

The Importance of Government Facilities in Downtowns

An Analysis of Business Establishments in Wisconsin's County Seats

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Government offices have traditionally been built in the center of cities and towns. It made sense to build city or county offices in a location that was easy to travel to, near homes of the employees, and near supporting and complementing retail and services.

However, given the change in shopping habits, dependence on the automobile, increased dependence on computers and the internet, and the rising cost of land in the city center, some argue that there are fewer reasons to keep government offices downtown.

Public Buildings and Downtown

Public buildings are important both socially and economically to a downtown area. Municipal office buildings, courthouses, libraries and post offices are essential components of healthy downtowns. These facilities draw many employees and users of public services who are likely to spend money at downtown businesses. Government workers who come each day to a downtown public building will spend between \$2,500 and \$3,500 annually, according to Place Economics, a Washington, D.C.-based consulting firm.

Federal, state and local government leaders are beginning to recognize the important role they play in downtown revitalization efforts. Federal agencies are now required to consider downtown areas first when looking for new space. They are strongly encouraged to locate there unless there are compelling reasons to the contrary. State agencies also attract and generate significant economic activity, and several states have established policies directing state agencies to locate downtown whenever possible. Relatively few local governments have enacted similar policies, but are beginning to recognize their importance to downtown.

Comparable Community Analysis

A study was conducted in Summer 2005 by the University of Wisconsin – Extension Center for Community and Economic Development in order to determine if communities with a county seat have a greater number of businesses in their downtowns than comparably sized communities without county seats. In this analysis, comparable communities were identified as those places in Wisconsin with a municipal population of 3,500 to 12,000, that are located within a specified distance from a city with a population of 25,000 or greater and are located within a specified distance to a major discount department store (when possible). This comparison included twenty cities with county offices downtown and twenty cities with no county government offices downtown.

After the cities were selected a 1-mile diameter ring was drawn around the center of each downtown area, and all of the businesses that fell within the ring were selected. From this data, the mix and number of businesses were analyzed.

The table on the following page lists total business counts for all cities by business category, excluding government establishments. County seats had 8.4% more businesses in their downtowns than comparison communities with few or no county offices downtown.



Business Categories by Major NAICS Classification

Description	County Seats	Non-Seats
Agriculture, Forestry, Fishing & Hunting	13	10
Mining, Utilities and Construction	197	228
Manufacturing	139	136
Wholesale Trade	90	93
Retail Trade	825	764
Transportation and Warehousing	52	71
Info, Finance, Insur and Real Estate	576	512
Prof, Scientific, and Technical Services	455	341
Mgmt. of Co. and Enterprises, Admin, ..	117	114
Educ, Healthcare and Social Assistance	516	382
Arts, Entertainment, and Recreation	84	84
Accommodation and Food Services	332	339
All Other Services, Including Misc.	688	667
Total Businesses Excluding Government	4,084	3,741

Data Sources: 2000 US Census, ESRI, Info USA

The following paragraphs analyze selected business categories that are often found in downtown districts. The selected categories presented show a significant difference between cities with and without county seats.

Retail - For retail business, county seats had more businesses than non-seats (825 vs. 764 respectively, or 7.4% more). This was the case for destination businesses including appliance, TV and electronics stores, department stores and record stores. Visitor oriented businesses, such as gift shops, novelty stores and souvenir stores also had higher counts in county seats, as did pharmacies/drug stores.

Professional, Scientific and Technical Services-

Communities with county offices had more professional, scientific and technical service businesses compared to communities with few or no government offices (455 vs. 341 respectively or 25% more). As might be expected there are more law offices and legal services in county seats. This is likely due to the demand for lawyers and legal services associated with government offices and courthouses. Insurance agencies, brokerages, engineering services and advertising agencies all had more businesses in county seats than in non-seats.

Accommodation, Restaurants and Food/Drink Services -

Though the county seats and communities with few or no county offices appear to have similar counts in this category (332 vs. 339 respectively), there are a few differences. Communities with few or no county offices downtown had more restaurants (201) than county seats (170). This could be attributed to the trend of locating fast food restaurant chains and other automobile-dependent convenience stores near the edge of town. However, county seats did have a

larger number of traveler accommodations such as bed and breakfasts or resorts compared to non-county seats.

Education, Healthcare and Social Assistance – Downtown communities that are county seats have more services in this category than those communities that have few or no county offices downtown (516 vs. 316 respectively, or 26% more). The differences in this category are likely due to an affiliation with county government.

Conclusions

Public facilities are essential components of a healthy, strong and vibrant downtown. Many communities experience economic and social benefits when the post office, municipal building, public library or other important public buildings stay or are expanded downtown. Based on both governmental policies and actions at all levels, there appears to be renewed recognition of the importance of public buildings and their activities to the vitality of the downtown and the overall quality of their communities.

Based on the accumulation of business data from the downtowns of selected communities in Wisconsin, it can be determined that communities with county government offices downtown tend to have more businesses than those communities without county offices downtown. This further reaffirms the validity of the downtown strategy to retain major governmental activities in the downtown area.

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