Prairie trade area. These workers are relatively local in nature and are more likely to shop in Sauk Prairie businesses. *Finally, 32 percent of the people working in Sauk City or Prairie du Sac commute from outside the trade area. These commuters represent the segment that is most likely to spend dollars outside of Sauk Prairie and are a sizeable portion of the commuter market.* The top 25 origins for employees working in Sauk City or Prairie du Sac are reported in Appendix 4C. Employee origins are also shown on Map 3.3 in Section 3.

Table 4.7 – Employees Working in Sauk City or Prairie du Sac by Place of Origin

Employee Category (2000)	Employees	Percent
Employees Working in Sauk City or Prairie du Sac	4,114	100.0%
Employees Also Living in Sauk City or Prairie du Sac	1,526	37.1%
Employees from elsewhere in the Sauk Prairie Trade Area	1,265	30.7%
Employees Commuting from Outside the Sauk Prairie Trade Area	*1,323*	*32.2%*

Source – U.S. Census Bureau, MCD-to-MCD Worker Flow File

Table 4.8 examines employees living in the *Sauk Prairie Trade Area* versus where they work. Similar to Table 4.7, these employees are categorized by those working in Sauk City/Prairie du Sac, those working elsewhere in the trade area, and those leaving the trade area for employment elsewhere. Just over 27 percent of all employees living in the Sauk Prairie trade area work in either Sauk City or Prairie du Sac. An additional 20 percent of these employees work elsewhere in the Sauk Prairie Trade Area. *However, 53.2 percent of the trade area's workers are employed outside of the trade area boundaries. While these commuters may or may not shop in Sauk Prairie's shopping districts, they do represent a source of possible sales leakage. Specifically, these 5,400 workers are presented with alternative shopping opportunities on a regular basis.* The top 25 employment destinations for workers living in the Sauk Prairie trade area are listed in Appendix 4D.

Table 4.8 – Employees Living in the Sauk Prairie Trade Area by Place of Employment

Employee Category	Employees	Percent
Employees Living in the Sauk Prairie Trade Area	10,275	100.0%
Employees Working in Sauk City or Prairie du Sac	2,791	27.2%
Employees Working elsewhere in the Sauk Prairie Trade Area	2,019	19.6%
Employees Working Outside the Sauk Prairie Trade Area	*5,465*	53.2%

Source – U.S. Census Bureau, MCD-to-MCD Worker Flow File

Tourism Impact in Sauk County

Sauk County is home to tourist attractions such as the Wisconsin Dells Area, Devil's Lake State Park, the International Crane Foundation, and Circus World Museum. Outdoor recreational opportunities such as snowmobiling, biking, eagle watching and camping draw tourists to the area as do the region's many parks, golf courses, historic sites, and festivals. These attractions and activities contribute to a vital tourism industry in both Sauk County and Sauk Prairie. Accordingly, tourism also has a vital impact on businesses that cater to tourists such as resorts, motels, campgrounds, B&Bs and retail stores.

Some specific tourism impacts noted by the Wisconsin Department of Tourism[4] include:

- Sauk County ranks third among all counties in the state for traveler spending.
- In 2004, traveler spending in Sauk County amounted to an estimated $989 million dollars.
- Tourism spending in Sauk County is significant through all four seasons. Twenty-one percent of all expenditures were made in the winter, which amounted to $212 million; 25% were made in the spring ($247 million); 38% in the summer ($378 million) and 15% in the fall ($157 million).
- The impact of tourism on Sauk County supported 26,086 full-time equivalent jobs in 2004.
- Tourism expenditures in Sauk County have increased 302% between 1993 and 2004.

The growth of regional tourism provides an opportunity for businesses in Sauk City and Prairie du Sac. In particular, both downtowns should take advantage of their location on the Wisconsin River. Specifically, retail and restaurant establishments should be positioned to capture visitor traffic generated by downtown traffic, eagle watching and festivals that draw tourists to the downtowns. In addition to capturing tourists that make Sauk Prairie their destination, travelers continuing on to Baraboo or Wisconsin Dells are a market to consider. Several opportunities exist for capitalizing on these markets:

1. *Attracting tourists visiting regional destinations into the downtown business districts and other attractions in Sauk Prairie* - Attracting regional visitors could be enhanced by local branding efforts that associate Sauk Prairie with the broader area's tourism attractions.
2. *Meeting visitor needs for convenience foods, gasoline, restaurants, seasonal merchandise and other needs* – Sauk Prairie businesses are in a position to capture dollars of visitors traveling through the communities to other tourism destinations in northern Sauk County. While these visitors offer limited market potential, the size of this travel segment may increase with the expansion of Highway 12.
3. *Creating a critical mass of businesses targeted at day-trippers from the Madison area* – These opportunities are further explored in Section 7.

[4] *Economic Impact of Expenditures by Travelers on Wisconsin 2004*. Davidson Peterson & Associates and the Wisconsin Department of Tourism

Conclusions

- Sauk Prairie and the Sauk Prairie trade area have a significant interchange of commuters. One-third of the people working in Sauk City or Prairie du Sac originate outside of the trade area. Furthermore, half of the broader trade area's workers leave the trade area for employment. Both of these commuter segments have the potential for a positive impact on most retail categories. Strategies for capturing sales from these commuters could include:

    1. Improving signage and visibility for Sauk Prairie's Business Districts – Placing way finding and entrance signs in appropriate locations will help to increase non-local traffic awareness of local shopping opportunities.

    2. Locating convenience-based businesses on key commuting routes and matching businesses to the appropriate side of road during drive times (i.e. coffee shops on in-bound side of road and grocery stores on out-bound side).

    3. Providing clear visibility and access to businesses.

    4. Promoting convenient hours during primary commuting hours (early morning, late afternoon).

    5. Providing drive-through windows for banks, dry cleaners, take-out food, pharmacies, etc.

    6. Entrances and exits to drive-through windows should be developed in a manner so that they do not have a negative impact on pedestrian flow (i.e. enter and exit on a side street).

    7. Creating a critical mass of convenience-based based business in a single location that will promote commuter convenience through trip-chaining.

- Historical and projected population trends for Sauk and Dane counties show a growing region that will add new consumers over the next 25 years. When coupled with increasing incomes and low unemployment, the region is positioned to have growing consumer demand in the coming decades. The growth of the area will provide both local and non-local opportunities for Sauk Prairie businesses.

- Several key industries rank highly in terms of employment, total earnings, total income and location quotients. These categories include plastic manufacturing, ag-related industries, glass manufacturing, ferrous metal foundries, non-store retailers and commercial printing. These industries and other categories that rank highly in multiple measures of industry size suggest their overall importance to the region and could be primary targets for industry expansion and retention initiatives.

- Several Sauk County industries with large location quotients also show significant concentrations in surrounding counties. Specific industries with regional concentrations include plastics, printing, and ag-related industries. These regional concentrations could provide core industries for developing local industry cluster initiatives or working with statewide cluster programs for these industries.

- The import/export analysis suggests several professional services with high levels of importation into Sauk County. These categories include advertising and related services; management of companies and enterprises; legal services; business support services; and accounting and bookkeeping services.

- In 2003, Sauk County showed an estimated surplus of $210 million in retail sales. While this figure is subject to the caveats previously noted in this section, the surplus suggests that Sauk Prairie is attracting customers from outside of its boundaries. Given the tourists attracted to the Wisconsin Dells, this draw is not surprising.

- Despite the overall surplus in retail sales, several retail sub-categories suggest a leakage of sales to surrounding counties. These retail sub-categories include clothing and accessory stores; electronic and appliance stores; and sporting goods, hobby, book, and music stores. Opportunities for reducing leakage in several of these categories are examined in Section 7.

- In 2004, tourism contributed $989 million dollars and an equivalent of 26,086 full time jobs to the Sauk County economy. The county ranks third in the state in total tourist dollars earned, due in large part to the Wisconsin Dells area. The number and variety of outdoor activities in Sauk County provide an opportunity for businesses in Downtown Sauk City and Downtown Prairie du Sac. In particular, downtown businesses should seek to maximize on their proximity to the Wisconsin River.

Appendix 4A – Employment by Industry Sector and Major Employers

Average Employment by Two-Digit NAICS Category – Second Quarter of 2003 through First Quarter of 2004

NAICS and Industry Description	Sauk County		Dane County		State of Wisconsin	
	Number	Percent	Number	Percent	Number	Percent
All Sectors	32,913	100.0%	282,821	100.0%	2,640,426	100.0%
11 Agriculture, Forestry, Fishing and Hunting	286	0.9%	1,280	0.5%	16,743	0.6%
21 Mining	3*	0.0%	215	0.1%	2,763	0.1%
22 Utilities	134	0.4%	1,370	0.5%	13,793	0.5%
23 Construction	1,839	5.6%	14,512	5.1%	119,429	4.5%
31-33 Manufacturing	6,620	20.1%	26,754	9.5%	509,500	19.3%
42 Wholesale Trade	1,333	4.1%	11,340	4.0%	114,495	4.3%
44-45 Retail Trade	4,924	15.0%	30,475	10.8%	314,943	11.9%
48-49 Transportation and Warehousing	670	2.0%	7,416	2.6%	93,761	3.6%
51 Information	433	1.3%	7,331	2.6%	53,175	2.0%
52 Finance and Insurance	912	2.8%	21,844	7.7%	127,999	4.8%
53 Real Estate and Rental and Leasing	425	1.3%	4,244	1.5%	28,369	1.1%
54 Professional, Scientific, and Technical Services	799	2.4%	15,279	5.4%	90,079	3.4%
55 Management of Companies and Enterprises	428	1.3%	3,427	1.2%	43,778	1.7%
56 Administrative and Support/Waste Management	871	2.6%	12,870	4.6%	113,876	4.3%
61 Educational Services	1,741	5.3%	30,201	10.7%	197,758	7.5%
62 Health Care and Social Assistance	3,247	9.9%	35,501	12.6%	336,565	12.7%
71 Arts, Entertainment, and Recreation	1,290	3.9%	4,201	1.5%	41,456	1.6%
72 Accommodation and Food Services	5,176	15.7%	20,113	7.1%	208,724	7.9%
81 Other Services (except Public Administration)	526	1.6%	10,424	3.7%	83,392	3.2%
92 Public Administration	1,256	3.8%	24,024	8.5%	129,828	4.9%

Source: U.S. Census Bureau – Quarterly Workforce Indicators *Subject to Disclosure Value

Major Employers in Sauk Prairie

Business	City	Product or Service	Employees	FTE
Sauk Prairie Memorial Hospital	Prairie du Sac/Sauk City	Health Care	470	320
Sauk Prairie School District	Prairie du Sac/Sauk City	Education	425	370
Milwaukee Valve-PDS Division	Prairie du Sac	Brass Foundry	373	373
Fiskar's Lawn & Garden Division	Sauk City	Garden Tools & Accessories	400	400
Unity Health Insurance	Sauk City	Health Insurance	183	177
McFarlane Mfg. Co., Inc.	Sauk City	Farm equip /tires, steel buildings, etc.	130	120
Fuch's, Inc.	Sauk City	Trucking company	100	90
Mueller Sports Medicine	Prairie du Sac	Sports Medicine Products	100	85
Culvers Franchising System	Prairie du Sac	Culver's Headquarters	70	70
Rural Wisconsin Health Coop.	Sauk City	Health Care	55	32
Village Family Dental	Prairie du Sac	Dental Care	55	52
Prairie Plumbing & Heating	Sauk City	Plumbing & Heating	48	45
Ramaker & Associates	Sauk City	Consulting Engineers	50	50
Schwarz Insurance	Sauk City	Insurance	39	34

Source: Sauk County Economic Development, revised July 2005

Appendix 4B – Average Monthly Earnings by Industry Sector

Avg. Monthly Earnings by Two-Digit NAICS Category – Second Quarter of 2003 through First Quarter of 2004

NAICS and Industry Description	Sauk County		Dane County		State of Wisconsin	
	Avg. Monthly Earnings	Total Employees	Avg. Monthly Earnings	Total Employees	Avg. Monthly Earnings	Total Employees
All Sectors	$2,459.50	32,937	$2,906.00	282,827	$2,906.00	2,640,426
11 Agriculture, Forestry, Fishing and Hunting	$2,378.25	286	$2,462.00	1,280	$2,067.25	16,743
21 Mining	$3,064.50	3*	$3,959.50	215	$3,694.50	2,763
22 Utilities	$4,684.00	134	$5,184.00	1,370	$4,889.50	13,793
23 Construction	$3,615.75	1,839	$3,800.75	14,512	$3,417.25	119,429
31-33 Manufacturing	$2,860.00	6,620	$3,638.50	26,754	$3,550.75	509,500
42 Wholesale Trade	$4,095.75	1,333	$3,947.00	11,340	$3,775.25	114,495
44-45 Retail Trade	$1,810.50	4,924	$2,018.75	30,475	$1,863.50	314,943
48-49 Transportation and Warehousing	$2,256.50	670	$2,784.75	7,416	$2,756.75	93,761
51 Information	$1,338.50	433	$3,909.25	7,331	$3,403.25	53,175
52 Finance and Insurance	$3,315.00	912	$4,220.50	21,844	$3,968.00	127,999
53 Real Estate and Rental and Leasing	$2,957.25	425	$2,540.75	4,244	$2,400.75	28,369
54 Professional, Scientific, and Technical Services	$3,204.50	799	$4,638.25	15,279	$4,106.00	90,079
55 Management of Companies and Enterprises	$3,627.00	428	$3,932.50	3,427	$4,512.25	43,778
56 Administrative and Support/Waste Management	$1,423.75	871	$2,025.50	12,870	$1,954.75	113,876
61 Educational Services	$2,497.25	1,741	$3,269.50	30,201	$2,910.50	197,758
62 Health Care and Social Assistance	$2,796.75	3,247	$3,090.00	35,501	$2,992.75	336,565
71 Arts, Entertainment, and Recreation	$1,976.00	1,290	$1,565.00	4,201	$1,821.75	41,456
72 Accommodation and Food Services	$1,143.50	5,176	$1,050.50	20,113	$966.50	208,724
81 Other Services (except Public Administration)	$1,975.00	526	$2,576.25	10,424	$1,794.00	83,392
92 Public Administration	$2,130.00	1,256	$3,476.50	24,024	$2,875.75	129,828

Source: U.S. Census Bureau – Quarterly Workforce Indicators

*Subject to Disclosure Value

Appendix 4C – Place of Residence for Employees Working in Sauk City or Prairie du Sac

Employees Working in Sauk City or Prairie du Sac – Top 25 Places of Residence

Employees Working in Sauk City or Prairie du Sac – Place of Residence	Number of Workers	Percent of Workers
Prairie du Sac village Sauk Co. *	838	20.4%
Sauk City village Sauk Co. *	688	16.7%
Prairie du Sac town Sauk Co. *	261	6.3%
Roxbury town Dane Co. *	244	5.9%
Baraboo city Sauk Co.	229	5.6%
West Point town Columbia Co. *	186	4.5%
Merrimac town Sauk Co. *	134	3.3%
Honey Creek town Sauk Co. *	119	2.9%
Madison city Dane Co.	109	2.6%
Sumpter town Sauk Co. *	92	2.2%
Troy town Sauk Co. *	85	2.1%
Mazomanie town Dane Co. *	80	1.9%
Reedsburg city Sauk Co.	64	1.6%
Baraboo town Sauk Co.	40	1.0%
Franklin town Sauk Co.	35	0.9%
Richland Center city Richland Co.	29	0.7%
Lodi town Columbia Co.	28	0.7%
Excelsior town Sauk Co.	27	0.7%
Lodi city Columbia Co.	27	0.7%
Cross Plains village Dane Co.	26	0.6%
Greenfield town Sauk Co.	26	0.6%
Plain village Sauk Co.	26	0.6%
Berry town Dane Co.	24	0.6%
Middleton city Dane Co.	23	0.6%
Bear Creek town Sauk Co.	22	0.5%

*Denotes that a place is part of the Sauk Prairie Trade Area
Source: U.S. Census Bureau – MCD-to-MCD Worker Flow File

Appendix 4D – Place of Employment for Workers Living in the Sauk Prairie Trade Area

Employees Living in Sauk Prairie Trade Area– Top 25 Places of Employment

Employees Living in Sauk Prairie Trade Area – Place of Employment	Number of Workers	Percent of Workers
Madison city Dane Co. WI	2,188	21.3%
Sauk City village Sauk Co. WI*	1,420	13.8%
Prairie du Sac village Sauk Co. WI*	1,371	13.3%
Middleton city Dane Co. WI	522	5.1%
Baraboo city Sauk Co. WI	398	3.9%
Mazomanie village Dane Co. WI*	320	3.1%
Prairie du Sac town Sauk Co. WI*	298	2.9%
Black Earth village Dane Co. WI*	259	2.5%
Roxbury town Dane Co. WI*	255	2.5%
Cross Plains village Dane Co. WI	250	2.4%
Waunakee village Dane Co. WI	190	1.8%
Lodi city Columbia Co. WI	184	1.8%
Merrimac town Sauk Co. WI*	156	1.5%
Honey Creek town Sauk Co. WI*	148	1.4%
Black Earth town Dane Co. WI*	141	1.4%
West Point town Columbia Co. WI *	130	1.3%
Troy town Sauk Co. WI*	116	1.1%
Reedsburg city Sauk Co. WI	89	0.9%
Spring Green village Sauk Co. WI	86	0.8%
Mazomanie town Dane Co. WI*	74	0.7%
Fitchburg city Dane Co. WI	73	0.7%
Monona city Dane Co. WI	73	0.7%
Madison town Dane Co. WI	70	0.7%
Sumpter town Sauk Co. WI*	70	0.7%
Verona city Dane Co. WI	65	0.6%

*Denotes that a place is part of the Sauk Prairie Trade Area
Source: U.S. Census Bureau – MCD-to-MCD Worker Flow File

Section

5

Demographic and Lifestyle Characteristics

Demographic and lifestyle characteristics of trade area residents provide valuable information on consumer spending potential and purchasing preferences. Demographic information is also important to developing promotional and marketing strategies. Accordingly, Section 5 examines a number of key demographic and lifestyle categories within the Sauk Prairie trade area.

Understanding the demographics of local consumers requires examining the Sauk Prairie trade area in context with the broader region and the state. Using the region and the state as baselines will help to differentiate characteristics of local customers and determine potential demographic niches. To provide these comparisons, the following demographic tables compare the Sauk Prairie trade area* with data for Sauk County, Dane County and State of Wisconsin. *To remain consistent with the Sauk Prairie comprehensive planning effort, data are derived primarily from the 2000 Decennial U.S. Census. However, current demographic estimates are available from several private data providers and may be useful in understanding future shifts in the market.*

***** The Sauk Prairie Trade Area is comprised of the Town and Village of Black Earth, Town of Honey Creek, Town and Village of Mazomanie, Town and Village of Merrimac, Town and Village of Prairie du Sac, Town of Roxbury, Town and Village of Sauk City, Town of Sumpter, Town of Troy and Town of West Point

Population Trends

Population is defined as all persons living in a geographic area and is the basis for quantifying consumer demand. Table 5.1 compares population data for 2000 and 1990. While the Sauk Prairie trade area has grown at a slightly lower rate than either Sauk County or Dane County, a 15.8 percent growth rate is relatively large and shows a market that has exhibited growing consumer potential. The notable growth rates in Sauk County and Dane County also show growing secondary markets.

Table 5.1 – Population Trends 1990 to 2000

Population	Sauk Prairie Trade Area	Sauk County	Dane County	State of Wisconsin
2000 Population	19,065	55,225	426,526	5,363,675
1990 Population	16,931	46,975	367,085	4,891,769
Percent Change 1990 – 2000	15.8%	17.6%	16.2%	9.6%

Source: U.S. Census Bureau – Summary File 1 (2000) and Summary Tape File 1 (1990)

The population growth exhibited by the Sauk Prairie trade area is not unlike other communities within commuting distance to Madison. Table 5.2 summarizes a number of these suburban and exurban communities and ranks them in terms of their population growth. When compared to these communities, the Sauk Prairie trade area ranks in the lower third in terms of population growth rates. However, portions of the trade area, such as the village of Prairie du Sac, have exhibited significant population increases.

Table 5.2 – Population Growth of Selected Communities within Commuting Distance to Madison

Community	1990 Population	2000 Population	Percent Change 1990 - 2000	Numeric Change 1990 - 2000
DeForest	4,882	7,368	50.9%	2,486
Marshall	2,329	3,432	47.4%	1,103
Stoughton	8,786	12,354	40.6%	3,568
Mount Horeb	4,182	5,860	40.1%	1,678
Lodi	2,093	2,882	37.7%	789
Poynette	1,662	2,266	36.3%	604
Prairie du Sac	**2,380**	**3,231**	**35.8%**	**851**
Deerfield	1,617	1,971	21.9%	354
Waterloo	2,712	3,259	20.2%	547
Lake Mills	4,143	4,843	16.9%	700
Baraboo	9,203	10,711	16.4%	1,508
Edgerton	4,254	4,933	16.0%	679
Sauk Prairie Trade Area	**16,931**	**19,065**	**15.8%**	**2,134**
Cambridge	963	1,101	14.3%	138
New Glarus	1,899	2,111	11.2%	212
Mazomanie	1,377	1,485	7.8%	108
Black Earth	1,248	1,320	5.8%	72
Sauk City	**3,019**	**3,109**	**3.0%**	**90**

Source: U.S. Census Bureau – Summary File 1 (2000) and Summary Tape File 1 (1990)

Despite the trade area's relatively lower population growth rate, the expansion of Highway 12 has the potential to create a more dramatic increase in population. The communities' comprehensive planning process is currently considering three different growth scenarios. The first scenario is a conservative projection that does not consider any change due to highway expansion. The second growth projection considers the historical growth rate. The final option develops a growth rate based on population increases experienced by other communities in the Madison commuting shed. These communities included Deerfield, DeForest, Marshall, Mt. Horeb and Stoughton. While those involved in the comprehensive planning process are still considering the most appropriate scenario, it currently appears that the historic growth rate is the most likely option. Table 5.3 reports population projections for the trade area using the 1.23 percent annual growth rate estimated by the historic growth option.

Table 5.3 – Population Growth Projections: 2000 to 2010

Geographic Area	Population			Number of Households		
	2000	2005	2010	2000	2005	2010
Village of Prairie du Sac[1]	3,231	3,580	3,966	1,292	1,432	1,586
Village of Sauk City[1]	3,109	3,219	3,334	1,334	1,382	1,431
Town of Prairie du Sac[1]	1,138	1,143	1,148	415	417	419
Sauk Prairie Trade Area[2]	19,065	20,247	21,502	7,465	7,928	8,419
Sauk County[3]	55,225	58,121	60,930	21,644	23,073	24,689
Dane County[3]	426,526	455,927	480,573	173,484	187,768	200,334
State of Wisconsin[3]	5,363,675	5,563,896	5,751,470	2,084,556	2,190,210	2,303,238

1. Population Projections use 20-year annual compounded historic growth rate of 1.23 percent. Household Projections use 10-year annual compounded historic growth rate of 1.21 percent (Vandewalle & Associates)
2. Projections for Sauk Prairie Trade Area were extrapolated using the historic growth rates from Vandewalle & Associates
3. Source: Demographic Services Center, Wisconsin Department of Administration, January 2004.

If the population grows at the rates predicted in Table 5.3, the trade area will increase by almost 2,500 residents by the year 2010. The addition of these residents has two significant impacts:

1. New residents will generate additional demand for goods and services in the Sauk Prairie trade area. Subsequently, opportunities for business expansion and recruitment should be evaluated on a regular basis as the population increases.

2. A notable proportion of the population increase likely will come from in-migrants relocating from other areas. If these newcomers come from metro areas (such as Madison), their shopping habits and community attitudes may be somewhat different from long time residents. Recent research (Robertson and Ryan, 2004) suggests that assessing the differences between newcomers and long term residents can be crucial to planning for future business expansion and recruitment. Investigating each group's attitude toward the trade area's shopping opportunities will be vital to staying in-sync with the area's dynamic population[1].

Household Composition

Households can be composed of people living alone, families with or without children, single parent households, or a number of unrelated people living together. The differences in these household structures are primary indicators for identifying several retail and restaurant opportunities. Households with children point to opportunities for fast-food, toys, sporting goods and other goods and services desirable to kids. Furthermore, married households without children typically have more discretionary income available for home furnishings, dining out, and travel.

Table 5.4 shows that family households are the dominant household type in the Sauk Prairie trade area. Most of these family households are married-couple families both with and without children. *However, when compared to Sauk County, Dane County and the State of Wisconsin, the Sauk Prairie trade area has a larger percentage of married couple households without children. These households may provide a source of discretionary income in the trade area.* The Sauk Prairie trade area also has a slightly higher percentage of households with children under the age of 18. While this difference is not sizeable, over a third of the trade area's households have children under 18. These households will be a key market segment for many trade area businesses.

Table 5.4 – Household Composition in the Sauk Prairie Trade Area (2000)

Household Type (2000)	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Total Housing Units	8,322	N/A	24,297	N/A	180,398	N/A	2,321,144	N/A
Total households	7,465	N/A	21,644	N/A	173,484	N/A	2,084,544	N/A
Non-family households	2,145	28.7%	6,781	31.3%	72,628	41.9%	697,729	33.5%
Single Person Household	1,744	23.4%	5,447	25.2%	51,014	29.4%	557,875	26.8%
Family households	5,320	71.3%	14,863	68.7%	100,856	58.1%	1,386,815	66.5%
Married-couple family	4,520	60.5%	12,284	56.8%	81,649	47.1%	1,108,597	53.2%
Married-couple family with own children under age 18	1,994	26.7%	5,387	24.9%	38,067	21.9%	665,239	31.9%
Hhlds with person under 18	2,611	35.0%	7,477	34.5%	52,490	30.3%	706,399	33.9%
Hhlds with person 65 or older	1,656	22.2%	5,361	24.8%	27,424	15.8%	479,787	23.0%
Average Household Size	2.53	N/A	2.51	N/A	2.37	N/A	2.5	N/A

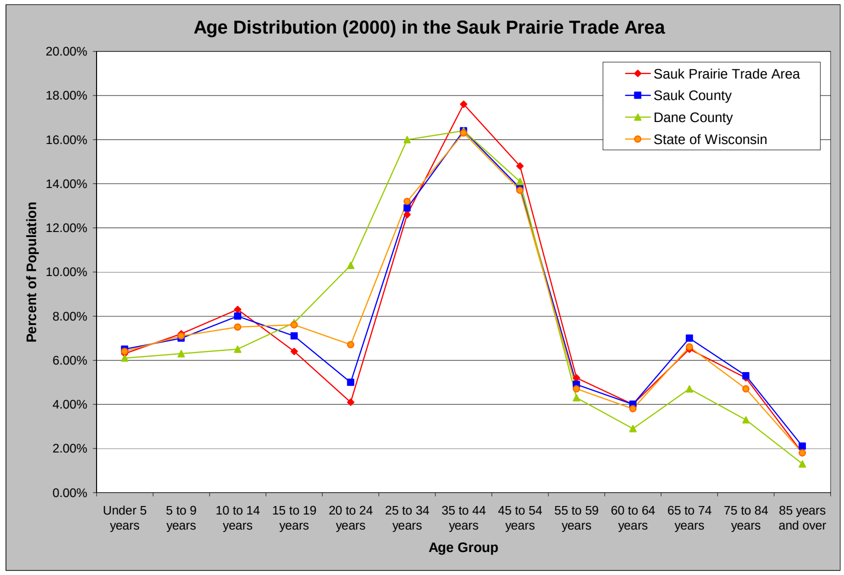
Source: U.S. Census Bureau – Summary File 1

[1] Robertson, Kent and Ryan, Bill. "Downtown Development on the Metropolitan Fringe." *The IEDC Economic Development Journal*. Vol. 3. No. 4, Fall 2004. pp 16-24.

Age Distribution

Age is an important predictor of a consumer's spending patterns. Table 5.5 and Chart 5.1 depict the age distribution in the Sauk Prairie trade area. With the exception of Dane County, the population distribution in each area is somewhat similar[2]. The primary age differences in the Sauk Prairie trade area are found within the "Baby Boomers" population segment. Specifically, almost a third of the trade area's population was between the ages of 35 and 54 in the year 2000. Furthermore, an additional 23 percent of the trade area population is age 55 and over. While the age distribution may change as new residents move to the trade area, these two age groups currently are key consumer groups and will continue to be important as the Baby Boomer's grow older.

Chart 5.1 – Age Distribution in the Sauk Prairie Trade Area (2000)



Nationally, those between the ages of 54 and 74 have the highest median net worth of any age group. These age groups are also overwhelmingly empty nesters with higher discretionary income. Furthermore, the Consumer Expenditure Survey shows that people 55 to 64 spend nine percent more than any other age group. *While the 55 to 74 age group currently comprises only 15.7 percent of the trade area, this age group will continue to grow as the Baby Boomers retire. Consequently, meeting the needs of this large and growing consumer group will become a necessity for area businesses.*

Table 5.5 – Age Distribution in the Sauk Prairie Trade Area (2000)

Age Category (2000)	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Under 5 years	1,200	6.3%	3,567	6.5%	25,818	6.1%	342,340	6.4%
5 to 9 years	1,369	7.2%	3,856	7.0%	26,693	6.3%	379,484	7.1%
10 to 14 years	1,581	8.3%	4,404	8.0%	27,733	6.5%	403,074	7.5%
15 to 19 years	1,221	6.4%	3,913	7.1%	32,912	7.7%	407,195	7.6%
20 to 24 years	791	4.1%	2,738	5.0%	43,986	10.3%	357,292	6.7%
25 to 34 years	2,409	12.6%	7,101	12.9%	68,386	16.0%	706,168	13.2%
35 to 44 years	3,362	17.6%	9,061	16.4%	70,108	16.4%	875,522	16.3%
45 to 54 years	2,818	14.8%	7,641	13.8%	60,220	14.1%	732,306	13.7%
55 to 59 years	983	5.2%	2,726	4.9%	18,225	4.3%	252,742	4.7%
60 to 64 years	760	4.0%	2,225	4.0%	12,576	2.9%	204,999	3.8%
65 to 74 years	1,242	6.5%	3,880	7.0%	20,211	4.7%	355,307	6.6%
75 to 84 years	988	5.2%	2,946	5.3%	14,255	3.3%	251,621	4.7%
85 years and over	341	1.8%	1,167	2.1%	5,403	1.3%	95,625	1.8%

Source: U.S. Census Bureau – Summary File 1

[2] The Dane County population distribution reflects the large college population present in Madison and the surrounding areas.

Mobility Rates

As shown in Table 5.6, mobility rates examine the frequency of resident turnover. The mobility of our society poses a challenge for small businesses that are trying to build name recognition and customer relationships. Subsequently, the rate of housing turnover will affect the need and frequency of marketing activities. Mobility rates are classified by the type and relative distance of population movements. The category "Same house in 1995" includes all residents who did not move between 1995 and 2000. In contrast, the category "Different house in 1995" reports those people that moved during the same period. This category is subdivided into people that moved within the same county, people who moved from different counties in Wisconsin, and people that moved from a different state.

In general, the Sauk Prairie trade area showed a lower percentage of people moving within the last five years than any of the comparison areas. Nonetheless, over a third of the population moved during this period. *If the Sauk Prairie trade area continues to grow (as predicted), it is likely that these mobility rates will also increase.*

Table 5.6 – Mobility Rates for the Sauk Prairie Trade Area (1995 to 2000)

Geographic Area	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Population Age 5 and over	17,958	N/A	51,659	N/A	401,058	N/A	5,022,073	N/A
Same house in 1995	11,856	66.0%	30,555	59.1%	185,078	46.1%	2,836,232	56.5%
Different house in 1995	6,102	34.0%	21,104	40.9%	215,980	53.9%	2,185,841	43.5%
Same county	3,321	18.5%	11,553	22.4%	118,975	29.7%	1,233,211	24.6%
Different county	2,668	14.9%	9,230	17.9%	85,273	21.3%	888,101	17.7%
Within Wisconsin	1,902	10.6%	6,385	12.4%	43,347	10.8%	549,993	11.0%
Different state	766	4.3%	2,845	5.5%	41,926	10.5%	338,108	6.7%
Elsewhere in 1995	113	0.6%	321	0.6%	11,732	2.9%	64,529	1.3%

Source: U.S. Census Bureau– Summary File 3

Housing Tenure and Occupancy Rate

The occupancy rate relates the number of housing units that were occupied in 2000 and examines the number of seasonal housing units. Housing tenure refers to the number of owner-occupied and renter-occupied housing units. These statistics are valuable in analyzing the potential for a variety of different home-related products and services. Table 5.7 shows that the Sauk Prairie trade area has a high percentage of owner-occupied housing units. *As home ownership directly correlates with expenditures for home furnishings, home improvement, appliances, hardware and garden centers, the number of homeowners in the trade area may have a favorable impact on these product categories.*

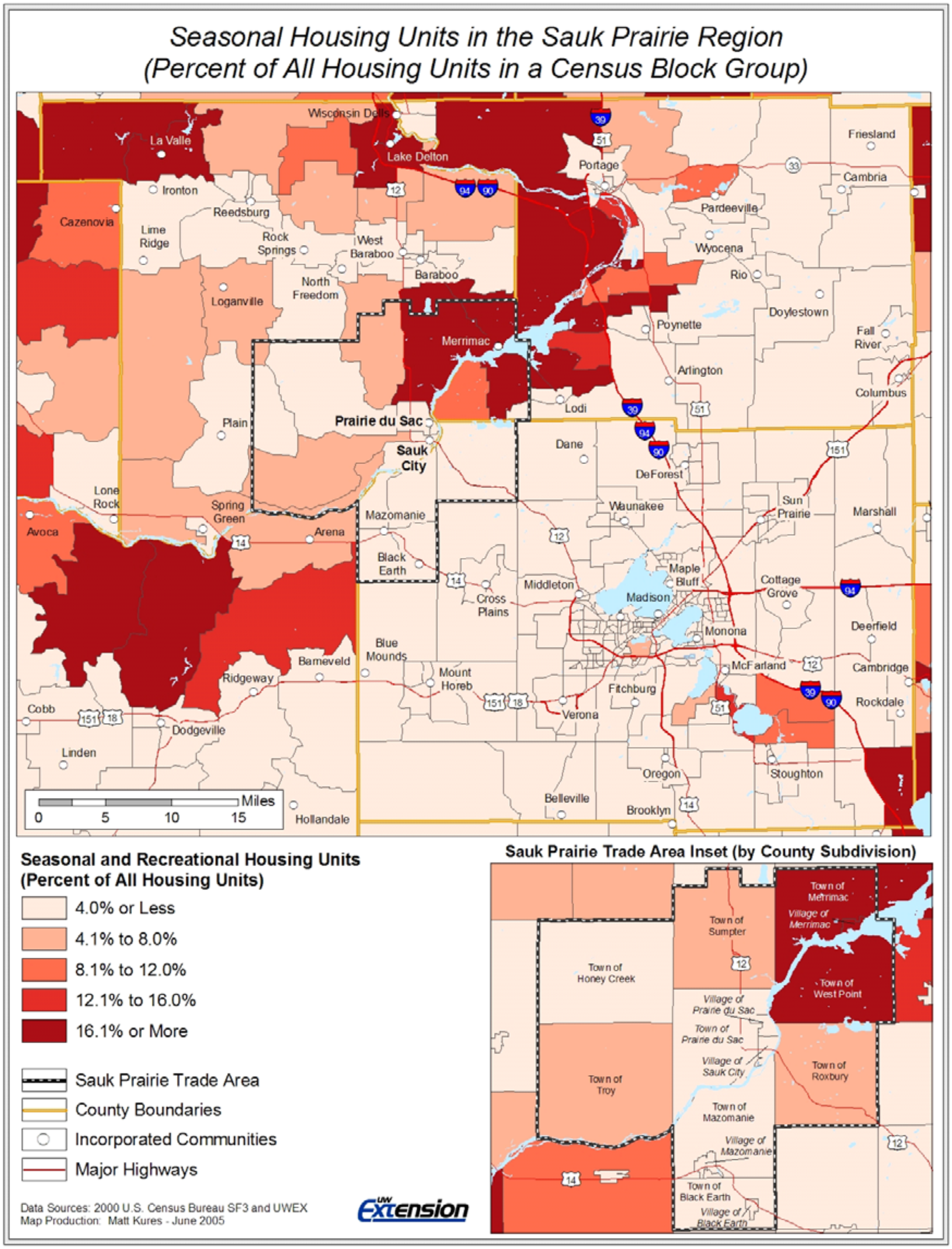
Table 5.7 – Housing Tenure and Occupancy Rates in the Sauk Prairie Trade Area (2000)

Housing Tenure (2000)	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Total housing units	8,322	N/A	24,297	N/A	180,398	N/A	2,321,144	N/A
Occupied housing units	7,465	89.7%	21,644	89.1%	173,484	96.2%	2,084,544	89.8%
Vacant housing units	857	10.3%	2,653	10.9%	6,914	4.0%	236,600	10.2%
For seasonal or recreational use	588	7.1%	1,578	6.5%	1,056	0.6%	142,313	6.1%
Owner-occupied housing units	5,694	76.3%	15,864	73.3%	99,895	57.6%	1,426,361	68.4%
Renter-occupied housing units	1,771	23.7%	5,780	26.7%	73,589	42.4%	658,183	31.6%

Source: U.S. Census Bureau – Summary File 1

Table 5.7 also shows that the Sauk Prairie trade area has a higher percentage of seasonal and recreational housing units than any of the comparable areas. While the trade area only had 588 seasonal/recreational housing units in 2000, these units could provide a small niche market for many local businesses. Furthermore, the broader region is known as a recreational destination. In examining the potential represented by recreational visitors, Map 5.1 shows the concentrations of seasonal housing throughout the region. *Many of the areas around the Sauk Prairie have high concentrations of recreational housing units that could provide a secondary market and additional spending potential, albeit on a seasonal basis.*

Map 5.1 – Seasonal Housing Units in the Sauk Prairie Region



Income

Household income is an indicator for the spending power of residents. Household income positively correlates with retail expenditures in many product categories. Incomes also suggest appropriate price points for businesses focusing on the local market. *However, income should not be used as the only indicator for the market's purchasing power and spending preferences.* The lifestyle segmentation data presented later in this section also provides insight into the purchasing power of the trade area for different goods and services.

Table 5.8 shows household and per capita incomes for the Sauk Prairie trade area. The trade area is primarily composed of middle-income households and has a per capita income (PCI) somewhat higher than both Sauk County and the State of Wisconsin. *These incomes suggest that the trade area's spending potential may be slightly higher than the state average for many goods and services.*

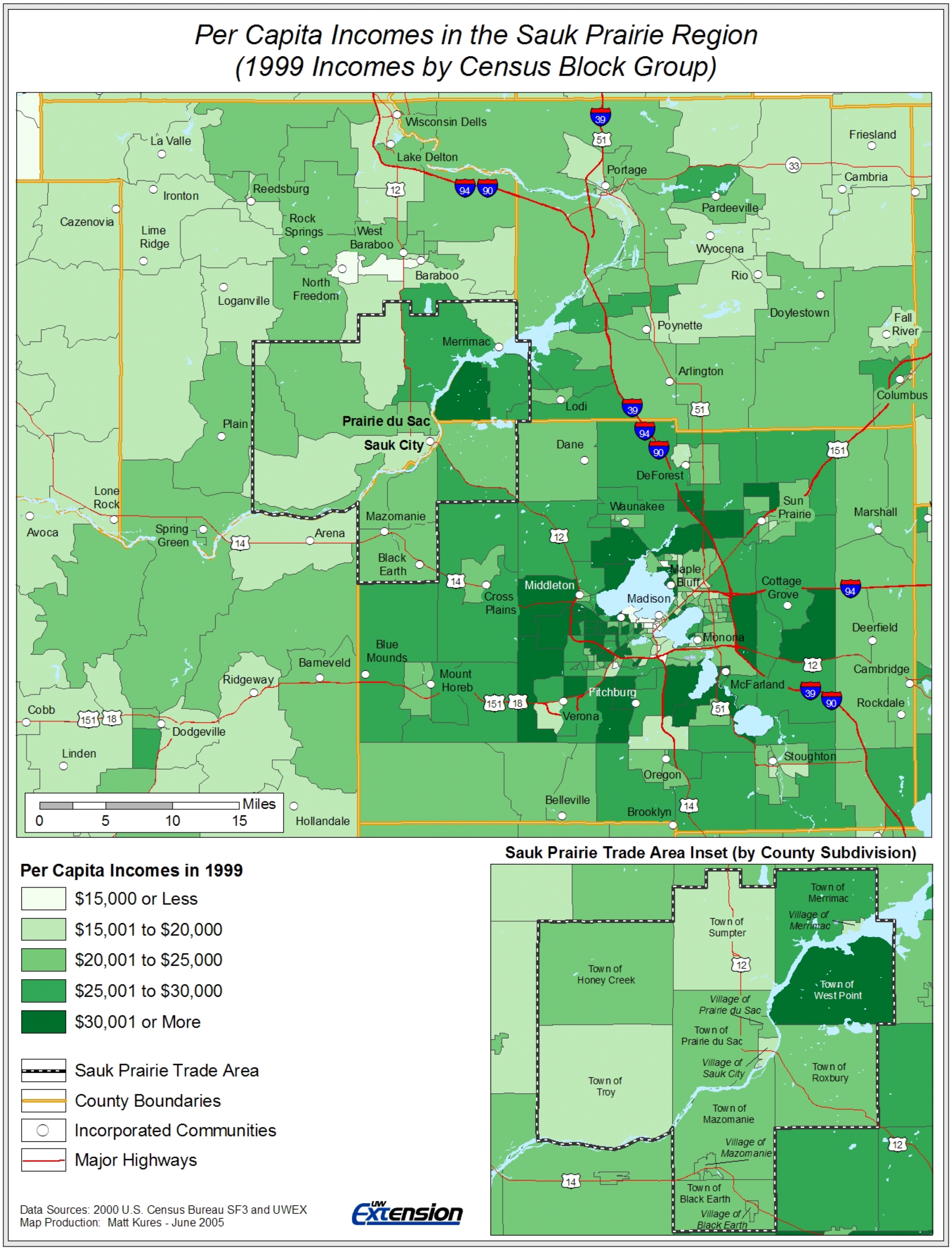
In contrast, Dane County has a relatively high percentage of middle-to-upper income households. Furthermore, Dane County's per capita income is 11 percent higher than the trade area's PCI (despite Dane County's large number of college students). While most of Dane County's population is located outside of the trade area, these high-income households and neighborhoods around Madison may provide an important secondary market for many Sauk Prairie retailers. To examine the location of these neighborhoods, Map 5.2 on the following page shows per capita incomes in Sauk County and Dane County. Many of the region's higher income areas are located on Madison's North and West Sides. *Subsequently, Sauk Prairie's ideal geographic position and location on Highway 12 places it within easy driving distance for residents of these neighborhoods. If these consumers are pursued, a targeted mix of destination retailers and an appropriate marketing strategy will need to be developed. Furthermore, Sauk Prairie should not rely on these customers as a primary or short-term opportunity.*

Table 5.8 – Housing Tenure and Occupancy Rates in the Sauk Prairie Trade Area

Household Income (1999)	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Less than $10,000	417	5.6%	1,461	6.7%	11,691	6.7%	148,964	7.10%
$10,000 to $14,999	358	4.8%	1,255	5.8%	7,769	4.5%	121,366	5.80%
$15,000 to $24,999	825	11.0%	2,890	13.4%	18,556	10.7%	264,897	12.70%
$25,000 to $34,999	921	12.3%	2,987	13.8%	20,548	11.8%	276,033	13.20%
$35,000 to $49,999	1,519	20.3%	4,552	21.0%	29,664	17.1%	377,749	18.10%
$50,000 to $74,999	1,841	24.6%	5,014	23.2%	40,590	23.4%	474,299	22.70%
$75,000 to $99,999	844	11.3%	1,976	9.1%	22,232	12.8%	226,374	10.90%
$100,000 to $149,999	508	6.8%	1,019	4.7%	15,227	8.8%	133,719	6.40%
$150,000 to $199,999	108	1.4%	232	1.1%	3,724	2.1%	30,598	1.50%
$200,000 or more	150	2.0%	261	1.2%	3,709	2.1%	32,305	1.50%
Per Capita Income (1999)	$ 22,427	N/A	$19,695	N/A	$24,985	N/A	$21,271	N/A
Average Household Income (1999)	$ 57,155	N/A	$47,860	N/A	$56,650	N/A	$53,863	N/A

Source: U.S. Census Bureau – Summary File 3

Map 5.2 – Per Capita Incomes in the Sauk Prairie Region



Educational Attainment

Educational attainment is an alternative method for determining the socio-economic status of an area. Because income increases with advancing educational attainment, many retailers focus on income levels rather than education. One exception is bookstores, which often asses the number of college-educated individuals in the trade area. Similarly, computer and software stores often seek areas with high levels of education. Table 5.9 shows that the Sauk Prairie trade area has a smaller percentage of people with a college education than either Dane County or the State of Wisconsin. As Dane County has one of the highest levels of educational attainment in the nation, this difference is not surprising. In general, the educational levels of trade area residents do not suggest any large differences in consumer demand when compared to other communities of a similar market position. As the trade area grows, educational attainment levels may change as well.

Table 5.9 – Educational Attainment for the Population Age 25 and Over (2000)

Educational Attainment (Highest Level Attained, 2000)	Sauk Prairie Trade Area		Sauk County		Dane County		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Population 25 years and over	12,959	N/A	36,701	N/A	269,998	N/A	3,475,878	N/A
Less than 9th grade	659	5.1%	2,335	6.4%	7,932	2.9%	186,125	5.40%
9th to 12th grade, no diploma	1,087	8.4%	3,711	10.1%	13,245	4.9%	332,292	9.60%
High school graduate (includes equivalency)	4,948	38.2%	13,867	37.8%	60,220	22.3%	1,201,813	34.60%
Some college, no degree	2,605	20.1%	7,699	21.0%	54,830	20.3%	715,664	20.60%
Associate degree	1,050	8.1%	2,629	7.2%	24,048	8.9%	260,711	7.50%
Bachelor's degree	1,794	13.8%	4,543	12.4%	66,944	24.8%	530,268	15.30%
Graduate or professional degree	816	6.3%	1,917	5.2%	42,779	15.8%	249,005	7.20%

Source: U.S. Census Bureau – Summary File 3

Consumer Classification and Lifestyle Segmentation

An analysis of demographics can provide basic information about consumers in the trade area. However, the trade area residents can be examined in detail by examining lifestyle segmentation information. Lifestyle segmentation systems examine the buying habits and preferences of consumers in the trade area. One specific lifestyle segmentation system, Community Tapestry™, was purchased from ESRI Business Information Solutions to provide useful information about households in the trade area. Tapestry data is available for individual neighborhoods for the entire country. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on types of neighborhoods (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. Tapestry data is updated annually using various national and local data sources.

Table 5.10 reports the Community Tapestry segments found in the Sauk Prairie trade area. The trade area's predominant lifestyle segment is *Main Street USA,* which comprises a third of all trade area houeholds. The trade area's second and third largest lifestyle segments are *Green Acres* and *Rural Resort Dwellers* respectively. When combined, the three largest lifestyle segments comprise almost 75 percent of the trade area. Each of these three segments is described in further detail on the following pages. Note that these descriptions (as written by ESRI Business Information Systems) reflect the typical national household in each category. Local consumer characteristics will likely vary somewhat from these descriptions.

In addition to the broad category descriptions presented in this section, a database describing detailed consumer purchasing patterns is available on the Community Tapestry CD that accompanies this report. Spending patterns on the CD are expressed using a market potential index (MPI). The MPI's examine a wide range of retail, service, entertainment and psychographic categories to determine a household's propensity for purchasing products or participating in activities. A market potential index is based on a U.S. average of 100. For each consumer category, a value above 100 shows that a Tapestry segment is more likely than average to purchase a product. Conversely, a value below 100 suggests that a Tapestry segment is less likely than average to purchase a product. This information will be utilized throughout the remainder of this report. *Given the value of this information, it is suggested that the Sauk Prairie Area Chamber of Commerce make the MPI information readily available to existing and prospective businesses in Sauk Prairie.*

Table 5.10 – Community Tapestry Segments in the Sauk Prairie Trade Area

Tapestry Category	Sauk Prairie Trade Area Households	Sauk Prairie Trade Area Household Percentage	Sauk/Dane County Household Percentage	State of Wisconsin Household Percentage
L10-24 Main Street USA	2,596	32.4%	6.6%	5.6%
L2-17, Green Acres	2,160	27.0%	7.5%	9.5%
L12-31 Rural Resort Dwellers	1,199	15.0%	0.3%	3.3%
L10-33 Midlife Junction	790	9.9%	2.3%	3.4%
L11-42 Southern Satellites	395	4.9%	0.2%	0.8%
L11-37 Prairie Living	356	4.4%	1.1%	3.2%
L11-25 Salt of the Earth	258	3.2%	1.7%	7.9%
L10-32 Rustbelt Traditions	249	3.1%	1.2%	7.9%
Other		0.1%	79.1%	58.4%
Total	8,003	100.0%	100.0%	100.0%

Source: ESRI Business Information Solutions

Life Mode Group, L10-24 Main Street USA

*Demographic***:** This group is comprised of a mix of household types, similar to the U.S. distribution, with a median age of 35.8 years, also similar to the U.S. Almost half of the households are married couple families (with and without children); 27 percent, single-person households; and the remainder, shared or other families. Most residents are white (80 percent).

*Socioeconomic***:** Residents earn a comfortable median household income of $50,400, with income mainly derived from wages (80 percent of households). A fourth of the households receive Social Security benefits. Median net worth is $114,500. *Main Street, USA* residents primarily work in services and manufacturing industries, with another 30 percent employed in professional and management occupations. Almost a fifth of *Main Street, USA* residents have earned a bachelor's or graduate degree, while 30 percent have some college credits.

*Residential***:** This group contains a mix of single-family homes and multi-unit dwellings, similar to the U.S. These neighborhoods are found in the suburbs of smaller metropolitan cities, primarily in the Northeast and Midwest. Almost two-thirds of the housing was built before 1970. About 64 percent of the householders are homeowners, with a median home value of $165,000.

*Preferences***:** Individuals in this grouping are active members of their communities, taking part in fund-raisers and volunteer programs. They take day trips to the beach, theme park or the zoo and occasionally go on domestic vacations. For evening leisure time, they enjoy dinner and a movie or play billiards at their favorite bar. Applebees, Outback Steakhouse and Red Lobster are their favorite family restaurants. Many residents prefer to cook at home and play board games or rent a movie.

They use the Internet to play games or search for employment, but shopping online is growing in popularity. If they do not have access at home, they may access the Internet at work, school or the public library. They rely extensively on the Yellow Pages for restaurants, stores, contractors and more.

Because *Main Street, USA* Homes are older, householders invest in small home remodeling and improvement projects. Residents are more likely to complete work by themselves than hire an outside contractor. To complete the job, they purchase tools and supplies from Home Depot or Lowe's. Residents keep up their gardens by planting new bulbs, fertilizing their lawns and using insecticide regularly. They treat their pets with dog biscuits, but prefer the convenience of dry cat or dog food to canned foods.

Life Mode Group, L2-17, Green Acres

*Demographic***:** Married couples with and without children make up 70 percent of the households in *Green Acres*. Most of the families are blue collar Baby Boomers, many with children aged 6-17 years. With 9.5 million people, *Green Acres* represents one of the largest markets, currently over three percent of the U.S. population and growing by two percent annually. The median age for *Green Acres* residents is 39 years. This segment is not ethnically diverse; over 90 percent are white.

*Socioeconomic***:** The labor force of *Green Acres* is college educated and hard working. Over half have completed some college or a degree program. Labor force participation is about 70 percent, with employment concentrated in skilled labor and farming occupations in agriculture, manufacturing, or construction industries. Over 12 percent of households earn income from self-employment ventures Median household income is $61,000; median net worth is over $130,000.

*Residential***:** A little bit country, *Green Acres* residents live in pastoral settings of developing suburban fringe areas. Development has been consistent—single family homes. Excepting a few mobile homes and some seasonal housing, over 90 percent of the housing inventory is owner-occupied, single family dwellings. (Home ownership is also consistent in *Green Acres*.) These newer homes carry a median value of $168,000. *Green Acres* are located throughout the country, but very common in Indiana, Michigan, Ohio and Pennsylvania. Typical of rural residents, *Green Acres'* homeowners own multiple vehicles. Almost 80 percent own two or more vehicles in addition to their lawn or garden tractors. They favor domestic models with four-wheel drive, four-door sedans and trucks.

Preferences: Country living describes the lifestyle of *Green Acres* residents. They are do-it-yourselfers, maintaining and remodeling their homes with paint, decks and patios and spas. Of course, they own all the necessary power tools to accomplish their projects, power saws, drill presses, and welders. Gardening, especially vegetables, is also a priority, again with the right tools—tillers, tractors, riding mowers, edgers, and even separate home freezers for the harvest.

Leisure in *Green Acres* includes hiking, backpacking, hunting and bicycling. They also own motorcycles, watch motorcycle events on TV and read motorcycle magazines. Accommodating the country lifestyle, many households employ satellite dishes in lieu of cable TV. Favorite programming includes Home & Garden Television, sports, especially pro football and NASCAR races, and the Speed Channel. They listen to news/talk radio and read fishing, hunting and boating magazines. Living in the country does not preclude connection to the rest of world. *Green Acres'* residents own and use PCs, probably purchased by catalog. They own a variety of software packages, including education software for their children. They also use the Internet, primarily to purchase consumer goods like videos, clothing and CDs, or to track investments.

Life Mode Group, L12-31 Rural Resort Dwellers

Demographic: Favoring milder climates and pastoral settings, *Rural Resort Dwellers* live in rural nonfarm areas throughout the United States. About 40 percent of *Rural Resort Dwellers* are married with no children living at home. They are older than most Tapestry segments, with a median age of 46 years. Half of the householders are 55 or older. There is little diversity in these communities; residents are predominantly white.

Socioeconomic: Although retirement officially looms for many, most *Rural Resort Dwellers* are still working. Their median household income is $43,400. With a higher than average presence of 65 or older, income from retirement and Social Security benefits is common. Nineteen percent are self-employed, nearly twice the national level. More than half have gone beyond high school, comparable to the U.S. in general. Their median net worth is $95,300.

Residential: These low-density communities are small, but growing at over two percent annually. Most own their homes. Typical of areas with rustic appeal, the housing inventory features single-family homes and mobile homes. Three-quarters of the households live in single family homes and one-sixth in mobile homes. The median value of $155,000 is slightly above the national figure. A significant inventory of seasonal housing is available in these communities.

Preferences: Simple living and consumer tastes describe the *Rural Resort Dwellers*. Gardening tools and equipment are an integral part of maintaining their properties. Home improvements are common projects in this market segment. Their simple living also includes baking and home-cooked meals. Many households have pets, particularly dogs.

The rural settings mean higher than average numbers of riding lawnmowers and satellite dishes. Additionally, many households own multiple vehicles, and they much prefer domestic to import. Four-wheel drive trucks are popular. *Rural Resort Dwellers* actively participate in local civic issues. They read magazines related to fishing, hunting and home improvement; listen to country music; go hunting and zoom around in powerboats.

With the aging population, general healthcare and prescription medications for age-related issues take on a significant role, and so do financial and retirement related matters. Many *Rural Resort Dwellers* are actively managing or planning their investments and retirement savings. With the high proportion of self-employed, IRA accounts are more popular than 401K plans.

Conclusions

- Both the Sauk Prairie trade area and the overall region have grown at notable rates over the previous decade. With the expansion of Highway 12, the growth in the trade area is expected to continue into the near future. *The continued growth of the trade area and region suggests that new business opportunities will need to be evaluated on a regular basis.*

- The projected trade area growth may bring contrasting tastes and shopping preferences among new and long term residents. In particular, many new residents may be attracted to the small town ambience offered by Sauk Prairie, but still desire the services and selection found in larger cities. *Business owners will need to be aware of these different preferences and be prepared to adapt to the needs of new consumer groups.*

- When compared to the surrounding area, the trade area's household composition shows that married-couple households without children comprise a noteworthy portion of the market. *These consumers typically have higher levels of discretionary income and provide an opportunity for retailers selling personal care items, specialty foods, and household furnishings. Many of these households may also spend a larger portion of their income on dining out.*

- Trade area residents age 55 and over are a key consumer segment that will continue to remain important as the area's Baby Boomers age. Given the percentage of trade area residents that are considered to be Baby Boomers, the age 55 and over consumer segment will likely grow over the coming decades. Marketing strategies for reaching this consumer segment include:

    1. *Providing Detailed Information about Products* – These consumers have time to research products and want the best value for their money.

    2. *Stressing Customer Service* – Older consumers are more likely to develop personal ties to local businesses.

    3. *Proper Signage* – The United States Sign Council has recommended that most signs need to be 30 percent larger for proper legibility.

    4. *Nearby Parking and Pedestrian Access* – Access will be a key for older customers as their ability to drive and walk diminishes with age.

- While most trade area households have moderate incomes, Sauk Prairie businesses are in a favorable geographic position to access higher income households in the Madison area. Many other communities within commuting distance to Madison have employed similar marketing strategies. Reaching these households will require developing additional destination retail opportunities and creating a marketing plan. Subsequently, these households present a longer-term opportunity.

- As more than 75 percent of the trade area's households are owner-occupied, there may be sizable consumer demand for products and services related to home ownership such as furnishings, design, maintenance and improvements. The demand for these types of services may increase as the trade area increases in population.

- Several portions of the trade area and the greater region have large concentrations of seasonal/recreational housing units. These visitors may provide a niche consumer market and additional spending potential during tourist seasons.

- The three Tapestry categories of *Main Street USA*, *Green Acres*, and *Rural Resort Dwellers* comprise almost 75 percent of the trade area's households. Trade area businesses should explore the market potential indices for these three Tapestry categories. Accordingly, the information on the Community Tapestry CD should be made available to existing and prospective businesses.

Section

6

Business Operator and Resident Comprehensive Plan Surveys

Survey research of both Sauk Prairie business operators and community residents was conducted during 2003-2004. This section summarizes relevant information from these two surveys with the goal of identifying issues facing local business operators and understanding local consumer attitudes about Sauk Prairie's commercial districts.

Created by the Sauk Prairie Area Chamber of Commerce, the business operators' survey was completed in 2004. The goals of the survey were to identify challenges, opportunities and red flags facing businesses in Sauk Prairie. The survey explored the issues of daily operations, business climate, the labor force and new opportunities for Sauk Prairie. The business operators' survey resulted in 103 responses (49 percent response rate) and the survey instrument is included in Appendix 6A

As part of the Sauk Prairie comprehensive planning process, Madison-based Vandewalle & Associates conducted a survey of residents living in the Village of Sauk City, the Village of Prairie du Sac and the Town of Prairie du Sac. The purpose of the resident survey was to determine public opinions on a variety of issues related to the comprehensive planning process. In November 2003, the surveys were distributed to 3,206 residents with 664 surveys returned (21 percent response rate). The results of the Sauk Prairie Comprehensive Plan Survey are available at:
http://www.vandewalle.com/workinprogress/saukprairie/saukprairie.html

Several of the questions in the resident survey and the business operators' survey are identical. Those duplicate questions were intended to compare public opinion of Sauk Prairie's business districts with the opinions of the business operators. Note that the three communities surveyed as part of the comprehensive planning effort are within the Sauk Prairie trade area defined in Section 3. However, these three communities do not represent the entire trade area and may not reflect the sentiments of all trade area residents.

The survey results most relevant to the market analysis process are summarized in three different areas:

- *Shopping Environment within Downtown Business Districts* – Examines business operator and public opinions about the physical characteristics and shopping environment offered by Sauk Prairie's various commercial areas. The primary focus of this analysis is on the downtown business districts in Sauk City and Prairie du Sac.

- *Sauk Prairie's Competitive Environment*– Assesses views on local and regional competition, areas of potential competitive advantage, and future opportunities.

- *Business Climate and Needs Assessment* – Summarizes business operator opinions of the Sauk Prairie business climate and potential opportunities for developing business retention initiatives.

Shopping Environment within Downtown Business Districts

Community residents overwhelmingly reported support for local downtown revitalization efforts. Eighty-nine percent of the respondents agreed or strongly agreed that the Village of Prairie du Sac should continue to pursue downtown revitalization. Similarly, 90% of the respondents agreed or strongly agreed that the Village of Sauk City should continue with downtown revitalization efforts (see Question 12 of the Comprehensive Plan Survey). In assessing the downtown environments, both business operators and community residents were asked to rate several features of Downtown Prairie du Sac and Downtown Sauk City. The ratings for Downtown Prairie du Sac are reported in Table 6.1 while the responses for Downtown Sauk City are shown in Table 6.2. Each table compares the number of good or excellent ratings by community residents with those of the business operators on issues of aesthetic appeal, traffic flow, parking and business mix. The categories are listed by the highest to lowest rankings from business operators.

Table 6.1 – Summary of Responses Related to Downtown Prairie du Sac's Shopping Environment

Shopping Environment Category	Number of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Community Residents
Street Signs	72	79.1%	72.1%
Sidewalks	73	78.5%	79.0%
Lighting	72	78.3%	81.1%
Business Signs	54	59.3%	57.5%
Building Appearance	54	57.4%	60.4%
Trees/Streetscaping	49	53.3%	59.4%
Overall Area Layout	25	50.0%	61.8%
Historic Character	46	50.1%	55.0%
Mix of Businesses	38	41.3%	39.8%
Traffic flow/circulation	33	35.9%	50.1%
Parking Availability	22	23.2%	44.6%

Source: Results of Question 36 of the Business Operator's Survey and Question 7 of the Comprehensive Planning Survey

Table 6.2 – Summary of Responses Related to Downtown Sauk City's Shopping Environment

Shopping Environment Category	Number of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Community Residents
Sidewalks	63	69.2%	65.3%
Street Signs	59	67.0%	63.1%
Lighting	54	62.1%	58.3%
Business Signs	42	46.2%	46.5%
Historic Character	39	43.3%	44.5%
Overall Area Layout	19	43.2%	50.0%
Trees/Streetscaping	32	36.8%	37.1%
Parking Availability	29	31.5%	40.5%
Traffic flow/circulation	28	31.1%	35.9%
Mix of Businesses	28	31.1%	35.8%
Building Appearance	25	27.2%	31.2%

Source: Results of Question 36 of the Business Operator's Survey and Question 7 of the Comprehensive Planning Survey

With a few exceptions, the overall responses of business owners and community residents were remarkably similar:

- Somewhat similar to the business operators' responses, community residents rated Downtown Prairie du Sac higher than Downtown Sauk City in every category. The exception was the higher ranking given by the business operators to Downtown Sauk City's parking availability.

- Both downtown commercial areas scored the highest in the categories of street signs, sidewalks and lighting.

- Categories where both Prairie du Sac and Sauk City rated low (less than 50% responding good or excellent) include business mix, traffic flow and parking availability. Furthermore, Sauk City also rated below 50% in the areas of business signs, historic character, overall area layout, trees/streetscaping, and building appearance. Given these characterizations, it appears Downtown Sauk City rated lower on aesthetic qualities, while both districts face challenges to customer accessibility and business mix.

- In the Prairie du sac Downtown area, community residents had higher ratings for trees/streetscaping, overall area layout, traffic flow/circulation and parking availability than the business owners' ratings. While still low at 44.6%, community residents rated parking in Prairie du Sac much more favorably than the business owners did.

- Approximately one-third (31.3%) of business owners agreed or strongly agreed that the look and feel of downtown was beneficial to their business. An additional one third (33.3%) disagreed or strongly disagreed that the look and feel helped to support their business. About half of the respondents who disagreed or strongly disagreed were located in the downtown business districts. (Question 37)

While Tables 6.1 and 6.2 report current sentiments about the downtown shopping environments, several questions in the resident comprehensive plan survey were designed to gauge future directions and goals for Sauk Prairie. Table 6.3 summarizes several results from Question 12 of the comprehensive plan survey, which asked residents to respond to a number of statements regarding future directions for the Sauk Prairie Area. The survey results show strong support for several potential initiatives that could affect the downtown shopping environments:

- As previously noted, there is strong support for continued downtown revitalization in both downtowns.

- There appears to be public support for better incorporating the Wisconsin River into Sauk Prairie's future economy and downtown environment.

- Many existing residents appear to support new housing in the Village of Prairie du Sac and the Village of Sauk City. These results also suggest that many residents somewhat support the projected population growth shown in Section 5.

Table 6.3 – Summary of Responses Related to the Future Direction of the Sauk Prairie Area

Statement	Percent of residents responding agree or strongly agree
New housing should be encouraged in the Village of Prairie du Sac	66.6%
New housing should be encouraged in the Village of Sauk City	66.2%
New housing should be encouraged in the Town of Prairie du Sac	46.8%
The villages should annex land as a means to accommodate future growth	59.0%
New residential developments should pay impact fees for parks and other public facility demands	74.9%
The Village of Prairie du Sac should continue pursue downtown revitalization	89.1%
The Village of Sauk City should continue to pursue downtown revitalization	90.0%
The communities should support design guidelines for business/industrial parks	86.1%
The communities should work to promote more river-based recreation	70.5%
The Sauk City riverfront recreational trail/riverwalk should be continued through the Village of Prairie du Sac	86.5%

Source: Results for Question 7 of the Comprehensive Planning Survey – Vandewalle & Associates

Table 6.3 also shows strong support for design guidelines for business/industrial parks (85.2 percent of respondents agreed or strongly agreed). Question 15 of the comprehensive planning survey further explored public sentiments on design guidelines. The responses to *retail* design standards are summarized in Table 6.4 and show ranging levels of support for different types of design guidelines. The percentage of respondents supporting design standards outweighed those opposed for every category. The design standards with the largest level of support are architectural design standards for new buildings; signage limitations; landscaping requirements; and payment for off site-impacts.

Table 6.4 – Summary of Responses Related to Design Standards for Retail Buildings

Design Standard	Support (% of Responses)	Do not Support (% of Responses)	No Opinion (% of Responses)
Architectural design standards for new buildings	65.7%	13.9%	20.4%
Architectural standards for existing buildings	51.3%	25.5%	23.2%
Maximum building size limits	48.9%	28.0%	23.1%
Building material requirements (e.g. brick or block)	45.8%	30.1%	24.1%
Landscaping requirements	64.6%	14.6%	20.8%
Signage limitations	65.7%	11.9%	22.4%
Lighting limitations	63.9%	14.3%	21.8%
Payment for off-site impacts (e.g., roads or sewers)	64.6%	12.8%	22.6%

Source: Results for Question 15 of the Comprehensive Planning Survey – Vandewalle & Associates

Sauk Prairie's Competitive Environment

A number of questions were asked of business operators to gauge their opinions on local and regional competition. Business operator's strategies for competing with local and regional competition were also assessed from a variety of perspectives. A summary of the relevant findings are provided below. The corresponding question from the business operators' survey is listed in parentheses.

- While the Sauk Prairie trade area is within easy driving distance of both Madison and Baraboo, most owners reported local businesses as their toughest competition. However, several sources of noted regional competition included American TV/Best Buy/Circuit City (one response each); Copps grocery (one response); Farm and Fleet/Home Depot/Menards (seven total responses); Shopko/Kmart (one response each). Other general mentions included businesses in Lodi, Madison, Middleton, and Baraboo*. Surprisingly, Wal-Mart received no specific mention* (Question 21).

- In contrast to regional competition, business operators were also asked to note those businesses that best complemented their own establishments. Not surprisingly, many of the businesses deemed most complementary included anchor-type businesses such as Ace Hardware (seven responses), the Blue Spoon (five responses), McFarlane Mfg. Co., Inc. (6 responses), the Medicine Shoppe (5 responses) and Sentry Foods (5 responses). Other general categories included pharmacies, banks, and medical facilities (*Question 23).*

- In many smaller communities, store hours are a source of conflict between consumers and business operators. In examining this issue, several questions gauged business operator opinions on store hours. Not surprisingly, 75.6% of business owners agreed or strongly agreed that their business was open when people wanted to shop. Only 5.6% of the respondents disagreed or strongly disagreed. However, consumer opinions on store hours were not collected. Truly understanding these business operators' perceptions would require a survey of shoppers (Question 37).

- Store hours can also be evaluated from the perspective of consumer traffic. Most of the respondents (45.1%) reported that no particular day was the busiest. For the respondents reporting a busiest day, 14.7% chose Friday, 14.7% chose Saturday and 14.7% reported Monday. Only one respondent chose Sunday. As only 33% of Sauk Prairie retailers reported being open on Sunday, this figure is not surprising (Question 15). However, national surveys of retailers show Sunday to be the second largest shopping day of the week.

- The main competitive edges reported by business owners were service (34.5%) and quality (20.2%). Only 4.8% of business owners reported selection with an additional 9.6% reporting price (Question 22). Reflecting these opinions, almost 90% of the respondents either agreed or strongly agreed that their employees provided great customer service. No business owners disagreed with this statement (Question 37).

- Overwhelmingly, local business owners reported that they tried to support other local businesses. Eighty-four percent of the respondents agreed or strongly agreed that they tried to purchase items from other local businesses. Furthermore, 94% of business owners agreed or strongly agreed that they tried to direct customers to other local businesses (Question 37).

- Over half of the business owners (55.8%) reported that they would either strongly support or support new retail promotional events. An additional 40% were neutral in their potential support. Most of the business owners supporting additional events were located in the two downtown districts (Question 37). Currently, the four events most reported to increase sales were the *Cow Chip Toss* (21 responses), the *MDA Harley Ride* (19 responses), *Eagle Watch Days* (15 responses) and the *Grape Stomp Festival* (14 responses). The business districts that had the highest number of responses to special events were Downtown Sauk City with 61 different responses and Downtown Prairie du Sac with 24 responses (Question 19). Interestingly, dinner restaurants report slow business during these events.

While Sauk Prairie's future competitive environment is yet to be determined, Question 13 of the comprehensive planning survey asked residents to assess which future non-residential land uses they supported. Table 6.5 reports these results and shows that several categories that could affect the local competitive environment. While there was not overwhelming support for any particular land use, these response rates should not be evaluated as having a lack of support (given the wording of the question). Natural resource/conservation areas (55.9%) and small-scale retail (e.g. specialty stores) received the highest support (55.0%). The support for small-scale retail is a positive indicator for all of Sauk Prairie's business districts, and would be particularly well suited for Downtown Sauk City and Downtown Prairie du Sac.

Table 6.5 – Non-residential Land Uses Supported by Residents in the Sauk Prairie Area

Non-Residential Land Use Category	Percent of Respondents
Additional or expanded industrial parks	36.7%
New business park (e.g., office/research)	45.2%
Service-related uses (e.g., dry-cleaners, barbershops)	38.0%
Small-scale retail (e.g., specialty stores)	55.0%
Large-scale retail (e.g., more supermarkets or department stores)	40.1%
Highway commercial uses (e.g., motels, gas stations)	25.3%
"Day trip" tourist-oriented uses	37.5%
Natural resource/conservation areas	55.9%
Historical or archaeological resource areas	40.5%
Agricultural-support businesses	41.4%
Farming operations	43.5%
Sand and gravel excavation	5.1%
Airport continuation	31.5%
Other	4.8%

Source: Results for Question 15 of the Comprehensive Planning Survey – Vandewalle & Associates

Business Climate and Needs Assessment

Many of the questions asked of business operators were designed to assess the local Sauk Prairie business climate and determine possible needs of the business community. The answers to these questions can be used to develop retention and expansion initiatives for existing businesses. The following analysis summarizes a number of the most relevant responses.

- Business operators seem to be satisfied with the current levels of local business regulation. Fifty-four percent of respondents agreed or strongly agreed with the current level of business regulation while an additional 35.9% were neutral. Only 9.8% of the respondents reported they disagreed or strongly disagreed with the current amount of regulation (Question 37).

- Eighty-two percent of the business operators agreed or strongly agreed that the Sauk Prairie Area was an excellent place to do business. Only 5.9% of the respondents disagreed or strongly disagreed with this characterization (Question 37). Given these responses, it is not surprising that 76.5% of the respondents were either satisfied (21.5%) or very satisfied (54.9%) with their present location. Only 11 respondents (10.8%) were unsatisfied or very unsatisfied, with only two planning to move (Question 12).

- Safety does not seem to be a great concern. Almost 90% of the business operators agreed or strongly agreed that they felt safe at night. Only 4.0% somewhat disagreed (Question 37).

- When asked about plans to reduce or expand operations, 72.9% of the respondents reported no plans to change. Seven respondents reported plans to expand downtown and 10 reported plans to expand outside of downtown. However, only one business from outside of downtown planned to expand within a downtown area while three businesses currently located downtown planned to expand in a different area. Furthermore, five owners planned to sell their business within the near future (Question 30).

- The largest current business challenge reported by owners is health insurance costs (42 responses). Other challenges often reported included out-of-town competition (29 responses), other insurance costs (25 responses) and employee recruitment/retention (18 total responses). Only 16 business owners reported no current problems (Question 32).

- Only 16 responses were given when asked if business owners have used some sort of incentives or business assistance in the past. Furthermore, only one respondent reported plans to use incentives in the future (Question 33).

- The business training workshops that business owners reported that they would either definitely attend or attend are reported in Table 6.6. Given the area's increasing Latino population, the responses to Bilingual/Diversity Training are not surprising (*Question 34*).

Table 6.6 – Most Desired Business Training Workshops

Workshop	Attend or Definitely Attend (# of responses)
Bilingual/Diversity Training	31
Advertising/Marketing	23
Customer Service	21
Internet/E-commerce	19
Business Planning	18
Financial Management	16
Employee Training/Hiring	16
Window Displays/Interior Design	14
Hospitality Training	13
Business Market Analysis	12
Inventory Management	9
Competing with Big Boxes	9
Succession Training	7

Source: Results of Question 34 of the Business Operator's Survey

Both Sauk Prairie business operators and residents were asked to rank Sauk Prairie area facilities and services. Table 6.7 compares the percent of responses from these two surveys that rated an individual service/facility as good or excellent. In general, business owners rated the Sauk Prairie Area highly in the areas of protection/safety, education, health care, and other municipal services. The Sauk Prairie area performed the lowest among business operators in transportation related categories (sidewalk systems, bicycle facilities, airport, etc).

A comparison of the business operator responses to the overall resident responses yielded similar results. Both survey groups (residents and business owners) rated transit options, bicycle facilities and the Sauk Prairie airport the lowest. While responses varied, business owners tended to have higher ratings for ambulance service, community events, the community center, access to the arts, youth/adult education, and sidewalk systems. In contrast, residents tended to have higher ratings for garbage collection, recycling services, drinking water quality, and public meeting facilities. Responses were somewhat similar in the areas of fire protection, police protection, public libraries, health care services, public schools, snow removal, parks and rec. facilities and senior care services.

Table 6.7 – Ratings of Facilities and Services in the Sauk Prairie Area

Facility/service	Number of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Business Owners	Percent of Excellent or Good Responses by Community Residents
Ambulance service	90	91.8%	82.2%
Fire protection	90	91.8%	92.3%
Police protection	88	89.8%	84.8%
Public libraries	88	91.7%	88.8%
Health care services	86	89.6%	90.9%
Public school education	85	87.6%	84.4%
Public school buildings	85	90.4%	84.9%
Snow removal	81	84.4%	83.5%
Community center	80	83.3%	75.4%
Community events	78	82.1%	76.9%
Parks and recreation facilities	78	81.3%	77.5%
Garbage collection	77	79.4%	88.9%
Village hall	76	78.4%	82.6%
Street maintenance	75	78.1%	73.2%
Access to the arts	71	75.5%	56.9%
Youth recreation programs	70	73.7%	66.0%
Recycling services	68	71.6%	88.0%
Senior care services	66	69.5%	67.9%
Drinking water quality	63	64.9%	73.8%
Public meeting facilities	60	64.5%	72.9%
Adult recreation programs	59	62.1%	51.6%
Sidewalk systems	57	60.6%	53.8%
Transit options	39	42.9%	35.6%
Bicycle facilities	38	40.4%	37.2%
Sauk Prairie airport	32	34.4%	34.2%

Source: Results of Question 35 of the Business Operator's Survey and Question of the Comprehensive Planning Survey

Conclusions

- Both Downtown Sauk City and Downtown Prairie du Sac ranked average to below average in terms of aesthetic qualities. These rankings were expressed by both business operators and area residents. In particular, Downtown Sauk City ranked lower overall than Downtown Prairie du Sac. *These ratings are particularly relevant as Downtown Sauk City is a primary gateway to the Sauk Prairie Area.*

- Given the aesthetic rankings attributed to Sauk Prairie's commercial areas, it is not surprising that residents support a wide range of design guidelines for retail buildings.

- Residents responding to the comprehensive planning survey provided strong support for Downtown revitalization efforts.

- Small-scale retail is the second most desirable future land use among resident survey respondents. Retail of this type would fit well into both downtown shopping districts. While businesses related to "day trip" tourist-oriented uses exhibited more moderate resident support, the nature of this business type would not require a large degree of local consumer demand.

- Many residents of the Sauk Prairie area appear to encourage growth within Sauk City and the Village of Prairie du Sac. The desire for growth is consistent with the strong support for more small and large-scale retail.

- Many survey respondents support the expansion of river-based recreation and the continuation of the Sauk City riverwalk. Initiatives of these types could help better incorporate the Wisconsin River into the two downtown shopping districts.

- Overall, area residents and business operators appear satisfied with the level of municipal services and local business regulation.

- Business operators expressed interest in several training programs. In particular, training sessions targeted toward the issues of bilingual/diversity, advertising/marketing and customer service. Training in these areas could be offered by a number of different organizations (such as the Small Business Development Center at UW-Madison).

- While most business operators reported no plans to reduce or expand operations, a number of businesses (17) plan to expand in Sauk Prairie. Furthermore, five business operators planned to sell their businesses in the near future. *If these businesses can be identified, there may be opportunities to assist these operators through incentives or succession planning programs.*

Appendix 6A – Business Operators' Survey Instrument

Dear Sauk Prairie Business Owner:

This is an exciting time for the Sauk Prairie area. Many of you have heard that your Sauk Prairie Area Chamber of Commerce is doing a comprehensive analysis of the retail and service businesses in the Villages of Sauk City and Prairie du Sac with the UW-EX. This study will help us create an economic development road map to implement an overall plan for the community that will fit in with the Comprehensive Plan efforts.

The following pages provide an opportunity for you to tell us about your business and your business assistance needs. This survey will take 15-20 minutes to complete. It is a **CONFIDENTIAL STUDY**, so please feel free to be direct. We will have the survey results analyzed and use the information as the cornerstone of our business retention and development program.

ANSWERS TO FREQUENTLY ASKED QUESTIONS:

✓ **Why should I fill out this survey?** Whether you are a longstanding member of the business community, or a recent startup business, you have business assistance needs. We want to revitalize our downtown and community with your needs in mind.

✓ **Do I have to fill in all the questions?** The more information you provide, the more accurate and useful our analysis will be. All information you provide is useful and **KEPT CONFIDENTIAL**.

✓ **What do I do with my survey once it's completed?** A volunteer from the Sauk Prairie Area Chamber of Commerce will stop by to pick the survey up shortly after the deadline. You will receive a copy of the compiled results.

✓ **What is the deadline?** November 28, 2003

SPECIAL NOTE:
This survey is based on a standardized survey developed by the Wisconsin Main Street Program that will allow us to compare the business climate in our community with other communities across the United States.

We appreciate your time and look forward to your responses. Key findings will be reported to you as soon as they are available. If you have additional questions, please feel free to call the Sauk Prairie Area Chamber of Commerce office at 608-643-4168.

Thanks again.

Leslie McFarlane, Executive Director
Sauk Prairie Area Chamber of Commerce

1. Business Name

____

(All future references to “business” will refer exclusively to the business listed above.)

2. Business Owner(s)

____

3. Business Physical Address

____

4. Business Mailing Address

____

5. a. Business Phone #1__________________ b. Business Phone #2 _________________

c. FAX ___________________ d. Email ________________________________

e. Web Site ________________________________

6. Does this business own or rent the space in which it is located?

☐ Own ☐ Rent ☐ Rent, and considering purchase

7. What is the business or professional activity code for this business? (NAICS)
(Use the key provided or enter the business code from your 2002 federal tax return.)

____

8. How long has this business been in operation? (● mark ONE, include this & any previous locations)

☐ under 1 year ☐ 1-5 years ☐ 6-10 years ☐ 11-20 years ☐ over 20 years

9. If you know the date this business was established, please list here _________________________.

10. How long have you been the owner of this business? (● mark ONE)

☐ under 1 year ☐ 1-5 years ☐ 6-10 years ☐ 11-20 years ☐ over 20 year

11. For this business, what is the total square footage? _________

12. How satisfied are you with the present location of this business? (● mark ONE)

☐ Very Satisfied ☐ Neutral ☐ Very Unsatisfied **Why?**
☐ Satisfied ☐ Unsatisfied ☐ Plan to Move ___________________________________

13. What are the hours of operation for this business?

a. Sunday from ___________ to ___________
b. Monday from ___________ to ___________
c. Tuesday from ___________ to ___________
d. Wednesday from ___________ to ___________
e. Thursday from ___________ to ___________
f. Friday from ___________ to ___________
g. Saturday from ___________ to ___________

14. How many customers/clients visit this business per week? (what is your average weekly foot traffic?)

☐ none, all business via phone, Internet, etc. ☐ less than 100 ☐ 100-500 ☐ 500-1000 ☐ Over 1000

15. What is the busiest day of the week for this business? (● mark ONE)

☐ Sunday	☐ Wednesday	☐ Saturday
☐ Monday	☐ Thursday	☐ No special day
☐ Tuesday	☐ Friday	

16. What are the two busiest times of day for this business? (● mark up to TWO times for each day)

	Before 8:00 a.m.	8:00 a.m.- 11:00 a.m.	11:00 a.m.- 1:00 p.m.	1:00 p.m.- 5:00 p.m.	After 5:00 p.m.	Seldom or never
Sunday	☐	☐	☐	☐	☐	☐
Monday	☐	☐	☐	☐	☐	☐
Tuesday	☐	☐	☐	☐	☐	☐
Wednesday	☐	☐	☐	☐	☐	☐
Thursday	☐	☐	☐	☐	☐	☐
Friday	☐	☐	☐	☐	☐	☐
Saturday	☐	☐	☐	☐	☐	☐

17. What are the three busiest months of the year for this business? (● mark up to THREE)

☐ January	☐ March	☐ May	☐ July	☐ September	☐ November
☐ February	☐ April	☐ June	☐ August	☐ October	☐ December

18. When do you typically plan major sales/specials for this business? (● mark ALL that apply)

☐ January	☐ March	☐ May	☐ July	☐ September	☐ November
☐ February	☐ April	☐ June	☐ August	☐ October	☐ December

19. Which of the following events increased foot traffic or sales volume for this business? (● mark ALL that apply)

☐ Cow Chip	☐ MDA Harley Ride	☐ Sidewalk Sales	☐ Athletic Events
☐ Grape Stomp	☐ Trick-or-Treat	☐ Eagle Watch Days	☐ Other_____________
☐ Fire on the River	☐ Holiday Open House	☐ River Art Center events	☐ None

20. Please describe the most typical customer to this business. (● mark ONE for each category)

Gender ☐ Male ☐ Female

Age ☐ under 18 ☐ 18-24 ☐ 25-44 ☐ 45-54 ☐ 55-64 ☐ Over 64

Annual household income

☐ under $15,000	☐ $35,000 - $49,999	☐ over $100,000
☐ $15,000 - $24,999	☐ $50,000 - $74,999	
☐ $25,000 – 34,999	☐ $75,000 - $99,999	

21. What is the toughest competition for this business? (specify up to THREE competitors by name)

a. ______________________ b. ______________________ c. ______________________

22. What is the main competitive edge of this business versus the competitors listed above? (● mark ONE)

- ☐ Location
- ☐ Service
- ☐ Quality
- ☐ Price
- ☐ Hours
- ☐ Name Brands
- ☐ Selection
- ☐ Other _____________

23. What three downtown businesses complement this business the most? (specify up to THREE businesses by name)

d. ______________________ e. ______________________ f. ______________________

23. Where do your customers typically park? (● mark ONE)

- ☐ On the street right in front of this business
- ☐ On the street within 1 block of this business
- ☐ On the street more than 1 block from this business
- ☐ In a municipal/public parking lot
- ☐ In a customer parking lot you own or rent
  How many spaces available ______?
- ☐ Other ___________________________

24. Where do you and your employees business typically park? (● mark ONE)

- ☐ On the street right in front of this business
- ☐ On the street within 1 block of this business
- ☐ On the street more than 1 block from this business
- ☐ In a municipal/public parking lot
- ☐ In an employee parking lot you own or rent
  How many spaces available ______?
- ☐ Other ___________________________

25. How many jobs did this business provide in 2002, including owners who work in the business?

a. Lowest point: ________ Full-time (32 or more hours/week) ________ Part-time

b. Highest point: ________ Full-time (32 or more hours/week) ________ Part-time

What is the main reason for any fluctuation in the number of jobs this business provided in 2002?

☐ Seasonal Business ☐ Business Growth ☐ Business Decline ☐ Management Change

26. Which employee benefits does your business offer compared to its competitors? (● mark ALL that apply)

- ☐ Better Boss
- ☐ Better Child Care
- ☐ Better Co-workers
- ☐ Better Insurance
- ☐ Better Pension
- ☐ Flexible Hours
- ☐ Higher Pay
- ☐ Fewer Hours
- ☐ Merit-based Bonuses
- ☐ More Hours
- ☐ More Responsibility
- ☐ More Vacation
- ☐ Paid Training
- ☐ Part Ownership
- ☐ Potential to Advance
- ☐ Profit Sharing
- ☐ Shorter Commute
- ☐ Other ____________

27. What percentage of the annual advertising budget for this business is spent with each of the following media? (Total should = 100%)

a._____% Newspapers
b._____% Magazines
c._____% Radio
d._____% Television
e._____% Direct Mail/Catalogs
f._____% Tourism Publications
g._____% Yellow Pages
h._____% Chamber Publications/Events
f. _____% Window Displays
g._____% Billboards
h._____% Internet
i. _____% Local Service Organizations
j. _____% Other _____________(specify)
100 %

28. Which publications are included in the annual advertising budget for this business? (● mark ALL that apply)

□ Star/Satellite
□ Eagle/Shopper
□ WI State Journal
□ Baraboo News Republic
□ Chamber Directory/Map
□ Ad-Lit
□ Wisconsin Trails
□ Other__________________
□ None

29. With your business in mind, what four businesses would you most like to see available in each location? (● write in up to FOUR in each column)

Downtowns	*Peripheral Areas*	*Either*
__________	__________	__________
__________	__________	__________
__________	__________	__________
__________	__________	__________

30. Do you have plans to expand or reduce operations for your business in the foreseeable future? (● mark ONE)

□ I plan to expand products/services or square footage downtown.
□ I plan to expand products/services or square footage at a location outside the downtown.
□ I plan to reduce products/services or square footage downtown.
□ I plan to close my business.
□ I plan to move my business: □within Sauk Prairie or □elsewhere
□ I plan to sell my business.
□ I do not have plans for changes.

31. Are you, or the building owner, considering any building improvement projects? ☐ Yes ☐ No

32. Are you currently dealing with any business challenges? (● mark ALL that apply)

☐ No Problems	☐ Utility Costs/Availability	☐ Difficulty Recruiting Employees
☐ Financing	☐ Product Costs/Availability	☐ Difficulty Retaining Employees
☐ Shop Lifting/Theft	☐ In-Town Competition	☐ Health Insurance Costs
☐ Personnel Costs	☐ Out-Of-Town Competition	☐ Other Insurance Costs (Not Health)
☐ Vandalism	☐ Shipping/Transportation Costs	☐ Other ________________

33. Which incentives or assistance have you used or plan to use for this business? (● mark ALL that apply) ***** see handout for reference *****

	Have Used	Plan to Use
WHEDA Affordable Housing Tax Credits	☐	☐
WHEDA Small Business Guarantee	☐	☐
Business Assistance From Small Business Development Center (SBDC)	☐	☐
Historic Preservation Tax Credits	☐	☐
Prairie du Sac Revolving Loan Fund	☐	☐
FSA Loan Guarantee	☐	☐
Wisconsin Women's Business Initiative Corporation	☐	☐
SBA Loan Guarantee	☐	☐

34. How likely will you or an employee of your business be to attend the following business training workshops if held locally at an affordable cost? (● mark ONE answer for each workshop)

	Definitely Attend	Probably Attend	Unsure	Probably Skip	Definitely Skip
Business Planning	☐	☐	☐	☐	☐
Financial Management	☐	☐	☐	☐	☐
Inventory Management	☐	☐	☐	☐	☐
Advertising/Marketing	☐	☐	☐	☐	☐
Employee Training/Hiring	☐	☐	☐	☐	☐
Customer Service	☐	☐	☐	☐	☐
Hospitality Training	☐	☐	☐	☐	☐
Window Displays/Interior Store Design	☐	☐	☐	☐	☐
Business Market Analysis	☐	☐	☐	☐	☐
Internet/E-Commerce	☐	☐	☐	☐	☐
Bilingual/Diversity Training	☐	☐	☐	☐	☐
Succession Training	☐	☐	☐	☐	☐
Competing with Big Boxes	☐	☐	☐	☐	☐

35. How satisfied are you with the following facilities and services in the Sauk Prairie Area? (● mark ONE answer for each of the services listed for the village in which your business is located)

	Excellent	Good	Fair	Poor	Not Applicable
A. Ambulance Service	☐	☐	☐	☐	☐
B. Fire Protection	☐	☐	☐	☐	☐
C. Police Protection	☐	☐	☐	☐	☐
D. Snow Removal	☐	☐	☐	☐	☐
E. Street Maintenance	☐	☐	☐	☐	☐
F. Garbage Collection	☐	☐	☐	☐	☐
G. Recycling Services	☐	☐	☐	☐	☐
H. Public Libraries	☐	☐	☐	☐	☐
I. Transit Options	☐	☐	☐	☐	☐
J. Village Hall	☐	☐	☐	☐	☐
K. Access to the Arts	☐	☐	☐	☐	☐
L. Drinking Water Quality	☐	☐	☐	☐	☐
M. Public Meeting Facilities	☐	☐	☐	☐	☐
N. Community Events	☐	☐	☐	☐	☐
O. Community Center	☐	☐	☐	☐	☐
P. Parks and Recreation Facilities	☐	☐	☐	☐	☐
Q. Youth Recreation Programs	☐	☐	☐	☐	☐
R. Adult Recreation Programs	☐	☐	☐	☐	☐
S. Public School Education	☐	☐	☐	☐	☐
T. Public School Buildings	☐	☐	☐	☐	☐
U. Health Care Services	☐	☐	☐	☐	☐
V. Senior Care Services	☐	☐	☐	☐	☐
W. Sidewalk Systems	☐	☐	☐	☐	☐
X. Bicycle Facilities	☐	☐	☐	☐	☐
Y. Sauk Prairie Airport	☐	☐	☐	☐	☐

36. How would you rate the following features in the downtowns of each village? (please check boxes for both downtowns)

	Prairie du Sac Downtown					Sauk City Downtown				
Features										
A. Overall area layout	Excellent	Good	Fair	Poor	No Opinion	Excellent	Good	Fair	Poor	No Opinion
B. Building appearance										
C. Historic character										
D. Business signs										
E. Street signs										
F. Sidewalks										
G. Parking availability										
H. Traffic flow/circulation										
I. Trees/Streetscaping										
J. Lighting										
K. Mix of businesses										

37. How strongly do you agree or disagree with these statements? (mark ONE answer for each)

	Strongly Agree	Somewhat agree	Neutral	Somewhat disagree	Strongly disagree
I am happy with the level of local business regulation					
I always try to buy products and services locally					
I always direct customers to other area businesses					
Sauk Prairie Area is an excellent place to have a business					
I would support a new retail promotions event					
The look & feel of downtown helps my business					
My window and store displays help my business					
My business is open when customers want to shop					
Employees of my business show great customer service					
I feel safe downtown, even at night					

38. How long did it take you to complete this survey?

____

Additional Comments:

Section

7

Analysis of Retail Opportunities

This section provides detailed information on consumer demand and competition (supply) for specific retail business categories. The purpose is to identify potential market opportunities for business expansion or recruitment

Retail is often the most sought after commercial category among trade area residents. The results of the community survey conducted during the Sauk Prairie comprehensive planning process confirm the desirability of new retail establishments for the Sauk Prairie Area. When residents were asked to identify types of non-residential land uses they would like to see in the Sauk Prairie Area, 55% of the respondents identified small scale retail (second to only natural resource/conservation areas). Furthermore, 40.1% of the respondents also identified large scale retail as a desirable new land use.

Despite the desirability of new retail establishments, the development of new retailers is also one of the most challenging tasks for smaller communities. Accordingly, Section 7 seeks to analyze the Sauk Prairie trade area for expanded or new retail opportunities. A short list of retail store types was identified by the market analysis study committee. The short list is based on the previous steps in the market analysis process (such as survey findings and the business mix analysis). Specific business types analyzed in this section include:

- Appliance, Television, and Other Electronics Stores (NAICS 44311)
- Grocery/Specialty Food Stores (NAICS 4452)
- Women's Clothing (NAICS 44812)
- Musical Instrument Stores (NAICS 45114)
- Gift Stores (NAICS 45322)
- Art Dealers (NAICS 45392)
- Office Supplies and Stationery Stores (NAICS 45321)

Determining market potential requires an analysis of detailed market demand and supply for each store category. Demand refers to the amount of retail space (in square feet) that could be supported by consumers residing in the trade area, based on estimates of their spending potential. Supply refers to the actual square feet of retail space, sometimes called Gross Leasable Area (GLA), that currently exists in the trade area.

A comparison of demand and supply by store type can help identify gaps (i.e. demand exceeds supply). After considering other more qualitative market factors including how and where local residents shop, conclusions can be drawn regarding potential business categories worthy of business expansion or recruitment efforts. A flowchart describing this method and the qualitative considerations is presented in Figure 7.1. Additionally, a detailed explanation of the retail analysis process is available at http://www.uwex.edu/ces/cced/dma/9.html

Figure 7.2 presents estimates of local resident consumer demand by type of store (instead of type of product). The calculations include a distribution of general merchandise store demand (i.e. discount stores, “supercenters,” warehouse stores) among the specific store types. For example, shoe store demand includes sales in dedicated shoe stores (NAICS 44821) as well as sales in the shoe departments of general merchandise stores (including Wal-Mart). This is done to recognize the significance of general merchandise store sales in today’s retail sector.

The calculations are based on available secondary data from the U.S. Economic Census and the Urban Land Institute. Local trade area population and per capita income are used to localize the calculations for the trade area.

Results from these calculations are used in the detailed analysis of selected store categories that follows.

Figure 7.1 – Flowchart Detailing the Retail Opportunities Analysis

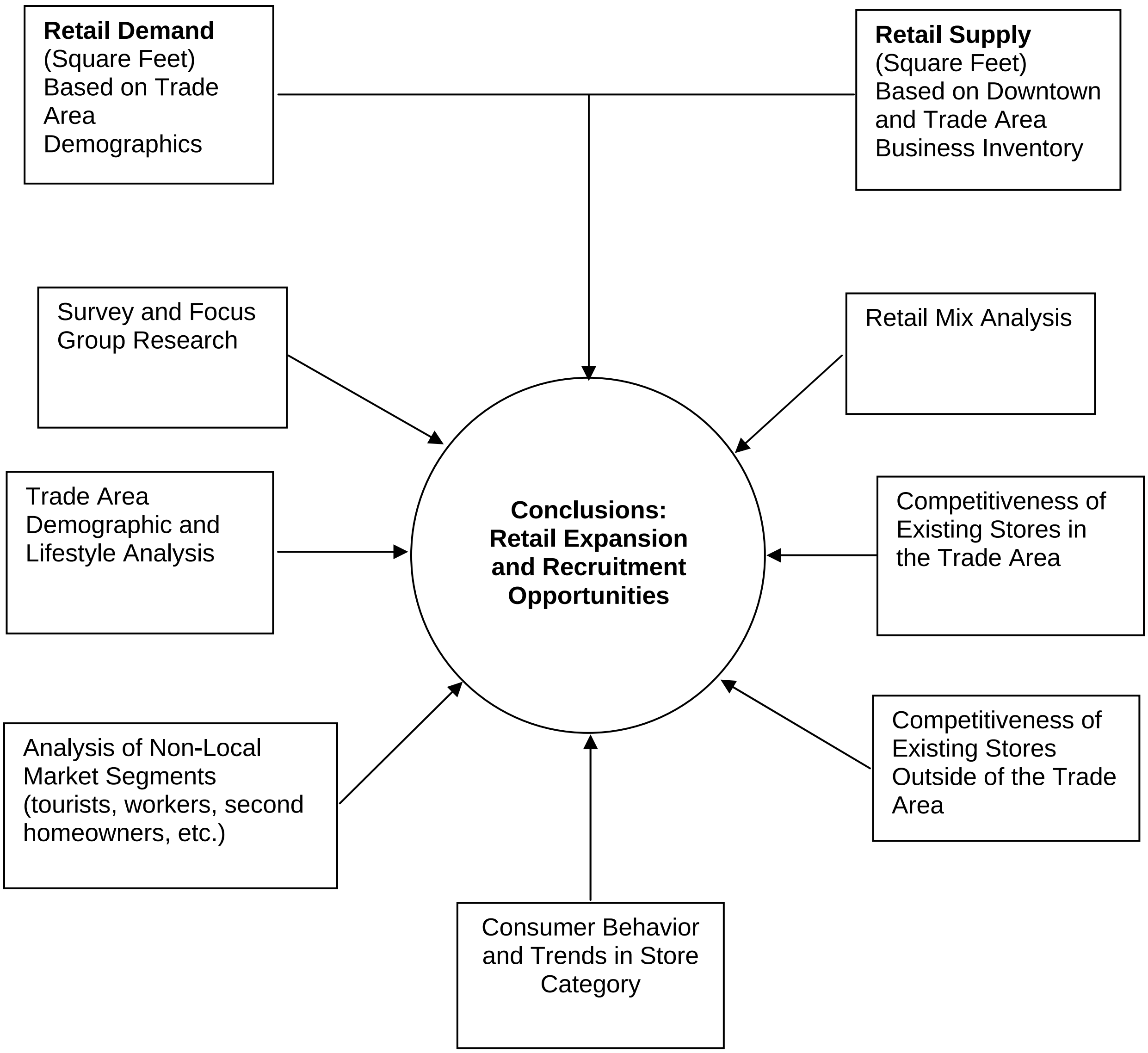


Figure 7.2 – Retail Demand Calculations

RETAIL DEMAND CALCULATOR - REPORT

		Trade Area Assumptions (1)			U.S. Per Capita Sales $ (2)			Trade Area Per Capita Sales $ (3)			Trade Area Total Sales Demand $ (4)			Trade Area
				Purchasing	Stores in NAICS	In General		Stores in NAICS	In General		Stores in NAICS	In General		Sq. Foot
NAICS	Industry Title	Trade Area	Population	Potential Index	Category	Merch Stores	Total	Category	Merch Stores	Total	Category	Merch Stores	Total$	Demand (5)
4413	Automotive Parts/Accessories/Tires Stores	C	19,065	104	140.21	24.51	164.72	145.67	25.46	171.13	2,777,150	485,377	3,262,527	20,415
44211	Furniture Stores	D	19,065	104	173.96	27.95	201.91	180.73	29.03	209.76	3,445,597	553,538	3,999,134	18,661
44221	Floor Covering Stores	D	19,065	104	63.27	3.26	66.52	65.73	3.38	69.11	1,253,155	64,479	1,317,634	4,681
44229	Other Home Furnishing Stores	D	19,065	104	81.21	91.62	172.82	84.37	95.18	179.55	1,608,448	1,814,652	3,423,100	14,874
44311	Appliance, Television, and Other Electronics Stores	D	19,065	104	218.95	111.11	330.05	227.46	115.43	342.90	4,336,618	2,200,736	6,537,354	17,851
44312	Computer and Software Stores	D	19,065	104	59.49	13.32	72.81	61.81	13.84	75.65	1,178,397	263,826	1,442,223	2,913
44313	Camera and Photographic Supplies Stores	D	19,065	104	10.78	8.07	18.85	11.20	8.38	19.58	213,614	159,765	373,380	940
4441	Building Material and Supplies Dealers	D	19,065	104	754.67	41.28	795.95	784.03	42.89	826.92	14,947,620	817,677	15,765,298	69,016
4442	Lawn and Garden Equipment and Supplies Stores	D	19,065	104	107.50	34.38	141.88	111.68	35.71	147.40	2,129,224	680,885	2,810,108	12,302
4451	Grocery Stores	C	19,065	104	1,441.92	393.77	1,835.70	1,498.03	409.09	1,907.13	28,560,003	7,799,387	36,359,390	102,841
445291	Baked Goods Stores	C	19,065	104	4.92	-	4.92	5.12	-	5.12	97,539	-	97,539	290
445292	Confectionery and Nut Stores	D	19,065	104	4.74	-	4.74	4.92	-	4.92	93,837	-	93,837	293
44531	Beer, Wine, and Liquor Stores	C	19,065	104	96.41	10.85	107.26	100.16	11.28	111.44	1,909,596	214,966	2,124,562	7,991
44611	Pharmacies and drug stores	C	19,065	104	540.42	105.21	645.63	561.45	109.31	670.75	10,703,950	2,083,923	12,787,873	36,285
44612	Cosmetics, Beauty Supplies, and Perfume Stores	D	19,065	104	23.27	57.39	80.66	24.18	59.62	83.80	460,911	1,136,707	1,597,618	4,821
44613	Optical Goods Stores	D	19,065	104	23.09	6.38	29.47	23.99	6.63	30.62	457,416	126,365	583,780	1,651
44619	Other Health and Personal Care Stores	D	19,065	104	39.11	-	39.11	40.64	-	40.64	774,731	-	774,731	2,191
44711	Gasoline Stations with Convenience Stores	C	19,065	104	647.81	-	647.81	673.01	-	673.01	12,831,008	-	12,831,008	10,502
44811	Men's Clothing Stores	D	19,065	104	27.54	84.13	111.67	28.61	87.40	116.01	545,507	1,666,309	2,211,816	9,656
44812	Women's Clothing Stores	D	19,065	104	108.69	161.69	270.38	112.92	167.98	280.90	2,152,826	3,202,585	5,355,411	19,051
44813	Children's and Infants' Clothing Stores	D	19,065	104	24.69	67.38	92.07	25.65	70.00	95.65	489,101	1,334,487	1,823,589	5,995
44814	Family Clothing Stores	D	19,065	104	215.64	-	215.64	224.03	-	224.03	4,271,114	-	4,271,114	15,541
44815	Clothing Accessories Stores	D	19,065	104	9.67	-	9.67	10.05	-	10.05	191,559	-	191,559	766
44819	Other Clothing Stores	D	19,065	104	31.05	-	31.05	32.25	-	32.25	614,905	-	614,905	2,460
44821	Shoe Stores	D	19,065	104	79.87	36.41	116.28	82.98	37.82	120.80	1,581,952	721,091	2,303,044	10,578
44831	Jewelry Stores	D	19,065	104	80.52	26.37	106.89	83.65	27.40	111.05	1,594,831	522,406	2,117,237	3,686
44832	Luggage and Leather Goods Stores	D	19,065	104	5.40	3.52	8.91	5.61	3.65	9.26	106,916	69,629	176,545	464
45111	Sporting Goods Stores	D	19,065	104	86.90	32.85	119.75	90.29	34.13	124.41	1,721,308	650,639	2,371,947	10,873
45112	Hobby, Toy, and Game Stores	D	19,065	104	63.87	50.42	114.29	66.35	52.38	118.74	1,264,972	998,718	2,263,690	9,231
45113	Sewing, Needlework, and Piece Goods Stores	D	19,065	104	13.52	7.98	21.50	14.04	8.29	22.34	267,710	158,123	425,834	4,628
45114	Musical Instrument and Supplies Stores	D	19,065	104	17.14	-	17.14	17.81	-	17.81	339,565	-	339,565	1,772
45121	Book Stores and News Dealers	D	19,065	104	53.38	8.95	62.34	55.46	9.30	64.76	1,057,333	177,354	1,234,687	7,611
45122	Prerecorded Tape, Compact Disc, and Record Stores	D	19,065	104	24.98	27.34	52.32	25.95	28.40	54.35	494,712	541,534	1,036,245	4,707
45311	Florists	C	19,065	104	22.91	-	22.91	23.80	-	23.80	453,826	-	453,826	1,986
45321	Office Supplies and Stationery Stores	D	19,065	104	71.60	30.93	102.53	74.38	32.13	106.52	1,418,112	612,623	2,030,736	8,289
45322	Gift, Novelty, and Souvenir Stores	D	19,065	104	54.25	-	54.25	56.36	-	56.36	1,074,583	-	1,074,583	5,629
45331	Used Merchandise Stores	D	19,065	104	27.06	-	27.06	28.11	-	28.11	535,913	-	535,913	5,359
45391	Pet and Pet Supplies Stores	D	19,065	104	26.50	21.78	48.28	27.53	22.62	50.15	524,863	431,314	956,177	5,054
45392	Art Dealers	D	19,065	104	15.13	-	15.13	15.72	-	15.72	299,695	-	299,695	919

Notes

1. This section summarizes trade area characteristics from the Trade Area Assumptions worksheet. It identifies for each business category the most fitting trade area (C-convenience, D-destination or O-other). The population for these trade areas is also tion summa Next, it presents the trade area's "purchasing potential index" (PPI). PPI is calculated as the trade area's per capita income divided by the U.S. per B45capita income. PPI can also be obtained from reports produced by private marketing data firms.

2. This section calculates U.S. per capita retail spending in each store category. This includes spending in the particular NAICS store category plus spending in applicable departments (product lines) of general merchandise stores. Spending data is basesection c 2002 U.S. Economic Census. Per capita spending is based on a 2002 U.S. population of 287,941,000.

3. This section adjusts per capita spending as reported in section 2 by multiplying it by the PPI from section 1.

4. This section calculates trade area demand (in dollars) by store category. Here, trade area population listed in section 1 is multiplied by per capita sales from section 3.

5. This section calculates trade area demand in terms of square feet. It divides total sales in step 4 by typical sales per square foot in that store category. Sales per square foot data is available from the publication Dollars and Cents of Shopping Ceion calculate Urban Land Institute, Washington, DC.

Appliance, TV, and Other Electronics Stores (NAICS 44311)

This industry comprises establishments primarily engaged in retailing one of the following: (1) retailing an array of new household-type appliances and consumer-type electronic products, such as radios, televisions, and computers; (2) specializing in retailing a single line of new consumer-type electronic products (except computers); and (3) retailing these new products in combination with repair services.

Consumer Behavior and Trends in Store Category

Larger ticket appliance and electronic purchases are typically driven by comparison shopping. Accordingly, stores with a large selection or multiple stores in the same community are usually necessary. The exceptions are purchases of less expensive items (such as toasters), those appliance/electronic stores serving a specific consumer niche, or established stores with regional recognition (i.e. Kennedy-Hahn in Waunakee).

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	
This NAICS Category (Appliance, Television and Other Electronics)	$4,336,618
General Merchandise Stores	$2,200,736
Total	$6,537,354 or 17,851 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Appliance, Television and Other Electronics) Radio Shack	1,500 sq ft
General Merchandise Stores (Departments Selling This Product Line): Ace Hardware	Eliminating this product line
Total	1,500 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

Appliance, television and other electronics stores were not widely noted as a desirable new business on either the business owner's survey or the community survey.

Trade Area Demographic and Lifestyle Findings

The three largest Community Tapestry lifestyle categories vary in their electronics and appliance purchases. The Main Street USA consumer segment (32.4% of trade area households) own or purchase appliances at rates similar to the national average. The Green Acres segment (27.0% of trade area households), have above average ownership or purchasing rates for household appliances, electronics, computers and video games. The Rural Resort Dweller lifestyle segment (15% of households) purchase or own most household appliances, electronics and video games at below average rates. While the purchasing propensity of the largest lifestyle segments are mixed, the trade area's above average percentage of owner-occupied housing and projected growth rate should have a positive impact on this retail category.

Analysis of Non-Local Market Segments

Unless a specialty product niche is developed, demand from tourists, commuters and day-trippers likely would be limited.

Retail Mix Analysis

The retail mix analysis shows that appliance and electronics stores are somewhat common in other comparable communities.

Competitiveness of Existing Stores in Trade Area

None are present in the trade area.

Competitiveness of Existing Stores Outside of the Trade Area

Both Madison and Baraboo provide considerable competition for appliances and electronics. Several national retailers in Baraboo (such as Menards) sell varying selections of home appliances and consumer electronics. Madison's West Side includes competition from Best Buy, Circuit City, the Maytag Store, Sears, Brothers Main and other established appliance and electronics stores.

Conclusions

While there is notable consumer demand in the Sauk Prairie trade area, the competition present in Madison and Baraboo provides somewhat of a barrier for the appliance and electronics store category. The demand could provide a secondary opportunity for the expansion of an existing store.

Grocery/Specialty Food Stores (NAICS 4452)

The grocery store industry group comprises establishments primarily engaged in retailing a general line of food products. The specialty food stores category comprises establishments primarily engaged in retailing specialized lines of food. Specialty food stores include meat markets, fish and seafood markets, fruit and vegetable markets and other specialty food stores (bakeries and confectioneries/nut stores).

Consumer Behavior and Trends in Store Category

Two trends impacting the Sauk Prairie market are the increasing sizes of grocery stores and the popularity of the Wal-Mart Superstore concept (located in Baraboo). While grocery stores averaged 10,000 sq ft in the early 1970's, the national average is now upwards of 50,000 sq ft. While this figure is an average, it reflects consumer's desires for expanded product selections and the need to increase size to accommodate the thin profit margins found in most grocery stores (around 1% of gross sales).

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	
This NAICS Category (Grocery Stores/ Specialty Food Stores)	$28,560,003
General Merchandise Stores	$7,799,387
Total	$ 36,359,390 or 102,841 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Grocery Stores/Specialty Food Stores)	
Piggly Wiggly	24,000 sq ft
Sentry	22,500 sq ft
La Mexicana	3,000 sq ft
Wyttenbach's	2,000 sq ft
Carr Valley	750 sq ft
General Merchandise Stores (Departments Selling This Product Line):	
N/A	N/A
Total	52,250 sq ft

Source: Local Business Inventory – Figures are estimates

Survey and Focus Group Findings

The desires for expanded grocery shopping opportunities were expressed in both the business owner's survey and the community survey.

Trade Area Demographic and Lifestyle Findings

Community Tapestry data show that the three largest Community Tapestry lifestyle categories are somewhat average in their weekly grocery purchases. More specifically, the three largest categories do not significantly deviate from the average U.S. household in their weekly expenditures on groceries.

While the Hispanic population only comprises 2.4% of the Sauk Prairie trade area, this growing consumer segment is having an impact on the local grocery market. The National Grocers Association reports that ethnic customers have a number of purchasing propensities that grocery stores can tap. While La Mexicana currently serves many of these needs, this consumer segment could provide additional product niches for other grocery stores in the trade area.

Analysis of Non-Local Market Segments

Tourists, campers and second home owners provide some additional demand for trade area grocery stores. The commuter consumer segment also provides an opportunity to serve the convenience needs of these travelers. Ready-to-eat meals and other convenient offerings may provide opportunities for reaching these time-strapped consumers.

Retail Mix Analysis

One or two specialty food stores are found in most comparable communities. However, a comparison of Sauk Prairie's business mix does not suggest a gap in either the grocery store or specialty foods retail categories.

Competitiveness of Existing Stores in Trade Area

The trade area's existing grocery stores have a somewhat limited selection in most specialty food categories (produce, seafood, bakery, etc.). La Mexicana has an expanded ethnic product mix.

Competitiveness of Existing Stores Outside of the Trade Area

Considerable grocery store competition exists in Baraboo and Madison. The Wal-Mart Supercenter in Baraboo and large grocery stores in Madison (such as Woodman's, Copps and Cub) all provide competition from both price and product selection perspectives. Madison also provides competition from a number of specialty food markets on the West Side (such as Brennan's).

Conclusions

The supply and demand analysis shows a notable demand gap within the Sauk Prairie trade area. The study committee also noted a gap in some products offered by existing grocery stores. These gaps may be best addressed through the expansion of existing grocery stores in the trade area.

Women’s Clothing (NAICS 44812)

This industry comprises establishments primarily engaged in retailing a general line of new women's, misses'; and juniors' clothing, including maternity wear. These establishments may provide basic alterations, such as hemming, taking in or letting out seams, or lengthening or shortening sleeves.

Consumer Behavior and Trends in Store Category

According to the U.S. Census Bureau’s Annual Retail Trade Survey, per capita sales in apparel stores decreased approximately 1.0% between 1992 and 2003 (after adjusting for inflation). The decrease is important not because consumers are spending less on apparel, but rather where people make apparel purchases. The decrease in spending reflects the growing share of apparel purchases made in department stores such as Target, Kohl’s and Wal-Mart. Accordingly, a specialty consumer niche or a critical mass of apparel stores is usually necessary for women’s apparel stores to exist in small downtowns.

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	
This NAICS Category (Women’s Clothing Stores)	$2,152,826
General Merchandise Stores	$3,202,585
Total	$5,355,411 or 19,051 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Women’s Clothing Stores) None	 0 sq ft
General Merchandise Stores (Departments Selling This Product Line): Ace Hardware Ganser’s Sauk Prairie Harley Davidson/Buell	 500 sq ft 100 sq ft 800 sq ft
Total	1,400 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

The need for a women’s clothing store was expressed in the business owner’s survey. While the comprehensive planning survey did not specifically identify women’s clothing, the desires for increased specialty retailers were identified by many survey respondents.

Trade Area Demographic and Lifestyle Findings

The three largest Community Tapestry lifestyle categories show average purchasing propensities for women’s clothing. However, the purchasing propensities for specific women’s clothing items (i.e. dress pants) vary within these Tapestry segments. Retailers currently selling women’s clothing or businesses that are seeking to offer women’s clothing should consider exploring these products listed by Community Tapestry.

Analysis of Non-Local Market Segments

Unless a unique consumer niche is developed, non-local market segments will provide a limited amount of demand for women's clothing stores.

Retail Mix Analysis

Dedicated women's clothing stores are not found in the Sauk Prairie area and are somewhat uncommon in most comparable communities. Several women's clothing stores are found in Downtown Stoughton and the Lake Geneva area has developed somewhat of niche with twelve establishments.

Competitiveness of Existing Stores in Trade Area

None present in trade area.

Competitiveness of Existing Stores Outside of the Trade Area (i.e. Baraboo)

Specially Her's in Baraboo has a specialty women's clothing mix selling mother-of-the-bride, wedding dresses, prom dresses, etc. Madison has an extensive mix of national and local women's clothing on the West Side. The recent development of Greenway Station in Middleton has enhanced this mix.

Conclusions

While the Sauk Prairie trade area demonstrates a demand gap of 19,000 sq ft, there is a lack of supporting anchor stores, appropriate retail mix, or comparison shopping opportunities. Women's clothing would have to be specialty focused or would need to be developed as a cluster or specialty niche for the Sauk Prairie area. A specialty focus could be developed related to the outdoor recreation amenities of the area.

Musical Instrument Stores (NAICS 45114)

This industry comprises establishments primarily engaged in retailing new musical instruments, sheet music, and related supplies; or retailing these new products in combination with musical instrument repair, rental, or music instruction.

Consumer Behavior and Trends in Store Category

Students and school instruments is one of Sauk Prairie's primary music consumer segments. According to the International Music Products Association (NAMM), one factor impacting the sales of school instruments is the rise of eBay. In 2002, eBay had $350 million in music products sales, which made it the nation's second or third largest music retailer. The ability of eBay to sell used musical instruments has supplanted a portion of new instrument rentals by traditional music stores.

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	*Square Feet*
This NAICS Category (Musical Instrument Stores)	$339,565
General Merchandise Stores	*N/A*
Total	$339,565 or 1,772 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Musical Instrument Stores)	N/A
General Merchandise Stores (Departments Selling This Product Line):	N/A
Total	0 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

Music instrument stores were not specifically noted in either the business owner's survey or the comprehensive planning survey.

Trade Area Demographic and Lifestyle Findings

The Study Committee reports that the Sauk Prairie School District is a draw for musically-oriented students. In 2005, the Sauk Prairie School District reported approximately 2,600 enrolled students. While the school district boundaries are not the same as the trade area boundaries, these students do represent one consumer segment. Furthermore, student enrollment is projected to increase 900 to 1,000 students over the next 10 years. *Note that these enrollment figures are simply projections and their accuracy is yet to be determined*.

An overview of Community Tapestry data for the three largest consumer segments shows that trade area households tend to play musical instruments at rates somewhat similar to the U.S. average. The Main Street USA consumer segment (32.4% of trade area households) play musical instruments slightly less than the average household. The Green Acres segment (27.0% of trade area households), play musical instruments at a rate 13% above the national average. Households in the Rural Resort Dweller lifestyle segment (15% of households) play musical instruments less frequently (25% below the national average).

Analysis of Non-Local Market Segments

Non-local market segments would likely provide limited demand to a musical instrument retailer.

Retail Mix Analysis

Musical instrument stores are not found in the Sauk Prairie area or in any of the comparable communities analyzed in the business mix.

Competitiveness of Existing Stores in Trade Area

While music lessons are available in the Sauk Prairie area, there are no dedicated musical instrument retailers located in the primary trade area.

Competitiveness of Existing Stores Outside of the Trade Area

While Baraboo has one music store (Baraboo Music), the primary competition for musical instruments is found in Madison. Specifically, Ward-Brodt Music currently has a contract with the school district to provide musical instruments. Other notable Madison-area retailers include Forbes Meagher and Good-N-Loud Music.

Conclusions

A new musical instrument retailer would need to be cost-competitive with Madison-based stores, provide an exceptional level of local service, and offer quality lessons. Otherwise demand for a new dedicated musical instrument retailer is limited.

Gift Stores (NAICS 45322)

This industry comprises establishments primarily engaged in retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations, and curios.

Consumer Behavior and Trends in Store Category

Consumer trends and behavior in the gift, novelty and souvenir stores constantly change and will vary by region. One change impacting downtown gift retailers is the rise of the Internet as a venue for increasing sales. Opportunities through e-commerce are no longer the realm of large national retailers. The capability of small retailers to sell on-line has increased with the popularity of e-commerce services such as e-Bay and Pay-Pal. The ability for local gift stores to supplement in-store sales with Internet retailing may provide an opportunity for local establishments.

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	*Square Feet*
This NAICS Category: (Gift Stores)	$1,074,583
General Merchandise Stores	N/A
Total	$1,074,583 or 5,629 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Gift Stores)	
Windowsill	800 sq ft
Décor and More	1200 sq ft
Goal Line Sports	700 sq ft
General Merchandise Stores (Departments Selling This Product Line):	
Ace Sauk Prairie (River's Edge Crafts, cards and collectibles)	6,500 sq ft
Sauk Prairie Harley Davidson	500 sq ft
Ganser's	1,000 sq ft
Total	10,700 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

The need for new gift stores was expressed several times in the business owner's survey. While the comprehensive planning survey did not specifically identify gift stores, the desire for increased specialty retailers was identified by numerous survey respondents.

Trade Area Demographic and Lifestyle Findings

Purchasing preferences will vary among the trade area's residents. These preferences will also vary season-to-season and year-to-year. Accordingly, it is difficult to generalize the gift purchasing propensities of local consumers. Nonetheless, an evaluation of the three largest Community Tapestry lifestyle segments shows a number of common interests among consumers in these households. In particular, all three of these lifestyle segments show a relative propensity for woodworking, bird watching and gardening.

Analysis of Non-Local Market Segments

Non-local demand could be significant for gift, novelty and souvenir stores. The Sauk Prairie area has a variety of events that draw significant people and outside dollars into the community. In September, the Wisconsin State Cow Chip Throw attracts and estimated 25,000 to 40,000 attendees. The eagle watching season (3-4 months in duration) providesd over $1 million in local economic impact in a six week period in 2003-04. Other attractions and events such as the Wisconsin River, the MDA Freedom Ride, and the Grape Stomp Festival bring visitors into the Sauk Prairie area. While the downtown impact of some of these events is somewhat limited, these events do provide some market potential.

Retail Mix Analysis

Gift stores are fairly common in most of the comparable communities. Several communities that are tourist destinations (i.e. Berlin and Lake Geneva) have a variety of gift stores. The relatively few gift stores found in the Sauk Prairie area compared to the other comparable communities may suggest a preliminary gap in the business mix.

Competitiveness of Existing Stores in Trade Area

Local gift stores have a range of product selections. Several florists and other non-gift dedicated retailers also sell a variety of gifts.

Competitiveness of Existing Stores Outside of the Trade Area (i.e. Baraboo)

The Sauk Prairie Area is surrounded by a number of communities having a strong mix of specialty gift stores. Baraboo, Madison, and Spring Green all have a notable mix of gift stores that provide competition for local and non-local dollars.

Conclusions

While local demand is limited to approximately 5,600 square feet of retail space, the gift, novelty and souvenir store is niche based and oriented towards shopping districts with a critical mass of establishments. The success of new gift stores in the Sauk Prairie area will depend on two key factors:

1. The development of a critical mass of gift store establishments through attracting several businesses in concert and placing these businesses in close proximity of each other.
   The placement of new gift stores within proximity of other new (or existing) gift establishments will assist in creating a critical mass or a destination for shoppers.

2. The creation of a unique product mix relative to other local shopping destinations and existing stores in the trade area. Expanding the local product mix in a manner that does not directly compete with niches developed by other neighboring communities will help the Sauk Prairie area to develop its own identity among consumers. The river and outdoor recreation opportunities provide a theme for merchandise selection.

Art Dealers (NAICS 45392)

This industry comprises establishments primarily engaged in retailing original and limited edition art works. Included in this industry are establishments primarily engaged in displaying works of art for retail sale in art galleries.

Consumer Behavior and Trends in Store Category

Driven by home makeover and do-it-yourself shows, one of the primary trends in the art dealer retail category is the rising popularity of home decorating. According to *Art Business News*, many of these home decorators are budget-minded, young married couples who have a need to buy art for walls in new homes. It is predicted that many of these home decorators expect to buy more art and are likely to continue frequenting mass merchants and home furnishings and furniture stores for already-framed prints (*Art Business News*, August 2003).

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	*Square Feet*
This NAICS Category: (Art Dealers)	$299,695
General Merchandise Stores	*N/A*
Total	$299,695 or 919 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Art Dealers) Water Street Gallery	500 sq ft
General Merchandise Stores (Departments Selling This Product Line): None	N/A
Total	500 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

The need for new art dealers was not specified in the business owner's survey. While the comprehensive planning survey did not specifically identify the need for art dealers, the desire for increased specialty retailers was reported by survey respondents.

Trade Area Demographic and Lifestyle Findings

While the purchasing propensities for art are not specifically analyzed by Community Tapestry, several other local demographic categories will likely impact art dealers. The middle incomes of most trade area households suggest that the price points of art retailers will need to somewhat fit the needs of these consumers. Furthermore, the consumer trends noted above suggest that young married couples are a target demographic for art retailers. Within the Sauk Prairie trade area, 60.5% of the households are classified as married couple families. The percentage of households in this category is the highest among Sauk County, Dane County, and the State of Wisconsin. As the Sauk Prairie trade area continues to grow, this demographic segment may increase as well.

Analysis of Non-Local Market Segments

Similar to gift, novelty and souvenir stores, non-local demand could be notable for art dealers. The Sauk Prairie area has a variety of events that draw significant people and outside dollars into the community. In September, the Wisconsin State Cow Chip Throw attracts and estimated 25,000 to 40,000 attendees. The eagle watching season (3-4 months in duration) provides an estimated $1 million in local economic impact. Other attractions and events such as the Wisconsin River, the MDA Freedom Ride and the Grape Stomp Festival bring visitors into the Sauk Prairie area. The River Arts Center Gallery offers 5-8 shows per year drawing a few thousand people. While the downtown impact of some of these events is somewhat limited, these events do provide some market potential.

Retail Mix Analysis

There are two art dealers listed within the Sauk Prairie zip code areas, one of which is located in the downtown areas. In general, art dealers are not found in most comparable communities. Those communities that have art dealers, such as Fort Atkinson, Lake Geneva and Stoughton, tend to have multiple locations. The presence of multiple art dealers in these communities may suggest the need for a critical mass of establishments.

Competitiveness of Existing Stores in Trade Area

Existing stores in the Sauk Prairie Trade Area offer somewhat limited product mixes. While not specifically classified as an art dealer, Décor and More also provides a selection of framed art. The River Arts Center has several shows per year that also generate art sales.

Competitiveness of Existing Stores Outside of the Trade Area

As stops on the Fall Art Tour, Spring Green and Baraboo both have critical masses of artisans and art dealers. Madison also has a wide variety of art dealers, galleries, and events (such as the Art Fair on the Square and Art Fair off the Square). These communities and events provide day-trip opportunities for residents of the Sauk Prairie trade area.

Conclusions

If a complementary product mix can be developed, there may be some potential for the development of an art dealer niche. While Sauk Prairie businesses would face competition from other established art destinations and events, Sauk Prairie has some existing art attractions that could serve as a starting point (such as the River Arts Center) for developing this market segment. Attracting artists who can both showcase their products and show art in production may also add to the tourist appeal of the Sauk Prairie area.

Office Supplies and Stationery Stores (NAICS 45321)

This industry comprises establishments primarily engaged in one or more of the following: (1) retailing new stationery, school supplies, and office supplies; (2) selling a combination of new office equipment, furniture, and supplies; and (3) selling new office equipment, furniture, and supplies in combination with selling new computers.

Consumer Behavior and Trends in Store Category

The office supplies and stationery retail category includes significant competition from national big-box retailers such as Office Max, Staples and Office Depot. These national retailers have put increasing pressure on smaller independent establishments by providing lower prices, offering an extensive product mix (supplies, furniture, computers, etc) and establishing a presence on the Internet.

Supply and Demand Considerations

Demand – Sales and Square Feet	
Store Category	
This NAICS Category: (Office Supplies and Stationery Stores)	$1,418,112
General Merchandise Stores	$612,623
Total	$2,030,736 or 8,289 sq ft

Source: Retail Demand Calculator Worksheet

Supply - List of Current Businesses and Square Footage	
Store Category	*Square Feet*
This NAICS Category: (Office Supplies and Stationery Stores) Giegerich's Sons	920 sq ft
General Merchandise Stores (Departments Selling This Product Line): Ace Sauk Prairie Ganser's Variety	 200 sq ft 100 sq ft
Total	1,220 sq ft

Source: Local Business Inventory

Survey and Focus Group Findings

Office supplies stores and office support services were noted in the business owner survey. Office supply and stationery stores were not specifically noted in the consumer survey.

Trade Area Demographic and Lifestyle Findings

An overview of the three largest community tapestry segments shows that the two largest lifestyle categories (Main Street USA and Green Acres) tend to purchase office supplies at big-box type retailers or other mass merchandisers. The third largest lifestyle category, Rural Resort Dwellers, do not tend to purchase a large amount of office supplies. Furthermore, all three of the largest lifestyle segments tend to own computers at rates similar to the national average.

Analysis of Non-Local Market Segments

Non-local market segments will provide relatively little demand for this retail category.

Retail Mix Analysis

While office supply stores are found in several comparable communities, they are not necessarily common. The number of these stores in other communities is not enough to suggest a gap in the Sauk Prairie trade area.

Competitiveness of Existing Stores in Trade Area

No other stores in the trade area sell office supplies.

Competitiveness of Existing Stores Outside of the Trade Area (i.e. Baraboo)

Similar to the other retail categories analyzed in this section, Madison and Baraboo provide significant competition. Madison is home to national office supply retailers such as Office Max, Staples and Office Depot. Other big box and specialty stores in Madison and Baraboo serve many consumers and businesses in the trade area.

Conclusions

While there is a demand gap in the office supply category, the competition for these products provided by Madison businesses will likely preclude the establishment of a new Sauk Prairie Area retailer. However, there may be a smaller opportunity for a local business to offer a greater selection of office products and offer some office-related services such as copying and computer repair.

Conclusions

While many retail categories show notable supply and demand gaps, the Sauk Prairie Area faces significant competition from both Madison and the growing number of retail establishments in Baraboo. The following summary of conclusions recognizes the competition present in these areas and suggests secondary expansion/recruitment opportunities (unless an exceptional retailer or concept can be identified):

- While there is notable consumer demand in the Sauk Prairie trade area, the competition present in Madison and Baraboo provides an entry barrier for the appliance and electronics store category. The demand could provide a secondary opportunity for the expansion of an existing store.

- The supply and demand analysis of grocery stores/specialty food shows a notable demand gap within the Sauk Prairie trade area. The study committee also noted a product gap in some products offered by existing grocery stores. These gaps may be best addressed through the expansion of existing grocery stores in the trade area.

- While the Sauk Prairie trade area demonstrates a women's clothing demand gap of 19,000 sq ft, there is a lack of supporting anchor stores, retail mix, or comparison shopping opportunities. Women's clothing would have to be specialty focused or would need to be developed as a cluster or specialty niche for the Sauk Prairie area.

- A new musical instrument retailer would need to be cost-competitive with Madison-based stores, provide an exceptional level of local service and offer quality lessons. Otherwise demand for a new dedicated musical instrument retailer is limited.

- While there is a demand gap in the office supply category, the competition for these products provided by Madison businesses will likely preclude the establishment of a new Sauk Prairie Area retailer. However, there may be a smaller opportunity for a local business to offer a greater selection of office products and offer some office-related services.

In general, the most promising opportunities are classified as cluster-based or niche based development. Given the trade area demographics, the existing business mix and non-local consumer segments, the following conclusions are summarized:

- While local demand is limited to approximately 5,600 square feet of retail space, the gift, novelty and souvenir store is niche based and oriented towards those shopping districts with a critical mass of establishments. The success of new gift stores in the Sauk Prairie area will depend on two key factors:

    1. The development of a critical mass of gift store establishments through attracting several businesses in concert and placing these businesses in close proximity to each other.
    The placement of new gift stores within proximity of other new or existing gift establishments will assist in creating a critical mass and a destination for shoppers.

    2. The creation of a unique product mix relative to other local shopping destinations and existing stores in the trade area. Expanding the local product mix in a manner that does not directly compete with niches developed by other surrounding communities will help the Sauk Prairie area to develop its own identity with consumers. The river and area outdoor recreation opportunities provide a theme for merchandise selection.

- If a complementary product mix can be developed, there may be some potential for the development of an art dealer niche. While Sauk Prairie businesses would face competition from other established art destinations and events, Sauk Prairie has some existing art attractions that could serve as a starting point (such as the River Arts Center) for developing this market segment. Attracting artists who can both showcase their products and show art in production may also add to the tourist appeal of the Sauk Prairie area.

For niche based development to occur, business owners and business districts must overcome several challenges:

1. Sauk Prairie's business districts must seek to create a physical atmosphere that accommodates these niche opportunities. Developing this atmosphere could involve incorporating the unique assets present in the downtown areas (such as the Wisconsin River) and developing a brand for the Sauk Prairie area that would make it a regional shopping destination for these retail categories. These sentiments were echoed by many of the respondents to the community survey conducted through the comprehensive planning process.

2. Overcoming the lack of retail continuity present in Sauk Prairie's business districts will be necessary to create business cluster opportunities. Currently, retail is somewhat disjointed both in individual shopping districts and among all of the districts. For a critical mass of establishments to be created, businesses will need to be located in relative proximity of one another.

3. Coordination and cooperation among business owners. Business owners within a potential niche often oppose its creation for the fear of increased competition. Promoting the benefits of niches to existing business owners will aid in overcoming these fears and allow the niche to develop. Accordingly, these niches should not be publicly marketed until retailers agree to cooperate.

Section

8

Analysis of Restaurant Opportunities

This section explores market opportunities for new restaurants in the Sauk Prairie Trade Area. The section begins with a summary of industry trends that provide background on changing consumer preferences. Then an analysis of the Sauk Prairie market is presented.

Industry Trends

For the past three decades, the restaurant industry has consistently posted yearly sales gains. Today's consumers regard food prepared away from home as a necessity. Convenience, a need for socialization, and gains in real disposable income have led consumers to spend more food dollars in restaurants.

In the 1990s fast food restaurant proliferation included "channel burners," fast food restaurants incorporated into gas stations, Wal-Marts and Targets. The result was fast food market saturation. By 2002 full service restaurants bypassed fast food restaurants in the total food away from home spending, according to the Economic Research Service of the USDA's report, *The Demand for Food Away From Home: Full Service or Fast Food?" p*ublished in January 2004. This report predicts that changing demographics including a larger ageing population, less traditional households and generally higher per capita incomes will result in the increase in the number of full service restaurants.

Another trend is the growth of highly sophisticated companies specializing in sit-down restaurants such as Cheesecake Factory (American), P.F. Chang's China Bistro (Chinese), Morton's (Steak), and Olive Garden (Italian). In 2002, large chains for the first time captured more of the dining out market than independent restaurants. These and other chains have expanded throughout the country and many are publicly traded (fueling their expansions).

Consumer Preferences

According to a nationwide survey conducted by the National Restaurant Association, men are more likely than women to use restaurant services (91 percent versus 85 percent during the survey week) as are young adults in comparison to older adults (6.9 weekly restaurant visits for adults 18-44 versus 3.3 visits for adults age 65 and older).

According to research by C&R Research for the National Restaurant Association, there are four broad food attitude segments among today's restaurant patrons. The distribution of diners among these four segments is fairly even, although differences will be found in different communities:

- Adventurous diners are consumers enthusiastic about trying new types of foods and ingredients. They are frequent diners who are "upscale," educated and more likely to live in urban areas.

- Traditional diners are the least experimental and tend to live in smaller cities. They are often older, less frequent patrons who enjoy comfort foods.

- Health-conscious diners make food choices based on health concerns as well as specialized diets such as vegetarian, kosher and high protein/low carbohydrate.

- Carefree diners are the opposite of health-conscious diners and want to forget about eating healthy. These consumers are typically males under the age of 50.

In general, National Restaurant Association research points to increased preferences for salads, seafood, chicken and bottled water. Trends specific to full service and quick service restaurants follow.

Full Service Restaurant Trends

Full service restaurants are defined as those establishments with waiter/waitress service where an order is taken while the patron is seated. They represent 52% of all restaurant sales in the U.S. Growth in this segment is driven in large part by consumer's desire for fun and enjoyment. Growth in sales, particularly at casual-dining (casual dinner house) establishments, is also driven by higher income households.

In many smaller communities, the "supper club," with its aging customer base, is being replaced by casual dinner house restaurants. Casual attire is seen in this style of restaurant, and it appeals to all age groups allowing intergenerational dining. Menus feature variety from hamburgers to steaks, sandwiches to entrees, appetizers to desserts. While the normal variety of alcoholic beverages is available, these restaurants are more likely to focus on wine or beer with a meal as opposed to spirits. According to Nation's Restaurant News, dinner houses are driving growth in the restaurant industry. Prominent dinner houses include such powerhouses as Red Lobster, Olive Garden, Chili's and T.G.I. Friday's.

Quick Service Restaurant Trends

Limited service restaurants are defined as those establishments in which patrons order at a cash register, use a drive-thru or select items from a food bar. They represent 41 percent of all restaurant sales in the U.S. According to Nation's Restaurant News, the largest chains include giants like McDonald's, Burger King and Wendy's. In fact the sandwich concepts account for 40 percent of the sales for the top 100. Growth of these restaurants has slowed, as there has been significant consolidation in the market. Stronger concepts are overtaking weaker ones, often for purposes of acquiring prime real estate. Co-branding various chains in one building has also constrained the overall growth in the number of units.

The rapid growth in number of the "fast-casual" restaurants will have a significant impact on the overall quick service sector. Fast-casual restaurants offer foods and décor more in line with the casual dining experience. This new category, which falls between the Quick Service and Full Service segments, is less likely to offer fried foods and more likely to have hand-held items such as sandwiches and wraps. These restaurants tend to do their highest sales volume during lunch and generate a higher average check than traditional quick service restaurants. Eighteen to 34-year-olds are especially attracted to the "fast casual" segment. Chains from the fast casual segment include Culvers, Panera, Chipotle Grill and Noodles & Co.

According to a National Restaurant Association survey, consumers desire carry-out and delivery and many view takeout as essential to their lifestyle. Restaurants will face continuing competition from grocery stores, convenience stores and others courting the takeout market. More consumers are also becoming more value-conscious expecting better value in terms of price paid, service consistency and food quality. Consumers are becoming more interested in using technology like self-service terminals.

Because of the challenges facing many restaurants, especially independents, it is important to stay informed of changing trends in this industry. Fierce competition in the industry will continue and proper menu, service and concept planning must be ongoing to prevent business failure.

Source: "Restaurant Industry Trends" by Doug Kennedy, Bill Way and Bill Ryan. Let's Talk Business, http://www.uwex.edu/ces/cced/lets/0803ltb.html

Sauk Prairie Location Analysis

Analysis of the restaurant market must look beyond the local residential base to include all people who travel through, or to, the community (residents and non-residents). In this analysis, traffic patterns provide an important indicator of the level of exposure a restaurant would receive at a specific location. “Demand generators" are examined as they contribute to restaurant utilization levels. Additionally, company offices, manufacturing firms, schools and retail businesses generate restaurant business, often from non-residents entering the area.

Traffic Volume and Direction

The trade area’s highest traffic volume occurs on Highway 12 just east of Water Street, before crossing the Wisconsin River, on the edge of the Sauk City’s downtown business district. The average daily traffic volume is 15,000 vehicles per day. In the morning, traffic is heavier southbound; in the evening, the reverse is true. During the summer, weekend traffic is heaver.

Average daily traffic volume on Water Street in downtown Sauk City is roughly 10,700 vehicles per day. In the summer, traffic increases on Water Street but not to the extent seen on Highway 12.

Prairie du Sac’s highest traffic volume is found at the intersection of Broadway and Water Streets. At that intersection, the average daily traffic volume is approximately 8,600 vehicles per day.

Eagle watching season in Prairie du Sac creates steady pedestrian traffic downtown from mid November through mid March. Otherwise, pedestrian traffic is heaviest in the morning as people walk to work or to buy coffee. Lunchtime traffic is fair, due to a limited number of restaurants.

Visibility, Accessibility and Parking

The intersection of Highway 12 and Water Street in downtown Sauk City has high visibility and good accessibility; however, the corner is not inviting and does not provide a reason for travelers to turn downtown.

In downtown Sauk City, the two downtown blocks of Water Street have 80 angled parking spaces. During the day, parking is somewhat difficult. Municipal parking lots feature an additional125 spaces one block east and west of Water Street. More parking is available but unmarked. After 5:30 p.m., parking on Water Street is much easier. Signage should be increased to improve public awareness of off-street parking areas, as well to denote the downtown business district.

Traveling north on Water Street from Sauk City, the entrance into the Prairie du Sac’s central business district has high visibility and good accessibility. Parking on Water Street in downtown Prairie du Sac is difficult in the northern half of Prairie du Sac, although it eases up after 5:30 p.m. The number of street and parking lots spaces within the 3 downtown blocks is 138. An additional 63 stalls are within one block of Water Street.

Major Demand Generators

The primary daytime demand generators in the community are the major employers. In Sauk City, Fiskars and Unity Health Insurance are located in the industrial park directly off Highway 12. Both businesses have cafeterias. McFarlane Mfg. Co is located on Water Street just south of the Sauk City business district. Fuch’s is situated off highway 12 on the opposite side of the Wisconsin River.

Prairie du Sac’s major employers include Sauk Prairie Memorial Hospital, Sauk Prairie School District and Milwaukee Valve, located in the Prairie du Sac Industrial Park. While the Hospital is located within a few blocks of Water Street, it does contain its own cafeteria. The school district offices are just far enough to be outside of walking distance.

While a number of local employers are located on the periphery, they generate traffic through downtown especially during the commuting periods. Accordingly, there may be opportunities to capture this traffic in the morning for coffee and breakfast and in the evening for take-home items. While company cafeterias and eating spaces may limit demand for a lunch customers, there may still be opportunities to serve other employees in the area by setting up regular order and delivery periods, or by offering catering services.

High school students at Sauk Prairie High School in Prairie du Sac have an open campus for lunch. Approximately 20-35 percent of students leave campus on any given day in route to a nearby restaurant or home.

In Sauk City, evening demand generators are limited to two bowling alleys and a few bars. In Prairie du Sac, the Bonham theatre shows weekday movies starting around 7 p.m. The late movie, Friday through Sunday begins around 8 p.m.

Meal Periods Most Likely to Draw Customers

Currently, the meal period most likely to draw customers is lunch, due to a reported lack of restaurants available for the business lunch. Nonetheless, the dinner period provides some opportunities. Currently, few businesses and only two restaurants in each village are open after dinner, limiting the number of evening dining options. The success of an establishment catering to a dinner crowd would be enhanced if it could target customers from outside of the trade area.

Seasonal Trends Affecting Business

Weekend business during eagle watching season, mid November through mid March, produces more tourists and pedestrian activity than usual in both downtowns. Increased summer traffic to the Dells, especially on Highway 12, provides an opportunity to tap into a tourist market for more leisurely meals.

Restaurant Site Alternatives

Location is critical to success in the restaurant industry. There are three possible areas for new restaurants to locate in Sauk Prairie: downtown Sauk City, downtown Prairie du Sac and on Phillips Road. Both downtowns represents excellent opportunities for restaurants to draw the local, commuter and tourist markets as the location on the Wisconsin River and within an historical area adds a positive component that enhances the dining experience. With improved parking signage, a more welcoming entrance to downtown and aesthetic improvements, the two downtown districts could become a unique restaurant destination.

Currently available sites downtown include the former sites of the Waterfront/Riverside Ballroom. Sites on the periphery of the downtowns provide potential sites for new development. On Water Street to the south of Highway 12 a new building development will have four retail spaces on the ground floor.

The other area for potential restaurant development is on Highway 12. The restaurant industry has thrived on freestanding locations with easy access and visibility, which are currently available on Phillips Boulevard. This location may appeal to more harried consumers commuting or running out for a quick lunch.

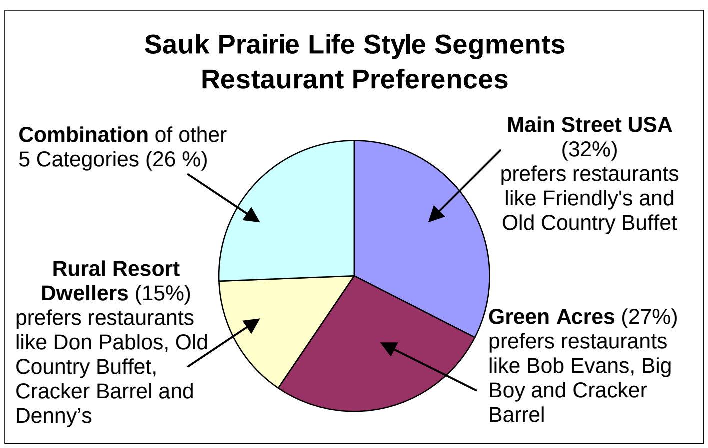
Sauk Prairie Market Characteristics

Demand

Household spending on food away from home is heavily influenced by a variety of demographic characteristics. Some of the most significant factors are considered in the following table.

U.S. Dining Out Characteristics 2002	Sauk Prairie Trade Area
Household Income – Expenditures on food away from home rises dramatically for households with income before taxes of $30,000 or more. Households with average income of $70,000 or more spent more on food away from home than any other group (49.0 percent of their food dollar). In contrast, households with income before taxes between $15,000 and $19,999 allocated 34 percent of their total food dollar on food away from home in 2002.	The average household income of Sauk Prairie is 6 percent higher than that of the State, and 13 percent more in Sauk County, suggesting that households in the trade area may have higher expenditures on foods away from home.
Age – Households headed by persons between 55 and 64 spent the most per capita on food away from home in 2002. Adults between 35 and 54 have higher incomes resulting in higher spending. However, adults aged 35 to 44 are also in their prime child-raising years resulting in a larger household size and per capita spending. Spending also decreases among households headed by persons age 65 and older.	The trade area population is slightly older than that of the state. These differences may have a minor influence on dining spending potential.
Household Size – One-person households posted the highest per capita spending on food away from home. Larger households generally allocated a smaller portion of their total food dollar on food away from home and, as a result, posted lower per capita spending.	The trade area has a slightly larger average household size compared to the state suggesting that per capita spending may be slightly lower as compared to the rest of the state. Further, single person households (the highest per capita spenders) represent a smaller percent of the trade area.
Household Composition – Households consisting of only a husband and wife posted the highest per capita spending on food away from home. Households with the oldest child age 18 or older spent about 35 percent more per capita on food away from home than households with the oldest child under age six.	Sauk Prairie has more families with children in comparison with the rest of the state. More than one-third of those households contain children under age 18 resulting in lower spending potential than households without children.
Occupation – Persons employed in managerial and professional occupations posted the highest total and per capita spending on food away from home. Self-employed persons and technical, sales and clerical workers also posted above-average total expenditures on food away from home.	Sauk Prairie has a higher percentage of blue-collar workers than the rest of the state. However, many have higher incomes than white-collar workers signaling that occupation may not influence dining-out spending.

Source: National Restaurant Association's *Restaurant Spending – 2002*



Overall U.S. restaurant expenditure trends are localized and presented here to describe household and per capita spending potential in the Sauk Prairie primary trade area. Local resident lifestyle segments and their demographics are studied to determine the attractiveness of the local market from a restaurateur's perspective.

Tapestry consumer classification data from ESRI™ Marketing systems was used to learn about dining-out activity among household groups in the primary trade area. Overall, Tapestry suggests that the Sauk Prairie primary trade area is a good market for restaurant demand.

According to data purchased from ESRI, residents of the Sauk Prairie primary trade area had $27,477,693 in consumer spending potential for food purchased away from home in 2004. Dane and Sauk Prairie combined posted $787,117,677 in food away from home spending potential. The three main lifestyle segments are detailed in the chart above.

Supply

Business Name	Address	Concept
Sauk City Restaurants		
Antique Tap	817 Water Street,	Bar and Grill
Culver's Frozen Custard	716 Phillips Blvd	Franchise
Charlie And Anne's	833 Water Street	Bar and Grill
Dairy Queen	739 Phillips Blvd	Franchise
Dorf Haus	8931 County Road Y	German & American Supper Club / Banquet Facility
Green Acres	7438 State Road 78	Steak House
Java Espresso	Phillips Blvd	Coffee Shack
Jimmy's	101 Jackson Street	Pub Food
Lee’s Gardens	207 Water St	Thai or Chinese
Leystra’s Venture Restaurant	200 Phillips Blvd	Family Restaurant, homemade food and desserts
McDonald’s	727 Phillips Blvd	Franchise
Pizza Pit	51 Polk St	Pizza
Pizza Plaza of Sauk City	837 Water St	Pizza
Press Box	809 Water Street	Tavern featuring soups and sandwiches
Riviera Bowl	51 Polk Street	Pub Food
Roxbury Tavern	8901 Hwy Y	Home Style Cooking and Specialty Foods with no smoking
Sauk City Bowling Lanes	910 Water Street,	Pub Food
Spot the Bar	819 Water Street	Pub Food
Subway Sandwiches and Salads	829 Phillips Blvd	Franchise
T J’s Catering	504 Madison St	Catering
Unique Floral and Gifts	806 Water St	Coffee and Sweets
Prairie du Sac Restaurants		
Blue Spoon Creamery Café	550 Water St	Sandwiches, soups, salads, coffees & desserts: outdoor patio
Coach's Place Tavern	638 Water Street	Pub Food
El Paisano	545 Water St	Mexican
Lake Wisconsin Country Club	N1076 Golf Rd	Friday Night Buffet and Sunday Brunch/Banquet Facility
Mr Q'S	614 Water Street	Pub Food
Sauk Prairie Eagle Inn	655 Water St	Family restaurant with homemade food and breakfast all day
Tony’s	644 Water St	Pub Food
Steve's Arboretum Lounge	7888 State Road 188	Pub Food
Wyttenbach Meats	19th & Prairie Street	Breakfast, Lunch and Carry Out
Major Competitors Elsewhere in Primary Trade Area		
C-G'S Pub & Grub	Merrimac	Pub Food
Candy's Merrimac Cafe	Merrimac	
Casey’s Café Devil’s Head Resort	Merrimac	Breakfast, Lunch, Dinner, Pub food, Banquet Facilities
Ferry Crossing Bar & Grill	Merrimac	
Hillcrest on Lake Wisconsin	Merrimac	Supper Club on Lake Wisconsin. Steaks, seafood and pasta
Old Schoolhouse Restaurant	Merrimac	Supper Club and Pizza
Heiney's Dining & Spirits	Black Earth	Steak and Seafood – higher end.
Hatfield’s Bar and Grill	Black Earth	
Lunch Bucket Cafe	Black Earth	
P & C Gas Company	Black Earth	
Patchin Scott & Maxine	Black Earth	
Picadilly Circus	Black Earth	Franchise
Taco Bell Express	Black Earth	Franchise
Fat Mike’s Chicago Pizza	Mazomanie	Pizza
Gordon Drive in Restaurant	Mazomanie	
Mazo Dining and Catering	Mazomanie	
Old Feed Mill	Mazomanie	Supper Club also serving lunch
Parkin Inn	Mazomanie	
Rookie’s Food and Spirits	Mazomanie	
Subway Sandwiches and Salads	Mazomanie	Franchise
Walking Iron Depot	Mazomanie	
Whistle Stop Cafe	Mazomanie	

The only branded restaurant concepts in the Sauk Prairie trade area are in the quick service sector. They consist of McDonald’s, Subway, Dairy Queen, Culver's, and Pizza Pit. This is a limited grouping of the largest segment in the restaurant industry, but is indicative of the limited “branded” restaurant market that has existed in Sauk Prairie at this point. One would need to travel to Baraboo to experience a broader sampling of this segment.

The remainder of the Sauk Prairie supply consists of independent restaurants providing take-out food (i.e., pizza, Asian), family restaurants, Mexican food, taverns, supper clubs or operations from the café/deli segment.

Taverns and fast food businesses dominate Sauk Prairie’s restaurants. These are followed by the two family style restaurants, one in each village, two supper clubs located in Roxbury, and the Lake Wisconsin Country Club. Two of these last three restaurants do not serve meals on a daily basis. Recently, the Roxbury Tavern and Green Acres have been sited by media in the Madison area as eating establishments “worth the travel”. Blue Spoon Café in Prairie du Sac has a three level terrace outside facing the Wisconsin River. Unique Floral and Java Café in Sauk City both have a deck overlooking the river.

To date no branded concept from the fast casual or casual dinner house segment has considered this location. A number of operations from these segments have instead selected the Madison market. Sauk Prairie appears to support restaurants in a variety of price markets varying from quick service to supper clubs.

Conclusions

Restaurants are essential to downtown development and revitalization. They help provide pedestrian traffic throughout the day and reaffirm the downtown as a destination. Many of these restaurant concepts will benefit from the character and sense of place afforded by revitalized downtown as the Blue Spoon has, and can serve to draw day visitors in town to enjoy the view of the river, eagle watching or a pleasant detour while on a longer trip.

Thru-travelers on highway 12 will need a reason to explore the downtown, but once they do, restaurants can become a main reason for a return visit. Downtown restaurants should stay focused on concepts that will enhance the district’s character in an effort to tap into the commuter and tourist market. Quick service restaurants may be more appropriate on Highway 12 where there may be a market advantage based on location and complementary businesses present.

Determining the success of a restaurant goes beyond the market. The success of an individual restaurant depends greatly on its operator and its concept. Accordingly, this analysis identifies restaurant concepts that my have a greater chance of success within the trade area. A concept is a combination of ideas that forms the foundation for a particular type of restaurant operation. It means making decisions about the components of the restaurant including theme, menu, service style, hours of operation, price point, entertainment and atmosphere.

Looking to the preceding information on restaurant locations, consumer demand and existing supply conditions, a number of restaurant concepts were identified in a preliminary effort to determine restaurant concepts that might be successful in the community. The analysis considered the following:

- Is demand for the type of restaurants considered greater than the supply of restaurant seats now available?
- Which types of restaurant concepts considered have the capability to encourage segments in the primary trade area to dine out more frequently?

Concepts offered by the study committee are presented below:

- Brew Pub - A brew pub with a location on the Wisconsin River could serve to fill the market for a more mid-priced bar and grill while also creating a destination for commuters, tourists and those seeking a place for a business lunch.

- Ethnic Casual Restaurant - An Italian, Asian or Mexican restaurant with mid to low price point and sufficient seating may serve the Sauk Prairie market well. While there is an example of each of these restaurants in the area, it would be possible to add another with a different emphasis, either a varying menu, price point or atmosphere in order to be successful in the market.

- Steakhouse/Supper Club/Casual Dining - A supper club or casual dining establishment has future potential. This concept would have to have name recognition outside of the Sauk Prairie trade area. Recruiting an established restaurant in another community to open an additional location in Sauk Prairie could create this recognition.

- Family Buffet - Based on the number of families and the lifestyle segmentation, there appears to be an adequate market for a family buffet restaurant either more traditional in the realm of an Old Country Buffet or a Chinese buffet.

- Family Restaurant - Based on the number of families and the lifestyle segmentation, there appears to be an adequate market for a family restaurant. While family restaurants already exist within the trade area, it would be possible to add another with a different emphasis, either a varying menu, price point, setting or entertaining atmosphere in order to be successful in the market.

The history of both downtowns, their sense of place and unique setting on the Wisconsin River makes them ideal locations for some of these restaurants to locate, particularly emphasizing the view through the large windows or outdoor seating. There is both a perceived and actual need for restaurants in both downtowns.

In should be noted that these concepts require more thorough and detailed analysis before business expansion or recruitment effort begins. However, much of the required data for a more comprehensive analysis of the restaurant market may be considered proprietary and difficult to obtain. Accordingly, further analysis of the restaurant market should be conducted in a collaborative effort with existing and prospective restaurant industry professionals.

Section

9

Recommendations

This section builds on the findings from each of the study's earlier sections to provide economic development recommendations for Sauk Prairie's business districts. The recommendations that follow are intended to support business expansion, niche development, space utilization, marketing, and business recruitment.

Using the data and information summarized in this market analysis, the knowledge of the study committee, and the insight offered by nationally recognized experts in the field of downtown and business district revitalization,* five general recommendations for the continued economic development of Sauk Prairie's business districts have been developed. These include:

1. Improve Physical Attributes to Encourage Business Activity
2. Create a Unique Competitive Position/Niche for Each Business District
3. Focus on Three Primary Consumer Segments
4. Expansion and Recruitment of Retail and Restaurants
5. Develop an Action Plan Timetable

These recommendations are based on the following assumptions:

- Current market conditions in the trade area will remain similar to those described in the report. If the trade area experiences dramatic shifts in population, income, employees or demographic composition, these opportunities will need reassessment.

- The five recommendations build upon and are dependent on each other. For example, improvement to physical attributes (recommendation #1) is required to successfully implement the other recommendations.

- Businesses will continue to improve their merchandising techniques and cooperatively develop an effective marketing campaign focusing on the three market segments identified: local residents (including out-commuters), in-commuters, and tourists and visitors.

- The Sauk Prairie Area Chamber of Commerce, the Villages of Prairie du Sac and Sauk City, and the Sauk County Development Corporation will continue to support business retention and expansion efforts within the business districts.

** Additional sources used in developing these recommendations were drawn from nationally recognized experts in downtown and business district revitalization including Kennedy Smith, Kent Robertson, and others. A number of their articles are summarized in the UWEX Let's Talk Business e-newsletter available online at http://www.uwex.edu/ces/cced/publicat/letstalk.html*

1. Improve Physical Attributes to Encourage Business Activity

Strengthening the community's unique sense of place and character will be important in sustaining economic vitality and capturing consumer expenditures for years to come. This will involve building on the community's most unique amenity: the Wisconsin River.

A strong sense of place is vital to the health and prosperity of a small city downtown, especially those located on the fringe of metropolitan areas. It helps to make the district distinct, a place that can become a destination for both long-time residents and new ag-urban transplants. Moreover, it can maintain the small town charm and character that tends to appeal to both groups. A sense of place serves to enhance a downtown's economic viability by attracting more people to visit and encouraging them to spend more time and money. A walkable, inviting, attractive, and safe human-scale environment for pedestrians is an essential component of downtown's sense of place. According to Kent Robertson (1999), seven key elements are pivotal in defining a strong downtown sense of place. See the Let's Talk Business article on this topic: http://www.uwex.edu/ces/cced/lets/Oct00ltb.pdf

Improve Streetscape

Provide incentives for property owners to upgrade their buildings and refurbish storefronts. In particular, encourage property owners to tap into the hidden potential of historic buildings whose facades may have been covered by past renovations. Uncovering and accentuating the historic features of buildings help make the downtown districts more distinctive and attractive.

Establish downtown design guidelines in both villages to encourage the use of quality building materials, appropriate architectural styles and complementary design elements. This will encourage a long-range effort to reinforce the character and sense of place downtown by accentuating noteworthy buildings and providing architectural and design continuity.

Enhance streetscapes through well-maintained sidewalks, handsome street trees, attractive pedestrian-oriented and human-scale streetlights, and planter/bench among other features (Robertson 2004). Additionally encourage business owners to develop creative and appropriate window displays providing visual interest to pull individuals out of their cars, increasing pedestrian activity and shopping downtown.

Promote Infill

Overcoming the lack of retail continuity between downtown buildings in Sauk Prairie's downtown districts will be necessary to create business cluster opportunities. Currently, retail is somewhat disjointed both in individual shopping districts and among all of the districts. Several parcels are underutilized. To create a critical mass of establishments, businesses will need to be located in relative proximity of one another. While working to create the critical mass, reuse alleys and vacant spaces between buildings. Consider making these spaces more attractive through landscaping, benches and flowerbeds to make the downtowns more inviting to pedestrians.

New development in Pewaukee is multi-story, multi-use and higher density with traditional design

Think beyond retail. Housing, offices, government functions, entertainment, religion and increasingly, small-scale industries give the downtown districts economic buoyancy and market diversity. In regard to housing, promote higher density housing at both market rate and more affordable levels in the downtown areas. Given the growing population (Demographics and Lifestyle section) and growing nationwide demand for in-town housing, both owner-occupied and retail housing should be considered. Downtown housing adds to overall vitality of the district and provides built-in demand for retail and services.

Encourage multi-story buildings in the downtown districts with upper floors used as residential units. A higher density of businesses and residences in the downtown districts will increase pedestrian traffic and overall economic activity. Traditional buildings that fit the historic character of these districts are recommended. Consider financial incentives to building owners to utilize their upper floors by remodeling for residential use.

Create an Inviting Gateway to the Downtown Districts.

Creating an inviting entrance to Downtown Sauk City from Highway 12 is especially important. This includes the recruitment of a few magnet businesses to key locations that will draw travelers into the district. The comparable communities examined in the Retail Mix section have actively defined and improved the gateways into their downtowns. These gateways give potential customers compelling reasons to visit their commercial districts. Take advantage of the visibility of buildings at the corner of Highway 12 (Phillips St.) and Water Street. A number of buildings at this key intersection are in high profile locations and could draw consumers who would otherwise pass through the community on Highway 12. Further, landscaping and signage at this location could encourage motorists to visit the downtown areas.

Make parking accessible, attractive and pedestrian friendly

Parking is essential to the success of downtown businesses, however it should always be subservient to what draws people downtown, shopping, dining, entertainment, services and special events (Robertson, 2005). Address perceived and real parking issues in the downtown district. Develop a parking strategy that allows for convenient parking without deterring pedestrians or diminishing the attractiveness of the downtowns. Important in these efforts is signage that directs visitors to additional parking off Water Street, and the use of landscaping to screen some parking areas, or at least improve their appearance. Some tips can be found in Let's Talk Business: http://www.uwex.edu/ces/cced/lets/may05ltb.html

Improve Signage and Visibility.

Improved wayfaring signs as well as reinstalling the Welcome signs in an appropriate location. "Entrances" to the communities and to the downtowns should be well marked to encourage travelers' awareness of what communities they are in, and how to get to local business districts. This would include Phillips, County Road PF and the bridges into both Prairie du Sac and Sauk City.

Public Access and Business Use on the riverfront in Fort Atkinson. Source: http://www.fortchamber.com

Better Utilize the Riverfront.

People are naturally drawn to a body of water, so it can constitute a tremendous asset to a downtown's sense of place. A river may be under-appreciated and taken for granted by local residents and leaders. Link downtown districts to the Wisconsin River including improving the view of and access to the river. Renovation to existing buildings or new construction should take advantage of riverfront locations by connecting to the river, and benefiting from the view but still allowing public access.

2. Create a Unique Competitive Position/Niche for Each Business District

The community's business districts cannot be everything to everyone. The Sauk Prairie business districts must each develop a strong market position to distinguish itself from each other and other commercial centers in the region. Unique specialty niches that might enhance the competitive position of each business district are presented below. The opportunities for the two downtown districts are combined as are the opportunities for the two Highway 12 districts.

Downtown Sauk City and Prairie du Sac

A "sense of place' is what is what draws people to a successful downtown.
Photo source: www.pedbikeimages.org

Downtown Districts (Downtown Sauk City and Downtown Prairie du Sac) provide opportunities for pedestrian-friendly, "sense of place" commercial development. These are comfortable places to go and read, browse, see a show, take part in a festival, or visit with friends in a coffeehouse. Example niches that might be successful here include:

1. *Dining and Entertainment* – The downtown districts are already anchored by businesses that encourage a longer stay (i.e. restaurants, movie theater, specialty shops). However, additional dining and entertainment (whether its a theater, a spontaneous street performance, or a farmers market) will add to the success of this niche. Examples of the merging or retail and entertainment are discussed in the Let's Talk Business e-newsletter: http://www.uwex.edu/ces/cced/lets/letsen1.html

2. *Home Improvement and Décor* - The Ace Hardware store and its contiguous businesses have long been a destination for home improvement. The continued growth in new homes and population would support this niche. See example of Sheboygan Falls as described in the Let's Talk Business e-newsletter: http://www.uwex.edu/ces/cced/lets/lets298.html

3. *Specialty Retail – Gift Stores* -To tap into the visitor market, a critical mass of gift stores should be developed by attracting several businesses in concert and placing these businesses in close proximity to each other. The placement of new, unique gift stores within proximity of other new or existing gift establishments will assist in creating a critical mass and a destination for shoppers. The river and area outdoor recreation opportunities provide a theme for merchandise selection. See the Let's Talk Business e-newsletter: http://www.uwex.edu/ces/cced/lets/letsrrc.html

4. *Art Niche*. If a complementary product mix can be developed, there may be some potential for the development of an art dealer niche. While Sauk Prairie businesses would face competition from other established art destinations and events, Sauk Prairie has some existing art attractions that could serve as a starting point (such as the River Arts Center) for developing this market segment. Attracting artists who can both showcase their products and show art in production may also add to the tourist appeal of the Sauk Prairie area.

5. *Outdoor Recreation* – The Ace Hardware store and its contiguous equine and other outdoor recreation outfitters prove a base for expansion in this niche. These have become destination businesses and provide a foundation to expand retail and services around outdoor recreation.

6. *Neighborhood-Serving Retail* – The residential component of downtowns and the older neighborhoods immediately adjacent to downtown are home to some of the primary users of downtown retail and service offerings. Downtown residents can support both the retail and service sectors that have a relatively small geographic trade area like grocery stores, drugstores, book stores, movie rentals, and dry cleaners. According to Kent Robertson, "the downtown residential base adds to the market for many downtown shops, services, and restaurants, and serves to increase activity levels during evenings and weekends" (1999, p. 278).

Highway 12-Phillips Blvd and Highway 12-Prairie Street Commercial Area

Highway 12 Districts (Highway 12-Phillips Blvd, Highway 12-Prairie Street Commercial Area) provide opportunities for auto-dependent commercial development. These districts offer highway access, visibility and parking and are well suited to:

1. *Businesses that require significant space* – Included are car dealers, large grocery stores, home centers and general merchandise stores. One category in particular, motorcycle/boat/other motor vehicle dealers, likely reflects the proximity of Sauk Prairie to the recreational amenities of the area. This category already includes the popular Sauk Prairie Harley-Davidson store. This store is an example of how a unique retailer can find success in Sauk Prairie and become a regional destination business.

2. *Businesses that offer drive-thru or quick-stop purchases.* Included are businesses that sell convenience products and services for local householders, commuters and travelers including gasoline, fast food, dry cleaning, etc.

Business owners within a potential niche may oppose its creation for the fear of increased competition. Promoting the benefits of niches to existing business owners (i.e. explaining how all businesses in a niche could achieve increased sales) will aid in overcoming these fears and allow the niche to develop. Accordingly, these niches should not be publicly marketed until retailers agree to cooperate.

3. Focus on Three Primary Consumer Segments

Sauk Prairie's business districts must seek to create a physical atmosphere (recommendation #1) that accommodates specific niche opportunities (recommendation #2). Developing this atmosphere could involve incorporating the unique assets present in the downtown areas (such as the Wisconsin River) and developing a brand for the Sauk Prairie area that would make it a regional shopping destination for these retail categories. This brand must be developed in accordance with the needs of the following three primary market segments.

Local Residents

Included here are long-time and new households including residents who commute out of the community for work. Some exurban communities like Sauk Prairie must appeal to the needs and values of two contrasting population groups: new residents, many of whom are more suburban in their tastes, and the more traditional existing residents who may more closely typify rural Americans.

New home construction is contributing to the population growth in the trade area.

The demographics section indicates that the trade area has grown significantly over the past decade and that future growth is expected to continue at the current level. Further, the trade area has a large percentage of family households and home ownership compared to the region and state. Accordingly, there may be sizable consumer demand for products and services related to home ownership such as furnishings, design, maintenance and improvements.

The "Main Street" qualities that could be offered by exurban downtowns like those in Sauk Prairie (small town ambience, heritage, charm, personal service offered by business owners) may be enticing to many of the new residents because they are different and unique to their experience, but some may not understand or appreciate these qualities for the same reason.

The commuting aspect of exurban living influences the shopping behaviors of residents, reducing their available local shopping time while increasing their accessibility to shopping venues near their place of employment. Accordingly, messages to many in this market segment will need to address their busy out-commuting lifestyles.

In-Commuters

As reported in the Economics section, Sauk City and Prairie du Sac have high levels of worker flow in and out of the community (in addition to high traffic counts in comparison to other communities). Workers that commute into Sauk Prairie for work provide a unique opportunity to capture nonresident spending. For many products and services, the factors that influence a commuter's decision on where to shop are based on convenience and minimizing drive-time.

Morning out-commuters on Highway 12 between Sauk City and Middleton.

Strategies for capturing these consumers should be developed including convenient hours during primary commuting periods (early morning, late afternoon), drive-through windows (banks, dry cleaners, take-out food, pharmacies, etc.) and convenient parking that allows commuters to "shop with their wheels" and park in sight of the door. See the Let's Talk Business article on this topic: http://www.uwex.edu/ces/cced/lets/0201ltb.html

Tourist and Visitors

Included here are the many day-trip and overnight visitors including those who own second home in the trade area. Develop marketing action steps that position and brand the Highway 12 business districts as convenient stops enroute to regional destinations (i.e. Wisconsin Dells, Ho Chunk Casino, Devil's Lake State Park, etc.). Develop marketing action steps that position and brand the downtown districts as unique destinations for retail and restaurants that encourage a longer stay and build on community character and the proximity of the Wisconsin River.

Strategies for selling to tourists are in the UWEX Tourism and Retail Development guidebook available online.

Retailers who have been successful selling to tourists carefully manage their inventories in response to visitor wants, needs, and expectations. They have made their stores an attraction in the community, offering the visitor more than just a place to buy goods. Finally, they have accommodated the unique shopping needs of the visitor and have made shopping away from home easier. Suggestions on ways to market to this market segment are available in the UW-Extension Tourism and Retail Development publication: http://cecommerce.uwex.edu/pdfs/G3713.PDF

Connecting with the Primary Consumer Segments

To effectively reach and serve the three primary consumer segments, the following recommendations are offered:

1. *Branding the Wisconsin River*. According to AllAboutBranding.com, a brand is a unique and identifiable symbol, association, name or trademark which serves to differentiate competing products or services. It is both a physical and emotional trigger to create a relationship between consumers and the product/service. For Sauk Prairie, an opportunity exists to build a brand association between the Wisconsin River and the local business districts. This brand can be communicated to the three primary market segments as part of a comprehensive marketing plan. Both river and recreation related products and services as well as the proximity of the downtowns to the river can help distinguish Sauk Prairie's business districts. Consider using the Sauk Prairie Chamber logo as a unique identifier for businesses to joint-market their products and services.

2. *Focus on Shopping Experience*. In addition to a unique and identifiable association to the river, local retailers will want to appeal to the primary consumer segments by emphasizing excellent customer service and the unique, small town shopping environment. Suggestions on co-existing with regional big-box (within recommendation #4) specifically avoid competing on the basis of price or broad selection. Future marketing campaigns should reintroduce the Sauk Prairie business districts as providing unique shopping experiences and alternatives to regional shopping destinations.

3. *Create a Critical Mass of Retail and Restaurants*. Building on the success of current anchor stores and restaurants in the community, business expansion and recruitment activities will be necessary to create a critical mass of retail and dining establishments to appeal to the primary market segments. These are discussed in recommendation #4.

4. Expansion and Recruitment of Retail and Restaurants

Based on the Sauk Prairie market analysis data, the local study group examined a number of retail categories as well as restaurant concepts that might have market potential in the community. They were identified as businesses that could contribute to a critical mass of activity in one or more of the business district. The following summarizes the study group's analysis of these business opportunities and offers recommendations on how to strengthen/expand existing businesses as well as recruit new businesses.

Retail Expansion and Recruitment Opportunities

While many retail categories show notable supply and demand gaps, the Sauk Prairie Area faces significant competition from both Madison and the growing number of retail establishments in Baraboo. The following summary of conclusions recognizes the competition present in these areas and suggests secondary expansion/recruitment opportunities.

The study committee examined in detail the market potential of these categories. The findings from a sample of retail categories are summarized in the following table:

		Primary Market Segment			Expansion or Recruitment		Possible Locations	
Sample Retail Categories:	**Overall Market Potential**	**Local Resident**	**In-Commuter**	**Tourist & Visitor**	**Expansion Opportunity**	**Recruitment Opportunity**	**Downtown Districts**	**Highway 12 Districts**
Appliance/TV/Other Electronics	Medium	X			X		X	X
Specialty Foods	High	X	X	X	X		X	X
Woman's Clothing	Low	X		X			X	
Musical Instruments	Low	X					X	X
Gifts	High	X		X	X	X	X	
Art Dealers	Medium	X		X		X	X	
Office Supplies	Medium	X	X		X		X	X

Appliance/TV/Electronics - There is notable consumer demand gap in the category of appliance, TV and electronics stores in the Sauk Prairie trade area. Competition present in Madison and Baraboo provides an entry barrier for this store category. The demand could provide a secondary opportunity for the expansion of an existing store.

Specialty Foods - There are gaps in some specialty food products offered by existing grocery stores. These gaps may be best addressed through the expansion of existing grocery stores in the trade area.

Woman's Clothing - While the Sauk Prairie trade area demonstrates a women's clothing demand gap of 19,000 sq ft, there is a lack of supporting anchor stores, retail mix, or comparison shopping opportunities. Women's clothing would have to be specialty focused or would need to be developed as a cluster or specialty niche for the Sauk Prairie area.

Musical Instruments - A new musical instrument retailer would need to be cost-competitive with Madison-based stores, provide an exceptional level of local service and offer quality lessons. Otherwise demand for a new dedicated musical instrument retailer is limited.

Gifts - The gap in gift stores appears to be significant given Sauk Prairie's tourist and visitor market segments. Gift stores would also appeal to the local resident consumer segment.

Office Supplies - While there is a demand gap in the office supply category, the competition for these products provided by Madison businesses will likely preclude the establishment of a new Sauk Prairie Area retailer. However, there may be a smaller opportunity for a local business to offer a greater selection of office products and offer some office-related services.

Art-Dealers - While Sauk Prairie businesses would face competition from other established art destinations and events, Sauk Prairie has some existing art attractions that could serve as a starting point (such as the River Arts Center) for developing this market segment.

Other categories that might appeal to primary consumer segments (i.e. drug stores, furniture, home centers, book stores, computer and software stores, jewelry stores, water recreation stores) were not included in this analysis. These and other retail categories may offer additional business expansion or recruitment opportunities.

Restaurant Expansion and Recruitment Opportunities

Restaurants are essential to business district development and revitalization, especially in downtown areas. They help provide pedestrian traffic throughout the day and reaffirm the downtown as a destination. Many of these restaurant concepts will benefit from the character and sense of place afforded by revitalized downtown as the Blue Spoon has, and can serve to draw day visitors in town to enjoy the view of the river, eagle watching or a pleasant detour while on a longer trip.

Downtown restaurants should tie into the district's character in an effort to tap into the commuter and tourist market. Quick service restaurants may be more appropriate on Highway 12 where there may be a market advantage based on location and complementary businesses present.

Determining the success of a restaurant goes beyond the market. The success of an individual restaurant depends greatly on its operator and its concept. Accordingly, this analysis identifies restaurant concepts that my have a greater chance of success within the trade area. A concept is a combination of ideas that forms the foundation for a particular type of restaurant operation. The study committee developed the following list of restaurant concepts that have the potential for success in the community.

Sample Restaurant Concepts:	Overall Market Potential	Primary Market Segment			Expansion or Recruitment		Possible Locations	
		Local Resident	In-Commuter	Tourist & Visitor	Expansion Opportunity	Recruitment Opportunity	Downtown Districts	Highway 12 Districts
Brew Pub	Medium	X	X	X		X	X	
Ethnic Casual	Medium	X	X	X	X	X	X	X
Steakhouse/SupperClub/Casual	Medium	X		X		X	X	
Family Buffet	High	X		X		X		X
Family Restaurant	High	X		X		X		X

Brew Pub - A brew pub with a location on the Wisconsin River could serve to fill the market for a more mid-priced bar and grill while also creating a destination for commuters, tourists and those seeking a place for a business lunch.

Ethnic Casual Restaurant - An Italian, Asian or Mexican restaurant with mid to low price point and sufficient seating may serve the Sauk Prairie market well. While there is an example of each of these restaurants in the area, it would be possible to add another with a different emphasis, either a varying menu, price point or atmosphere in order to be successful in the market.

Steakhouse/Supper Club/Casual Dining - A supper club or casual dining establishment has future potential. This concept may have to have name recognition outside of the Sauk Prairie trade area. Recruiting an established restaurant in another community to open an additional location in Sauk Prairie could create this recognition.

Family Buffet - Based on the number of families and the lifestyle segmentation, there appears to be an adequate market for a family buffet restaurant either more traditional in the realm of an Old Country Buffet or a Chinese buffet.

Family Restaurant - Based on the number of families and the lifestyle segmentation, there appears to be an adequate market for a family restaurant. While family restaurants already exist within the trade area, it would be possible to add another with a different emphasis, either a varying menu, price point, setting or entertaining atmosphere in order to be successful in the market.

In should be noted that these concepts require more thorough and detailed analysis before business expansion or recruitment effort begins. Accordingly, further analysis of the restaurant market should be conducted in a collaborative effort with existing and prospective restaurant industry professionals

Strengthen/Expand Existing Local Businesses

"Homegrown" businesses are important for numerous reasons because they represent local entrepreneurship, keep dollars in the local economy, have one-of-a-kind distinctive character, and have local owners that make local decisions. Numerous methods are outlined in the publication "10 Reasons Why Vermont's Homegrown Economy Matters and 50 Proven Ways to Revive it. http://www.ptvermont.org/publications/HomegrownEconomy/sprawl_book.htm

One of the most effective economic restructuring tools community leaders can offer is a program to assist existing businesses in their efforts to become or remain profitable within the business district. The components of a retention and expansion program are outlined in a Let's Talk Business e-newsletter: http://www.uwex.edu/ces/cced/lets/0303ltb.html

Related to the above, programs on co-existing with the retail giants are especially popular in many communities. A recent Let's Talk Business e-newsletter provides an example of the kinds of educational material that might be helpful to local retailers trying to co-exist with big box retailers: http://www.uwex.edu/ces/cced/lets/05febltb.html

Finally, the data included in this market analysis should be made available to local businesses. For example, the Community Tapestry data (lifestyle segmentation data) including purchasing potential indices could help existing business operators identify potential products and services that might be in high demand. In addition to the broad category descriptions presented in this report, the Community Tapestry CD accompanying this report should be made available to the business community.

Establish a Business Recruitment Program

Based on priorities most fitting for the community, a coordinated retail recruitment effort should be initiated. Prospective businesses might include existing business seeking a better location, emerging entrepreneurs, regional businesses, or national chains.

It is important to be realistic about the chains and their interested in small communities like Sauk Prairie. Their market, store size and parking requirements may preclude them from considering the community. This market analysis should be used as foundation data for a recruitment effort. For guidelines on developing a business recruitment program, see the Let's Talk Business e-newsletter, http://www.uwex.edu/ces/cced/lets/0603ltb.html

5. Develop an Action Plan Timetable

The numerous recommendations in this section can only be successful through a persistent and continuous effort of implementation. In creating the action plan timetable, consider the following steps:

Establish strategic goals for a five-year period.

Possible goals may mirror the proceeding recommendations and include:

1. Improve Physical Attributes of Business Districts
2. Create a Unique Competitive Position/Niche for Each Business District
3. Effectively Market/Reach Target Consumer Segments
4. Expansion and Recruitment of Retail and Restaurants

Communicate goals and objectives

Communication to business operators, the public and local government is essential in creating awareness, promoting the efforts and creating partnerships. Encouraging local media coverage of completion of the study and completion of upcoming benchmarks will not only keep the communities in the public eye, but will help create a more positive image. The local newspaper and local radio as well as the Wisconsin State Journal Sunday Business Section are good targets for positive media coverage.

Integrate the Market Analysis into the Comprehensive Plan

This is a pivotal time in the history of Sauk Prairie. While the expansion of Highway 12 has the potential to change the community, the community itself has responded by working on a new comprehensive plan as well as this marketing study. To help with successful implementation, this study should be incorporated within the comprehensive plan in order to assist with the analysis of the business districts as well as to capitalize on the network of individuals involved in planning and implementation of both documents. The two are complementary plans, and their implementation should work in tandem.

Monitor and measure progress

As part of creating a five-year action plan, build in realistic benchmarks to monitor progress both in implementing the plan and in specific gains within the business districts. For example, establish a simple database that can be updated annually to track activity in the downtown districts including statistics such as: pedestrian counts, number of stores/restaurants, future responses to business and consumer satisfaction surveys, construction of new space, number of residential units, attendance at special events, number of employees, traffic counts, occupancy rates, property values, etc. Information from these databases can be used in business expansion and recruitment, as useful information for current businesses and in press releases sent out to promote the progress attained in both communities. After each year, revisit the goals and benchmarks to make sure they are appropriately ambitious.