



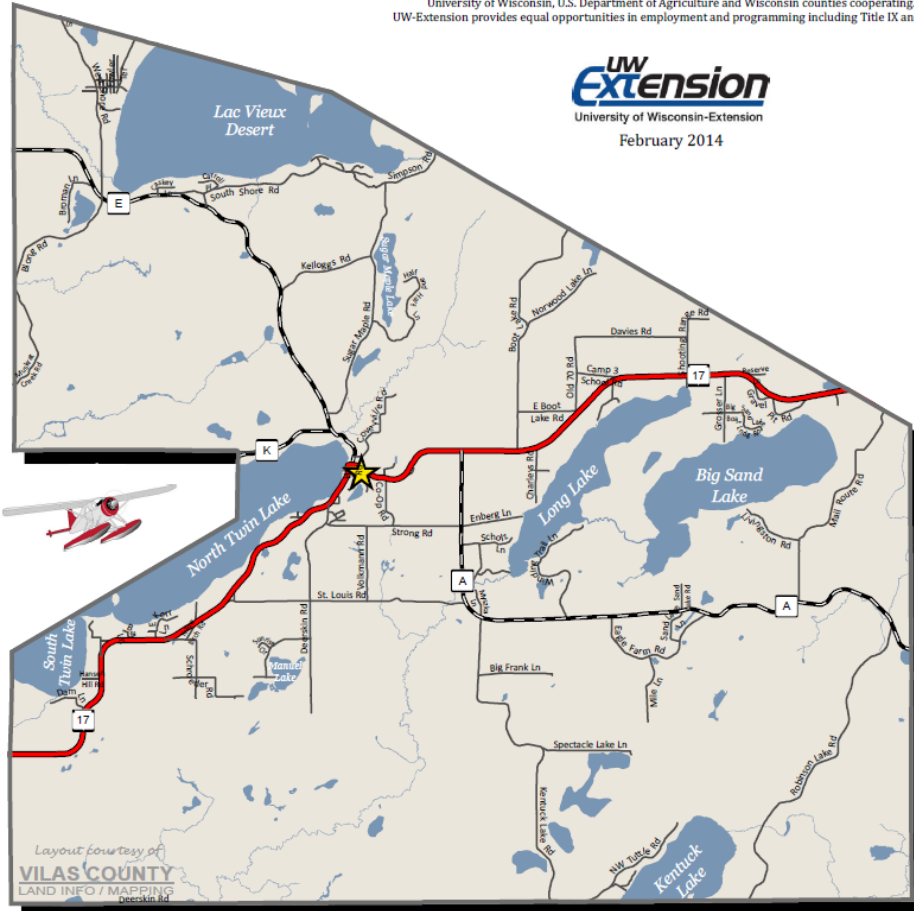
# PHELPS DOWNTOWN REVITALIZATION STRATEGY

Christopher A. Stark

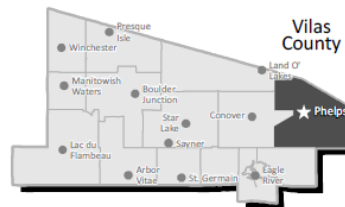
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# PHELPS

## DOWNTOWN REVITALIZATION STRATEGY

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*“If you don’t like change, you’re going to like irrelevance even less.”*

*General Eric Shinseki*

# **PART ONE: INTRODUCING PHELPS**

*“The best kept secret in Northern Wisconsin”*

## **INTRODUCTION**

The completion of this report comes at a time when Phelps has just lost their single largest employer. That employer, the Lillian Kerr Healthcare Center, employed 76 good paying jobs in this small community of 1200. In one-on-one interviews with local residents, several people voiced considerable frustration from that recent closing and also frustration from years of little or no improvement in the downtown in general. As such, more emphasis is placed in this report on energizing the people of Phelps to take action and to work together – the key to implementing the necessary change in the downtown. Assistance from outside the community - such as the Wisconsin Main Street Program and the Wisconsin Economic Development Program will come after the local residents take the initial steps.

In preparing this report, considerable time was spent on research and reading relevant articles on the subjects of tourism, small town grocery stores, downtown development, retaining youth in rural areas, the impact of second home owners, and community philanthropy. Background information for this report goes to the excellent work done by Community Planning & Consulting, LLC of Green Bay and their “Strategic Planning Session Summary Report.” That group conducted a visioning session on February 6, 2012 in Phelps having in all, 73 participants from the Town. The top five issues that arose during this visioning session were:

- Grocery store
- Downtown
- High speed internet and cable access
- Phelps School
- Support for change

These issues are addressed within.

The author wishes to acknowledge those who helped contribute to this report.  
The following entities contributed information, time and research:

The Wisconsin Main Street Program  
University of Wisconsin Extension – Community and Economic Development  
Wisconsin Economic Development Corporation

North Central Wisconsin Regional Planning Commission  
Community Foundation of North Central Wisconsin  
New Mexico Main Street Program  
Vilas County Economic Development Corporation  
Eagle River Revitalization Program

Individuals from three of these entities came to Phelps to offer ideas and suggestions to revitalize the downtown. First, I want to thank University of Wisconsin Extension Community & Economic Development's Downtown Specialist Bill Ryan for his input and suggestions. Bill contributed much research work on small 'ma and pa' grocery stores in the Midwest. Secondly, Naletta Burr from the Wisconsin Economic Development Corporation, who is working with the community at present on a variety of economic development-related issues. Thirdly, the Eagle River Revitalization Program for their willingness to provide ideas, inspiration and an invitation – to Phelps to participate in a meeting with them.

In addition, representatives from the following communities were contacted to investigate programs that may be of interest to Phelps:

Tigerton, WI  
Cornucopia, WI  
Algoma, WI  
Park Falls, WI  
Eagle River, WI  
Three Lakes, WI

A large amount of time was spent researching small 'ma and pa' grocery stores in other communities, façade improvements, community kitchens, local community foundations and other ideas that have been successful in other small towns of similar size or situation to Phelps.

All maps in this report were prepared by the Vilas County Mapping Department.

## **EXECUTIVE SUMMARY**

This report was written at the request of the Planning Commission of Phelps. The purpose of the report is to identify action strategies that can be implemented by the Town Board, Planning commission and other committees in Phelps as an aid to the revitalization of their downtown and the community. It focuses on an asset-based approach by capitalizing on the natural resources of Phelps and by recognizing the talents to the local people. ***The report should not be construed as a downtown master plan with architectural and design guidelines.***

The report starts by showing the population of Phelps from 1910-2010, showing the rise and fall and subsequent rise again in the population of the Town. Much of this rise and decline in the first half of the 20<sup>th</sup> century is associated with the lumber mill and chemical factory that were the economic lifeblood of the Town. Those factories were closed by 1958 and Phelps has never recovered - its peak population of over 1600 in 1940 dropped to an all-time low of 876 by 1970. From 1970-2000, Phelps saw population growth until 2000 but with a different characteristic: the population was primarily composed of retirees, and the average age of the community in 2010 was 55.4.

From the 2010 Census, we learn that Phelps lost 11 percent of its population (from 2000-2010) and it is currently capturing only 1.4 percent of all retail activity in Vilas County (2010) despite having approximately six percent of the county population. Retail is one measure of tourism activity. In addition, the Town had the lowest percentage of 20-24 year olds of any Town in Vilas County (along with Presque Isle whose average age is 60.9). This means less people of working age to be the new entrepreneurial class – a key to business growth in the downtown.

The methodology used in this report to identify key issues and form strategies included conducting one-on-one interviews with 42 adult residents, a focus group of the senior class (10 students) at Phelps High School, researching relevant data about the town and endless discussions with community leaders. Extensive research was conducted that included an analysis of demographic and socioeconomic data, the effect of losing a dominant employer, rural grocery stores, small town downtowns, the Wisconsin Main Street Program, national trends in tourism and characteristics of tourists, and youth retention.

As a result of the interviews and research, three core areas were identified as currently lacking in Phelps that has held back development. Not at all unique to rural areas, they must nevertheless be addressed in order for Phelps to be able to proceed with a successful revitalization effort of the downtown. The three areas are:

- Expertise
- A Guiding Coalition
- Financing

As noted in the report, one method to gain access to expertise and financing is to establish a liaison to the Vilas County Economic Development Corporation. Since December 2010 this group has had a full-time director, and they are working actively to address the unique challenges of Vilas County's economy. Phelps and the County have many similarities but there are also situations that are uniquely Phelps. To that end, this report calls upon the town to implement three primary action strategies that address the downtown and the wider community as well as four recommended activities to both strengthen the tourist draw and heighten the attractiveness

for local residents. The strategies are adapted to take into account the strengthening of the core areas noted above.

The three primary action strategies are:

1. To Join the Connect Communities Program of the Wisconsin Main Street Program
2. To Form a Grocery Store Task Force
3. To Prepare a Comprehensive Tourism Strategy with Local Lodge Owners

The recommended activities to strengthen tourism are:

1. To Support Trail Development
2. To Develop and Promote Culinary Tourism
3. To Organize a Façade Squad
4. To Capitalize on The Efforts of Youth Development Currently Taking Place in Northern Wisconsin

The report concludes with a Proposed Timetable of Activities for the Strategies and Recommendations and includes relevant statistical information.

# PICTURES OF DOWNTOWN PHELPS









## **GEOGRAPHY AND HISTORY OF PHELPS**

### **Location and Transportation**

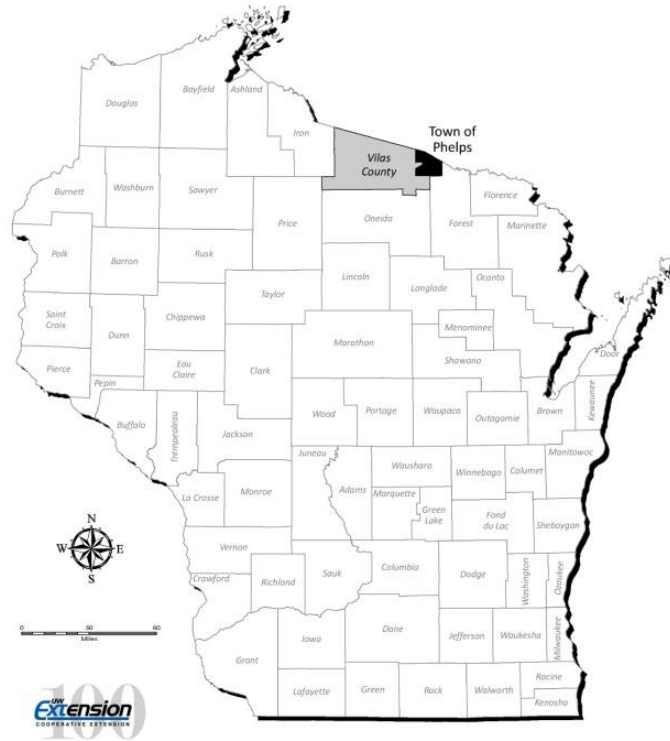
The Town of Phelps, Wisconsin is located in the extreme northeastern corner of Vilas County, WI (refer to Figure 1) and borders the state line with Gogebic County and Iron County in Michigan's Upper Peninsula. Transportation to and from Phelps is perceived by many to be a key deterrent to tourism development. In meetings with local residents, it was felt that Phelps is on a dead end highway and that this is a problem for development. Wisconsin Highway 17, the highway that connects Phelps to the rest of Vilas County, ends at the state line with Michigan.

The Wisconsin Department of Transportation (WISDOT) takes statistics a couple of days a year to measure highway activity in a given area (Figure 3). Whereas only two times a year is less than adequate statistics, their numbers are nevertheless one measure of transportation vehicle activity. According to a WISDOT representative, they would be willing to take traffic counts more than a couple times a year, if the Town was interested in gathering more information. At

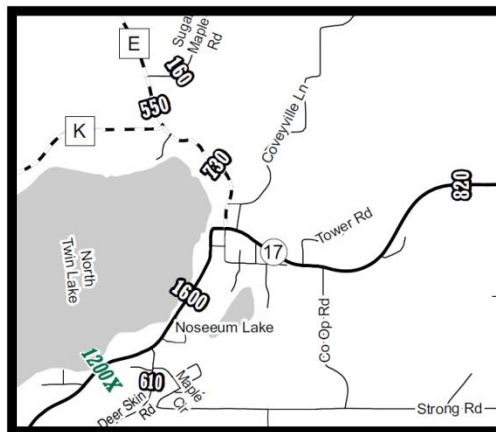
present, the traffic counts point to an average of 1600 cars daily on Highway 17 in downtown Phelps. Contrast that with an average of 8800 daily on Highway 70 (The bypass) in Eagle River. Based on these statistics, Phelps is currently capturing only 18 percent of the traffic in Eagle River.

Another way to look at this ‘isolation’ problem is that it is specifically *the big advantage* that the community has. That is, that very distance from major cities is what makes Phelps such a great tourist destination. Phelps should recognize this and play to the “*we’re off the beaten path*” strategy. Having met with several lodge owners in the community, they are doing very well – possibly just for this reason. This is also precisely why so many seasonal home owners have second homes in Phelps, which creates a significant boon to the local economy. A later strategy calls for the town/chamber to coordinate with the lodge owners and see if they can capitalize on this advantage of being ‘off the beaten path’ for Phelps.

**STATE OF WISCONSIN**  
SHOWING VILAS COUNTY AND THE TOWN OF PHELPS WITHIN IT



**Figure 1. Location of Phelps within Wisconsin and Vilas County**



**Figure 2. Average Daily Traffic Counts for Phelps**

## **History**

Phelps was initially a lumbering community with the original lumber mill established in 1896. The completion of a railroad spur to Phelps in 1905 was primarily for the shipment of lumber and helped develop both the mill and the community. Originally named Hackley, the Town was renamed Phelps in 1912. Both Mr. Hackley and Mr. Phelps were original owners of the Wisconsin Lumber and Bark Company established in 'Hackley' in 1901.

The Town grew and prospered with the development of the lumber mill and vice-versa. In 1928, ownership of the mill was taken over by C.M. Christiansen and his wife. Under Christiansen, the lumber mill prospered and eventually was the main root of providing nearly 420 jobs for families, including mill workers, staff, loggers, truckers and numerous craftsmen, ranking the operation as one of the largest in the entire nation.<sup>1</sup> The rise in the population of Phelps is commensurate with production at the mill and is shown in Table 1 on the next page. From 1910 (when the Town was still named Hackley) until 1942 Phelps grew in population and flourished with the mill. Many of the early employees were of Finnish descent.

The growth and population loss in the first half century of the Town's existence was commensurate with production in the local sawmill and spinoff industries, such as the chemical plant. Peak employment at the local mill was in 1942 and after that the Town began to decrease in population. The original sawmill closed in 1958 and soon the associated chemical plant, as well. The Town continued to lose population after that, bottoming out in 1970 at 876 residents – just a bit over half of what it had been (1611) in 1940 when the mill was at peak employment. .

The resurgence and growth started from that point on and continued until 2000, when the Town's population was equal to what it would have been in the 1930s. But there was a difference. This time the Town's growth was fueled by those primarily seeking quality of life factors and an escape from the big city. There was not a high priority on jobs. With that came a higher percentage of retirees and an ageing population (detailed demographics of Phelps are attached in Appendix I and II). Phelps lost 11 percent of its 2000 population in the most recent Census of 2010. The people of the Town are interested in stemming the tide of population loss and attracting families so that Phelps is able to maintain its school district.

The closing of the factory in Phelps in 1958 had a profound impact on this community. Although the community continued to thrive after 1958, primary jobs in the area were transferred to other communities and Eagle River became the unquestionably dominant retail and economic force in Vilas County. Because of the substantial impact the plant closing had on the community in its history, research was done on the effect of communities who have lost a dominant employer (below).

Table 1  
Phelps Population Statistics 1910-2010

<u>Census Year</u>	<u>Population</u>
1910	864
1920	1,131
1930	1,238
1940	1,614
1950	1,179
1960	924
1970	876
1980	1,129
1990	1,187
2000	1,350
2010	1,200

Source: WI Demographic Services Center, Wisconsin Dept. of Administration, Population and Housing Data

### **On the Effect of Losing a Dominant Employer**

In an article published for Economic Development Quarterly (August 1, 2001) entitled “*Coming Back from Economic Despair: Case Studies of Small- and Medium-Sized American Cities*” (15: 203-216, Mayer, Henry J. and Greenberg, Michael R., Rutgers, The State University of New Jersey), Mayer and Greenberg studied 34 small and medium-sized communities throughout the United States that suffered major job losses and the resulting serious consequences to their local economy from the loss of one dominant employer. That situation is very relevant to Phelps, which has never fully recovered from the closing of the lumber mill and chemical plant a half century ago. The study authors interviewed 47 people in the 34 communities nationwide. One of those 34 communities studied was nearby Ironwood, MI which has suffered significant job losses in the mining industry.

The big takeaway from the study was that “one of the most consistent and disturbing findings was the general lack of an early response by most cities to the loss of these important industries beyond attempts to force them to stay or to find another organization to purchase their facilities. In most instances, ***no local government or community leader stepped forward to form a coalition or to develop a viable economic redevelopment plan until the passage of from 10 to as many as 30 years after the city had experienced its first significant loss of jobs and***

*population*. In that time, these cities experienced losses in population . . . and, more important, the loss of the many higher skilled and better educated portions of their workforce.” The authors also noticed that there was a prevailing attitude of “waiting for the white knight to appear and instantly transform their local economy.” The results of this wait and see attitude were that “little development was likely to take place.”

A number of interviewees from the 34 cities noted that one of the first major tasks taken on redeveloping their area was that of changing local residents’ negative perception. A community development director in a Midwest City that had been dependent on the meat-packing industry talked of his experience when first coming to the area in the 1980s:

“The first words that I heard describing [city] was a nickname that was how they referred to themselves, and that was Sewer City. The town had a crappy, crappy image of itself. A lot of people worked very hard to change that image, and we’re still working very hard at it. There has been a tremendous change in the self-image here.”

Most of the communities interviewed also expressed their concern about the loss of younger, better educated workers and the long-term effects the aging process was having on their area. An economic development official in a far west city that had depended on the timber industry expressed his concerns: You take the job away from the person, you retrain them and then send them on their way to another place where they can make a living. . . . we’re beginning to fracture into an economy based on retirees and poor people, because we don’t have a job base to keep people in town—neither blue collar nor white collar. When asked what advice the interviewees would give to their counterparts facing a similar situation, the most common response of officials was “Diversify your economy.”

## PART TWO: LOCAL INPUT

“We are trying to enhance our downtown...it’s all about local talent, local artists, and local musicians. It’s about highlighting people in our community.”

*The Downtown Group, Dothan, AL*

### WHAT THE RESIDENTS AND BUSINESSES ARE SAYING

#### Visioning Session

In February, 2012, the consulting firm Community Planning & Consulting, LLC, from Green Bay, conducted a Visioning Session with different group exercises to gain information from local residents “in order to develop an implementation strategy for the long-term economic health of Phelps.” A total of 73 people participated, either directly or remotely in the planning session. There are several valuable takeaways from the results of their 22-page report that followed the visioning session:

- What the residents of Phelps viewed most favorably in other communities was a small, attractive downtown with lots of diversity in terms of places to shop and eat
- When asked what is the one thing you could change about Phelps the leading answer was either: (1) a grocery store, or; (2) a clean, attractive downtown
- When asked what Phelps residents missed most about ‘old Phelps’ the leading answers were: (1) a grocery store; (2) the Cozy Corner Restaurant; and (3) a hardware store. Each of these was in the downtown.

Interestingly, all of the leading answers provided by 73 participants in this survey dealt with improving the downtown, with people specifically calling for a **grocery store, a hardware store, and a restaurant**. Those who have lived in Phelps long enough to remember old Phelps miss what used to be there: primarily vibrancy in the downtown, the grocery and hardware stores, the ice cream store, the Cozy Corner Restaurant and the quaintness that the downtown used to have, and what it used to mean to the community. The downtown of ‘Old Phelps’ has been lost.

#### One on One Community Interviews

In all, 52 people were interviewed when you add the senior class of Phelps High (2013). The interviews took place in late 2012 and early 2013 with representation from a cross-section of Phelps: retirees, business people, school administrators, second home owners, local government



officials, Chamber of Commerce Board members, the Historical Society, the Lions Club, the Women's Club, etc. The focus group of the Senior Class at Phelps High School was conducted to capture the thoughts of the younger generation on the subject of the downtown. A variety of thoughts and opinions were collected. The input from the community residents is provided below.

### Input from the Residents on Shopping

Q: Where do you shop?

Of 42 answers, 39 people shop primarily in Eagle River with occasional trips to Rhinelander. Answer below:

1. Eagle River (39)
2. Iron River, MI (2)
3. Land O' Lakes (1)

Q: Which *shopping* product(s) do you need most that you really wish they had in Phelps?

1. Grocery (37) with several people calling for meat products and at least 2 people specifically calling for a coop and/or general store
2. Hardware (28)
3. Pharmacy (5)

### Identifying Phelps' Greatest Assets

(Individuals were permitted more than one answer)

Q: What is Phelps 'greatest asset'? (Rank them)

1. Lakes with most specifically referring to North Twin Lake (23)
2. Natural environment (13)
3. People (10)
4. School (9)
5. Forest (9)
6. Barbershop (1)
7. Sunrise Lodge (1)

### Developing Phelps

(Individuals were permitted more than one answer)

Q: How do we develop the downtown of Phelps?

- Demolish big store/other buildings and make façade improvements (11)
- Build small grocery store/general store (9)
- Lakefront development (6)
- Marketing/Promotion as a tourism destination (5)
- Broadband development (5)
- Attract business/industry (5)
- Build ice cream shop (2)
- Follow a Downtown Development strategy (2)
- Arts/crafts incubator (2)
- Medical development (2)
- Selling outdoor gear over internet
- Coffee shop
- Hardware store
- Fish market
- Band playing on lakefront
- Trails system
- Promote local flavors
- Working together
- Indoor water park/lodge

### Branding Phelps

Q: What should be the *brand* for Phelps?

Several people took a pass on this. Of those who answered, some offered quotes. Others focused on an idea. The answers are provided below:

- “Phelps on the Lake” (4)
- By focusing on the beautiful lakes/woods and fishing (3)
- “Unknown but charming”
- “The true north woods”
- “Prettiest little lake Town”
- “A place you’d like to be”
- “Nestled in the Nicolet”
- “Nice little Town on a big lake”
- “Beautiful great north woods”
- “North of the tension zone”
- By focusing on where the Wisconsin River starts
- By focusing on food
- By focusing on making it a resort in a sawmill area
- As a place to live and retire

- As beauty and serenity off the beaten path

### When was Phelps at its peak?

Q: Which year was Phelps at its peak?

The average of those who answered with a year: 1967

Several people deferred on this question and referred to a very general time period. Most provided a range of years.

Note: This question was not necessary but the author was quite curious as to what people thought had been the 'most prosperous time' for their community. All referred to a time in the past. Per the population statistics provided on page 15, one could argue that Phelps actually peaked in 1940, when it attained its maximum population to date.

### Focus Group Session: Senior Class at Phelps High

On February 14, 2013 The Vilas County University of Wisconsin Extension conducted a focus group of the ten students which make up the 2013 Senior Class of Phelps High School. More work needs to be done with respect to keeping young people in Phelps and in this, Phelps will want to work with larger regional organizations in a comprehensive effort. However, from this focus group, at least some raw data was captured of getting the impressions of young people in the community. *In effect, how do young people see Phelps as a place to live?* A total of nine questions were asked. Their responses (some of their responses are actually questions) are shown in the bullet points. The nine questions with the corresponding answers are provided below:

Q: What are your plans after graduation?

- Staying in Phelps? – 2 of 10
- Going to college? – 6 of 10.
- Uncertain – 2 of 10.
- Six of 10 indicated that they would come back to Phelps if there were suitable jobs

Q: Do you volunteer in the community? If so, at what?

Nearly all students volunteered locally in some capacity

- School sports
- School functions
- Woodshop
- Highway cleanup

- Putting up or watering flowers in the downtown

Q: How would you describe Phelps to a student new to the area?

- Boring
- Tight-knit
- Outdoorsy

Q: What's the Best thing about Phelps?

- Size – small community
- Small lakes
- Pretty
- Spectacle Lake

Q: Which shopping products do you wish you could purchase here (in Phelps)?

- Video games
- Grocery store products
- Hardware store products
- A Target Store
- Coffee
- A restaurant

Q: What do you like or dislike about other downtowns that you've seen (such as Eagle River, Rhinelander, Land-O-Lakes, etc.?)

Likes

Shopping

Business

Movie theater

Dislikes

Too many people

Q: Where do young people hang out in Phelps?

- There is no place to hang out
- In the woods at Spectacle Lake

Q: In your opinion, how do we attract more families and more young people to Phelps?

- Make something exist

- Get more business
- Get a Panda Express
- Get an Arby's
- Get a McDonald's
- Clean up the community

Q: How do we prepare for the Phelps of the future?

- Will the school still be here?
- With new ideas
- Money investment is needed
- A fixer upper is needed downtown
- More appealing downtown
- "Looks too ghettoey"
- Year-round tourism
- Advertise the community
- Advertising Brochures
- Community support
- ATV trails
- Something unique is needed

### **Retention Visits with Three Key Employers in Phelps**

In August 2013, the Vilas County Economic Development Director and the University of Wisconsin- Extension teamed up to call upon three businesses in Phelps as part of an ongoing business retention effort to call upon the county's businesses. The three businesses visited in Phelps were: Phelps Cast, North Twin Builders and Sunrise Lodge.

Now that the Rennes Lillian-Kerr Healthcare Center is no longer in operation, the importance of these three businesses to the community cannot be overstated. These are currently the three largest employers in Phelps, continuously bringing stable employment year after year. Whereas the remarks from business owners are kept confidential during those visits, it can be said that the owners-managers of each of these businesses are very enthusiastic about Phelps. Finding workers and especially skilled workers can be a challenge for them in Phelps and each has worked or is currently working with the High School regarding present and future employment.

## **PART THREE: STRATEGIC**

“In preparing for battle I have always found that plans are useless, but planning is indispensable.”

Dwight Eisenhower

### **THE THREE KEYS TO SUCCESS**

Based on the comments from local residents as well as the research that has been conducted on various subjects for this report, there are three core areas that are identified as currently lacking and that must be turned into strengths to be successful in the revitalization effort. These core areas are:

- Expertise
- Putting Together a Guiding Coalition
- Financing

The three core areas are addressed here and then the subsequent action strategies, those being the culmination of this report, are adapted to consider building and strengthening these core areas. How well Phelps can succeed with implementation of downtown revitalization

**Expertise:** Lack of expertise is common to most rural communities. This is where Phelps can get help from experts outside of the community and include them as part of the team. The residents of Phelps want something to be done in the downtown but generally lack expertise in downtown development and economic development. To address this issue, several individuals with downtown development experience have recently been invited to Phelps. Beginning locally with the Vilas County Economic Development Corporation and the University of Wisconsin Extension office, resources for assistance are available. The Town has also been working with their consulting engineer MSA Engineering, out of Rhinelander. In addition, state organizations such as the Wisconsin Economic Development Corporation and specifically the Wisconsin Main Street Program have special expertise. Building long-term relationships with these organizations and their experts is an absolute must in revitalizing the downtown.

**Putting Together a Guiding Coalition** –Many in Phelps talk about their years of frustration over the failure to *implement* a plan. But *implementation* will never be possible without a sustained team effort. The most optimal method for the town to be able to initiate a sustained, successful effort in the revitalization of the downtown is to do what is challenging because of

differences of opinion within the community: work together as a team. There is absolutely nothing new about a community with a diversity of opinions. However, since development means change in the community, a strong coalition can make the best effort to deal with that change. The local team should include a cross-representation of the community – incorporating expertise from the entities noted above (as well as others) as needed.

**Financing:** Securing funding for the implementation of planned projects is always a challenge and a matter of concern for communities. Those experts mentioned above are familiar with various funding sources – be it public monies or how to best leverage private dollars, they bring a lot of ideas from their experiences. In addition, community philanthropy has always been of great potential to Phelps. How to best leverage those private dollars at the local level could be key financing source, provided the donors have confidence in the coalition implementing the plan.

# **PRIMARY ACTION STRATEGIES**

## **STRATEGY #1: JOIN THE CONNECT COMMUNITIES PROGRAM OF THE WISCONSIN MAIN STREET PROGRAM**

Successful commercial districts need to be planned and nurtured. Their prosperity requires interest and action from many stakeholders who share a vision for the community. Gathering ideas from the downtowns of other similar-sized communities, the technical assistance, the networking opportunities with an emphasis on downtown development make this program a good one for Phelps at this point in time. The program is also a potential precursor to joining the Wisconsin Main Street Program in that successful Connect Communities may choose to apply for Main Street status. Because no two districts are identical, Connect Communities, like all WEDC programs, is adaptable to downtowns and urban commercial districts of all sizes.

As noted, the residents of Phelps want something to be done in the downtown but generally lack expertise in downtown development and economic development. To address that issue of expertise, the number one recommendation of this report is for the Town to join the Connect Communities Program of the Wisconsin Main Street Program. The program has been in existence for many years and is expected to continue. By interacting with the people of the Connect Communities Program and the Main Street Program, the committees in Phelps addressing downtown issues will encounter ideas from the program and from other communities that they had not thought of previously.

Connect Communities services include:

- A ListServ/Network Group to get new ideas from staff and other participating Connect Communities
- Participation in one Main Street Executive Director Workshop each year with a focus on a downtown revitalization topic. Past topics have included business recruitment, volunteer development and branding
- An on-site visit from one of WEDC's community development staff to assist in identifying needs and offering assistance
- An on-line open house to get your questions answered by *experts*
- Training for your downtown director or board president
- Roundtable discussion groups on pertinent topics held once every year
- Possible opportunities to link college/university student projects to your downtown/urban commercial district needs
- Access to WEDC's downtown development library
- Access to resources and training materials that have been developed for Wisconsin Main Street communities
- Invitation to the annual Main Street Awards Program, plus eligibility to nominate a project for a Connect Communities award
- Webinars/Regional Training



### Program Requirements:

- Must have an organization that focuses on downtown/ urban commercial district issues
- Signed agreement with WEDC
- Reporting (twice a year) Must have access to computer with required software
- Must commit to majority of training opportunities
- Annual fee: \$200

### Application and Selection:

- Up to 20 communities selected each year
- Renewal application every two years
- Scoring based on:
  - Strength of committee/organization
  - Need for assistance
  - Clearly defined downtown/urban commercial district
  - Local resources available
  - Potential
- If your community is interested in learning more, please contact us at 608-210-6840.

### To Apply:

To apply, send an e-mail to [connectcommunities@inwisconsin.com](mailto:connectcommunities@inwisconsin.com) indicating your intent to apply, your community name, and your point person's name, phone and e-mail. WEDC will then provide uploading instructions.

You will be asked to upload the following documents:

1. Completed application
2. 15 photographs of the district, showing streets and buildings, in JPEG format. Also attach a map, in PDF format, with a key to each photo, indicating where the photo was taken as well as a brief description of each.
3. A district map, in PDF format, indicating boundaries.
4. Three years of financial statements of any applicable local organization (Business Improvement District, Economic Development Agency, etc.) within the proposed district.
5. Any documents pertinent to the application but no more than five (5) pages. Please do not include website links.

**Examples of Downtown Development From Neighboring Communities:** Three Lakes, Eagle River, Boulder Junction and Land O'Lakes are communities that have each worked hard to develop and promote their downtowns. They have struggled and wrestled with questions about

development. There have been setbacks, disagreements, and victories. From the perspective of transportation and being removed from major highways, Phelps and Boulder Junction have much in common. Yet, Boulder's downtown is thriving. Much can be learned from their recent fund-raising efforts.

Nearby Eagle River is a good example of a community that joined the Main Street Program in 1999 to set up the Eagle River Revitalization Program (ERRP). At each monthly meeting of the ERRP, one sees the free flow of creativity and ideas – all attempts to beautify and improve the downtown and the community as a whole. Below is a list of just some of the topics they discussed at a recent meeting:

- The creation of a high school customer service program - partnering with the High School and the WI Department of Tourism
- Awards for the best façade improvements to downtown businesses
- Flags and flowers
- Artscape
- Bike racks
- Curb appeal
- Lunch & Learns (held every two weeks during the winter months for local businesses)
- Festival of Flavors
- Farmers Market
- Torchlight parade
- Root beer float contest
- Downtown Trick or Treat including haunted house, \$4 movies for kids, horse drawn hay rides

On several occasions, this group was inquiring how to involve the kids in the community and local high school students. Should there be an Easter Egg hunt? The idea of kids cards for events came up, a kids creative cakes contest was discussed and finally, what to do with the kids on Halloween. This 'free flow' of ideas and how to involve the wider community is a typical monthly meeting for this group. They represent a cross-section of the community including business, retirees and citizens who just want to stay involved. Some ideas do not work out. But this group is a miniature think tank for ideas on the downtown, or how to improve the community. They also enjoy themselves quite a bit. There is a lot of laughter coupled with business at these meetings. These people understand that it is the little things that help the downtown and community thrive.

The ERRP group indicated that they would welcome representatives from Phelps to a monthly meeting.

## **STRATEGY #2: FORM A GROCERY STORE TASK FORCE IN PHELPS**

In the community interviews conducted as a major part of this report, 37 of 42 residents wanted grocery items in Phelps and 28 cited the need for hardware items in a grocery store. The high school students indicated that grocery store and hardware items were high on their list of “wishes” for Phelps. Additionally, the Visioning Session conducted by Capital Consulting, LLC (of Green Bay) on Phelps (February 2012) had 73 participants from the community indicate that their top two priorities for the future of Phelps centered on a grocery store and the downtown.

This report recognizes what a successful grocery store could mean to Phelps. The store could potentially be the primary catalyst – that is, the business that ‘turns the corner’ in revitalizing the downtown. Independent research has shown that the psychological factors of a grocery store in the community are just as important as its utility factor. If properly implemented, the local main and pa grocery store become a social gathering place for the community. A deli counter is a recommended feature.

The purpose of the task force would be to research grocery stores in other communities and to determine the feasibility of a grocery store locally and the options for ownership. The group could start by contacting the easily-accessible authors of much of the research from the Center for Rural Affairs as well as contacting the communities and stores themselves in small rural communities of limited population that have had success in rejuvenating their grocery store. All of these people – their leaders, store managers and authors live in tiny towns the size of or even smaller than Phelps.

Research conducted exclusively for this report by the University of Wisconsin-Extension shows the efforts that numerous communities have done to keep their local grocery store:

The Center for Rural Affairs (Lyons, NE) has a website (<http://www.cfra.org/renewrural/grocery>) that is considered by many to be the single best site for resources on rural grocery stores. For the purposes of this report, much research was conducted on small town grocery stores – particularly (1) why they fail; and (2) what makes them succeed.

Author Jon M. Bailey has written two informative documents on the subject, both in October 2010, entitled “Rural Grocery Stores: Importance and Challenges” October 2010 and the other, “Rural Grocery Stores: Ownership Models That Work for Rural Communities.” These documents are each approximately only 10 pages in length and accessible at the website above. Some critical information from those documents:

- In Iowa the number of grocery stores with employees dropped by almost half from 1995 to 2005, from about 1,400 stores in 1995 to slightly over 700 just 10 years later. Meanwhile, “supercenter” grocery stores (Wal-Mart and Target, for example) increased by 175 percent in the 10-year period. (O’Brien)
- In rural Iowa, 43 percent of grocery stores in towns with populations less than 1,000 have closed. (Procter)
- In Kansas, 82 grocery stores in communities of fewer than 2,500 people have closed since 2007, and nearly one in five rural grocery stores has gone out of business since

2006 (Kansas State; Procter). In total, 38 percent of the 213 groceries in Kansas towns of less than 2,500 closed between 2006 and 2009.

According to Bailey, in 2000, the population needed to maintain a grocery store was 2,843, but by 2005 that number had risen to 3,252. While the minimum population needed to support a grocery store is rising, most rural communities, Phelps included, is decreasing in size. Work and shopping patterns among so many rural people is also shown in consumer preferences of how people choose their grocery store. A 2007 Nielsen Company study found that 60 percent of consumers stated that a grocery store that “provides good value for the money” was the most important factor in deciding where to grocery shop.

Bailey also warns that “allowing a local store to close and remain closed until the community or the economy rebounds does nothing but place the community on a path for further depopulation and economic decline. New residents and young families are unlikely to want to live in a community without a place to purchase food, and purchase patterns get set as people start and become accustomed to purchasing food in another community.” He also cites another study indicating that “rural residents over 70 years of age are more dependent on the local grocery store and depend upon others more for transportation for grocery shopping.”

In 2008, Kansas State University’s Center for Engagement and Community Development surveyed rural Kansas grocers on the challenges facing them. From that effort, KSU researchers identified six general challenges to rural grocery stores:

- Challenge #1: Competition with Chain Grocery Stores
- Challenge #2: Coping with the High Costs of Energy
- Challenge #3: Meeting Minimum Buying Requirements
- Challenge #4: Dealing with Labor Issues
- Challenge #5: Dealing with Community Support
- Challenge #6: Models of Ownership

In his follow up essay on ownership models that work for rural communities, Bailey reviews the four primary models of ownership for grocery stores in rural communities:

- Independent retailer
- Cooperative
- Community-owned
- School-based

**(1) Independent Retailer:** The independent retailer model is the traditional model of ownership of rural grocery stores (and most other rural retail business). However, these are precisely the retailers that are most in danger and who represent the vast majority of grocery stores leaving rural communities. Most of the challenges outlined in our previous brief go directly to the economic viability of independent retailers.

**(2) Cooperative:** A University of Wisconsin (Lawless, Greg, and Reynolds, Anne. 2005. *Keys to Success for Food Co-op Start Ups in Rural Areas: Four Case Studies*) study examined rural grocery store co-ops and unveiled four “keys to success.” They do note

that “natural food co-ops are declining in numbers just as traditional grocery retailers are.” In most cases, this failure is from undercapitalization.

- ▶ Strong operational management. A successful cooperative employs “managers who are willing to innovate, make necessary changes, invest and grow.”
- ▶ Member, community and industry support. Successful rural grocery store co-ops had “substantial leadership and financial support from members” at the start-up phase. They also benefited from a culture of cooperatives in their community. Existing cooperatives provided financial support and management become members and patrons of the new grocery store cooperative. Building upon a familiar model of ownership and management made success more likely. Successful cooperatives also benefited from the support of local public officials.
- ▶ “Reasonable” competition. Successful cooperatives “benefited from a location as the sole grocery store in their immediate area.” The successful rural cooperative grocery stores highlighted by the Wisconsin analysis had no competition within 20-30 miles. Finding an attractive location with “reasonable” competition allows a cooperative effort to find and cater to its niche market.
- ▶ Dedicated organizers. In more evidence that people make a cooperative run, it was found that successful cooperatives draw on the leadership skills of dedicated volunteers.

Example of Cooperative ownership: A half hour was too far to drive to buy groceries for residents of Walsh, Colorado, reports the Denver Post, so this town of 723 people decided to solve the problem themselves. Over 300 of them pooled their money to re-open the grocery store. A \$160,000 interest-free loan helped restock the shelves, and they were in business. One secret to their success is community engagement – residents know that the success of this cooperative venture depends on residents spending their grocery money in Walsh, and the store can be more responsive to the needs of the community because its members are co-owners.

NPR had a great piece about the store in Walsh, Colorado. The median household income was \$24,911. The segment told the story about the town grocery store. In their own words: About two years ago, the company that owned the store said they were closing down and moving out. For a time, that meant a half-hour drive out of town to shop. That's when the community took over. A group of residents came together to form a co-op and sold \$50 shares around town, and the store reopened. Rick Mills chairs the grocery store's board. He also owns the auto supply store on Main Street. The grocery store, he says, brought in more than \$1 million in its first year and has been the engine of the little economy.

**(3) Community-owned:** An ownership model similar to the cooperative is the community-owned grocery store. The chief difference is that the community is the owner rather than a cooperative entity. The primary benefit of a community-owned store is that community resident-owners can tailor the store to meet the “unique needs of consumers and can set fair prices.” (Kansas State) This model also has the potential to provide a significant

economic development boost to a rural community. Studies have shown that a locally owned store returns an average of \$45 out of every \$100 spent to the community compared to \$13 out of every \$100 spent for chain stores. Financing and local support are the critical factors for a successful community-owned grocery store. This model of ownership must rely on the constant financial backing of local residents as well as the continued shopping support of the community.

Example of Local ownership: When city leaders in Stapleton, Nebraska, *found that 95 percent of respondents to a survey wanted a grocery store in town*, a local resident stepped up to the challenge and with the help of two local investors, a new store was under way. Many rural grocery stores are already owned by local businesspeople who understand the importance of their store to the community. Communities that are losing a store owned by an outside investor or regional chain should look inward for someone from the community willing to operate the store.

- (4) **School-Based:** A relatively new ownership model is the school-based grocery store. School-based enterprises are not new, but operating a business such as a grocery store off of school property. The Bulldog Express in Leeton, Missouri (population 619) is an example of a school-based grocery store.

Example of a youth-affiliated store: About 10 years ago, the Nebraska Sandhills community of Arthur, Nebraska, **lost their grocery store**. With residents forced to drive 40 miles for groceries and some elderly residents relying on neighbors for delivery, community leaders decided to act. They enlisted an extracurricular entrepreneurial business development program with high school students: eight students undertook market research, identified support, rented a building, and, by the end of the year, opened the Wolf Den grocery store. (The school mascot is a wolf.) The grocery store in this town of just 144 people remains open to this day.

These initiatives are generally in small, isolated rural communities that have no grocery store and no prospects of developing one through any of the other ownership models. These efforts generally attempt to link that need with an entrepreneurial class or community service initiative at the school. The grocery store is generally small, not a comprehensive grocery store and with limited hours and they appear to provide basic products for the community. All of the models discussed here require extensive planning and adequate financing. Local interest, passion and leadership are the obvious prerequisites for any of these ownership models to effectively function.

In “Eight Steps to Help Small Town Grocery Stores,” (2012) author Marie Powell identifies eight suggestions to help the local grocery store thrive and survive:

**Get folks together.** If you have the best grocery store in the world but no one shops there, it will fail. The first step to turning things around is getting leaders in your community bought in to the

idea. Call a community meeting. Talk to the folks in your town who can sway others so they feel included in the idea. Be energetic and excited! (Having delicious food at the meeting doesn't hurt.)

2. **Listen.** What does your community need? Can you motivate them to be excited about a successful grocery store? Be sure to ask people at every turn what they'd like to see. What hours would be convenient? What kinds of products do people want to buy? Where should it be located? If necessary, are people willing to volunteer some time or invest money to make it happen? The more you listen, the more loyalty they will show.

3. **Consider all ownership options.** Many folks think a grocery store should be an independent retailer, but there are many successful models. Community-owned stores, cooperatives, or school-based models are other options to consider. The Center for Rural Affairs has written a report on ownership models for grocery stores, which you can check out at <http://www.cfra.org/renewrural/grocery>.

4. **Stack enterprises.** Lots of businesses have similar infrastructure needs. Could your grocery store have a coffee shop, cafe, bank, post office, or pharmacy attached? Are there other businesses or schools who could make use of the food distribution? More businesses using the same space and utilities equal lower costs.

5. **Control energy costs.** Utilities are one of the most costly parts of owning a grocery store. Consider ways to make your store more energy efficient. This can be as simple as putting doors or coverings on your coolers. Or you can get sophisticated with solar panels or a wind turbine for energy generation. I've seen systems that allow coolers to draw in frigid winter air from outside!

6. **Best customer service.** The most successful grocery stores are committed to pleasing customers. Have a prominent suggestion box and a bulletin board where people can see the questions and answers. If a product is requested, see if you can carry it, and make a big deal about the fact that you now have it. Be visible in the store, and know people's names. Smile!

7. **Involve everyone!** If people have invested time, money, and energy into a project, they will want it to succeed. Make the store a source of community pride, and remember that a little positive peer pressure (with a smile!) can go a long way.

8. **Share stories.** There are many other towns doing exactly what you're doing. Find their stories on our website at <http://www.cfra.org/renewrural/grocery> to find inspiration and ideas.

In 2012, Kansas State University held a rural Grocery Summit: *The Rural Grocery Summit III: Strengthening Our Stores. Strengthening Our Communities*. The Grocery Store Task Force could research and study many of the findings and results of that summit.

### **Grocery Store Feasibility Study:**

In 2011, Phelps contracted with Perkins Marketing Company of Northfield, MN for the very purpose of exploring that possibility. Perkins conducted a study in Phelps focusing on four

potential properties (<http://www.phelpscofc.org/Downloads/COP001PhelpsReport.pdf>) for a general store and is tested for retail sales at both 4,000 and 8,000 sq. ft.

Conclusions from the Perkins study are:

- (1) The optimal performing site for a grocery store in Phelps is in the downtown – near the lakefront
- (2) An in-store deli with tables and chairs and coffee are vital to the success of the store
- (3) Local specialty items will help the success of the store
- (4) This store will succeed if it has the right management
- (5) A pro forma is recommended no matter which site is chosen for development

To follow up on the details and conclusions of that study, two University of Wisconsin Extension Educators placed a call to Chuck Perkins, author of the study. One of those Extension Educators was Bill Ryan from the Center for Community and Economic Development of the UW Extension in Madison. Bill has much expertise in downtown development and researching statistics for retail projects in general. After an explanation of the rationale of the Perkins Study, he felt that it was a competently conducted study and the primary conclusions of the study should remain unchanged. However, he added his own comments:

- From the report's sales estimates, a store in Phelps is estimated to generate somewhere between \$900,000 and \$1,700,000 during the second year. This is probably less than a quarter of the sales of the average Wisconsin grocer (big and little). As an example used for comparison purposes, estimates of grocery store sales within a one-mile ring of cities/villages of between 1,000-2,500 population is roughly \$7,500,000 (info USA 2009). Can such a small store be able to offer groceries, fresh meat, fresh produce, and excellent customer service with minimal volume?
- The trade area identified for a store of 4,000-8,000 square feet may be a little too large. The size of the store would make it more similar to a convenience-oriented grocery store and it would not be directly competitive with a Trig's or Pick-N-Save
- The study was correct to factor in the seasonal, or tourist population during summer months

At present (July 2013), a local businessman from the Phelps area is conducting a business plan and researching the possibility of putting a store, independently owned, of approximately 4,000-8,000 square feet (size to be determined by the study) which would sell a mix of grocery and hardware products. The store would propose to sell roughly 80 percent groceries, with about 20 percent hardware products, lottery tickets and alcoholic beverages. It would also have a deli counter for lunch sales.



In general, a detailed study of the feasibility of a grocery store needs to consider a demand analysis, a supply analysis and a pro forma of cash flow. In general terms, a business plan will want to consider:

1. A DEMAND ANALYSIS (to include):
  - Trade Area Determination – How far will people drive to support the store?
  - Demographic analysis – Is there enough of a year-round population to support the store? This includes second homeowners and tourists.
  - Spending Potential of people. Will they spend a little more than this store may have to charge instead of going to Eagle River for groceries?
  
2. A SUPPLY ANALYSIS (to include):
  - An investigation of regional suppliers, who they are, what they charge and are they willing to be a supplier for a store of much smaller demand?
  - Regional competition in grocery, hardware and convenience retail
  
3. PRO FORMA FINANCIAL SCENARIOS
  - Cash flow determination (operating expenses)
  - Return on Investment

Whereas the Perkins Study points out that the optimal location for a grocery store in Phelps is in the downtown, it stops short of going into any detail of successful models of ownership or examples from other communities.

### **STRATEGY #3: PREPARE A COMPREHENSIVE TOURISM STRATEGY WITH LOCAL LODGE OWNERS**

Many of the lodge owners in Phelps have been working for years to attract tourists to the area. In some cases, they have successfully built up a loyal following of visitors that return year after year. *They already know how to get tourists to the area, so let's find out what they know.* Capitalizing on the vast experience and cadre of information that some local lodge owners have amassed, the committee should seek to work with lodge owners, where possible, to focus on characteristics and demographics of the visitors. Information on age, zip code and related can be obtained while still maintaining the confidentiality of the lodge owners' clientele. Finding out what they are able to share with us could be of great assistance to the Town and Chamber in focusing on three topics:

- **Where are visitors from? The Chamber working with the lodge owners could gather zip code statistics to see where tourists originate**
- **Determining age characteristics**
- **How can we prolong their stay?**

The last question involves making a strategy to keep them here longer, and that is what we are beginning to work on in this report. In her article, "*13 Truths About Baby Boomer Travel*" Kim Ross (1999) identifies characteristics of the baby boomer generation to help tourism marketers more effectively target boomers. These include:

**Boomers consider travel a necessity, not a luxury.** This is good news for the industry on two counts. First, the sheer number of boomers traveling will cause business to grow. Second, since travel is a necessity, boomers engage in it no matter how scarce their time or money. Their travel behavior, therefore, is less dependent on life stage or the economy.

**2. Boomers have traveled more than their predecessors.** As experienced travelers, boomers seek out more exotic destinations or more in-depth ways of experiencing familiar places. "You're not likely to see them on bus tours of the U.S. because they already did that on their bikes or with backpacks," said Courtney Day, senior vice of the Senior Network, a New Jersey research and marketing firm that specializes in the older consumer. Because boomers are interested in bettering themselves, intellectually stimulating travel also holds appeal.

**3. Boomers see themselves as forever young.** "Adult teenagers" is the way Phil Goodman, co-author of the Boomer Marketing Revolution, described boomers. A consultant to the NTA on its boomer market assessment plan, Goodman noted, "Boomers will always try to act much younger than their chronological age." As a result, boomers still want to fulfill the dreams they had at 25 - even if their bodies aren't always willing or able.

**4. Boomers want to have fun.** It's not surprising that adult teenagers put a premium on having a

good time. Although fun, like beauty, is in the eye of the beholder, Day said companionship, stimulation and the cultural/social experience make travel fun for boomers. She added, "Part of the enjoyment of the experience is knowing it's unique -that's part of the rush."

**5. Boomers demand immediate gratification.** Unlike their Depression-era parents, boomers grew up in times of plenty. Easy gratification bred a desire for still more and quicker rewards. As a result, boomers don't wait to take the trips they want. If they don't have the money, they just use plastic.

**6. Boomers are not passive.** They want a measure of control in designing their travel experience, and, once on the road, they want to choose their activities. Boomers also want more interactivity in the travel experience. Boomers also crave the "local human touch." That means activities such as "meet the people" dinners or playing golf with locals will be highly attractive tour elements.

**7. Boomers think they are special.** Always been a force to be reckoned with, they are very demanding consumers. "Whether they go budget or luxury, boomers tend to want the best," said Day.

**8. Boomers like creature comforts.** This fact, according to Malott, actually keeps boomers from booking the exotic locales they profess to like. Day puts a slightly different spin on the issue. "A tent is OK," she said, "but it better have a great view and great food. Even if you're in the wilderness, luxury is being served a delicious meal without having to lift a finger."

Accommodations should "reflect the experience of a place without being down and dirty," she said. Boomers don't want a generic-style hotel, but they demand the amenities they are accustomed to.

**9. Boomers are time deprived.** To get relief from their stressful schedules, boomers vacation at spas where they can do absolutely nothing but be pampered. Or they may go to the opposite extreme, choosing adventures that are physically or mentally challenging - or both.

When booking travel, boomers also need time-saving devices. They like 800 numbers, the Internet, videos and virtual reality because they offer convenience and interactivity. Internet use is so common among Mature Traveler readers.

**10. Boomers will pay for luxury, expertise and convenience.** ATM fees, nannies and bottled water prove boomers are willing to pay for what they want. Mancini noted, "Boomers are willing to do things for themselves, if it's a hobby or if they think it won't require too much effort, but they really like to hire others to do it for them because it implies status."

**11. Boomers are skeptical of institutions and individuals.** Because they are skeptical, boomers actively research their travel options, so suppliers must expect a lot of information gathering before the buy decision. In marketing materials, patting oneself on the back too vigorously is sure to raise boomers' suspicions and hackles. Companies hoping to build long-term relationships must not promise more than they can deliver because failure to perform undermines boomers' trust.

12. **Boomers like to associate with people like themselves.** As noted earlier, boomers do not identify with people older than themselves. One of the questions uppermost in their minds when they purchase travel is, "Who is going to be on this trip? Is it going to be people like me or a bunch of stodgy, gray-haired people?" Environmental and social awareness will strike a responsive note in some boomers, so they should be highlighted.

13. **Boomers are not homogenous.** While boomers identify themselves as boomers, they are not a single group. In terms of life stages, boomers may be the least homogenous generation to date.

### **Characteristics of Tourists**

According to Harshbarger's article (previously noted) on small town tourism, baby boomers spend more than any other group when they travel. Overnight stays are the goal of the town who wants to maximize this opportunity to bring in the most money to the community. "To generate overnight stays, towns must advertise more than 75 miles away and not much more than three hours or about 160 miles away."

Should Phelps focus on Gen Xer's (born 1964-1982) or baby boomers? This is where we can learn much from local lodge owners, but because of local demographics, Phelps will likely have the best success by focusing on baby boomers.

### **Tourism Statistics**

Revenues from tourism increased by five percent in Wisconsin from 2011-2012. Vilas County doubled that, with a 10.25 percent increase during that year. What that means to Vilas County is (as estimated by the Wisconsin Department of Tourism) \$195.4 million in direct visitor spending. The Department of Tourism also estimates that tourism-related jobs employed 1,906 people, generating \$20.2 million in local taxes in 2012. The estimated labor income generated was \$35.6 million. How much of that \$195 million was spent in Phelps? Neither the state nor the county has that information available at entities smaller than the county level. But one indicator of tourism is retail development. Per the 2010 Census, Vilas County had \$242,855,000 in Retail Sales in 2010. Phelps captured only 1.4 percent of that total (\$3,563,000), while having six percent of the population. That is a statistic that Phelps will want to watch and improve upon.

The Vilas County Department of Public Health maintains (for purposes of licensing) statistics on lodging and restaurant facilities in the county. Their statistics indicate that there are 638 lodging facilities (early 2013) in Vilas County. Of the 638 licensed facilities, the breakdown by size of establishment is as follows:

- 408 are tourist rooming houses stemming mostly from second home owners who have homes and rent them out

- 201 are lodging facilities of 5-30 rooms
- 22 are lodging facilities of 31-99 rooms
- 1 has more than 100 rooms: Wild Eagle Lodge in Eagle River
- 6 are privately owned Bed and Breakfast establishments

*Of those 638 licensed lodging facilities in Vilas County, 55 or 8.6 percent of them are in Phelps.* Since Phelps is only 6 percent of the population of Vilas County, it is well represented with lodging facilities – showing the importance of tourism to Phelps and also the importance of the local lodge owners to the economy of Phelps. In the effort to maximize the opportunity to capture every tourist dollar, this report believes that the lodge owners and their proven success in getting tourists to come to Phelps year after year shows that they know the secrets to attracting tourists. They have amassed the greatest knowledge on the subject. To help with that, below is some information about the impact of second home owners on the county and a bit about what contemporary tourists are looking for.

### **The Effect of Second Home Owners**

In 2007 the UW Extension Educator in Sawyer County, WI along with help from University of Wisconsin-River Falls conducted a study entitled “Non-Resident Property Owners and Their Impact on Sawyer County Businesses.” Sawyer County (the county seat is Hayward) has a high proportion of second home owners who are there primarily during the peak summer months, making it quite similar to Vilas County. Surveys were sent to 1,265 residents who live outside the county the majority of the year but own a home within Sawyer County. They received responses from 631 households, making it nearly a 50 percent response rate.

The study found that the average local non-resident household spends approximately \$17,500 annually in Sawyer County. The largest categories of spending by second home owners were on construction/remodeling together with building supplies (about 30 percent) and second was banking, insurance and real estate (about 14 percent). This is a significant impact to the local economy.

For example, The 2010 Census indicates that there are 1,705 households in Phelps but only 544 are occupied (Table 5, page x). If we assume that a rough estimate of 1,000 of those homes belong to second home owners and use the \$17,500 from the Sawyer County study as a multiplier, Phelps has the potential to capture approximately \$17,500,000 annually in spending from the second home owners. This money potentially provides needed support for many things, the construction industry in Phelps, among other things. This is why employment in the construction industry is twice as high in Phelps (13.3 percent) as it is for the state (6 percent for Wisconsin).

### **What Tourists Are Looking For**

To work on developing tourism and capturing more of the tourist dollar to Phelps, let's look at what visitors, both from within Wisconsin and out-of state are telling us that they would like to see when they travel in Wisconsin. The Wisconsin Department of Tourism is trying to attract more people to the state but also keep them in Wisconsin for a longer duration. Leisure tourism (as opposed to business visitors) accounts for 88 percent of visitor spending in Wisconsin. Of several categories ranked by visitors who believe Wisconsin is a good place to enjoy, their reasons for coming to Wisconsin ranked in order of importance below:

- Fall color touring
- Small Town experience
- Fishing
- Camping
- Snowmobiling
- Festivals and Events
- Breweries and wineries
- Agricultural and rural experiences
- Culinary (cheese tours)
- Paddling/kayaking/canoeing
- Cross-country skiing
- Bicycling
- Shopping
- Golf
- Atv-ing
- A city experience

From the list above, let's look at what Phelps can offer: fall color touring, fishing, camping, snowmobiling, festivals and events, paddling, kayaking and canoeing, cross country skiing, bicycling, and golf. Focus always on the strengths/advantages of a community.

### **Idea: A “Pop-up Shop” on a Boat on North Twin Lake**

What is a pop-up shop? A pop-up retail space is a venue that is temporary — the space could be a [sample sale](#) one day and host a private [cocktail party](#) the next evening. The trend involves “popping-up” one day, then disappearing anywhere from one day to several weeks later. These shops, while small and temporary, can build up interest by consumer exposure. Pop-up retail allows a company to create a unique environment that engages their customers, as well as generates a feeling of relevance and interactivity.

In the case of Phelps, a pontoon boat that is set up occasionally as a pop-up shop with local tourist items from Phelps and the region could potentially generate a buzz of activity.

## **RECOMMENDED ACTIVITIES - TOURISM AND CREATIVE PLACEMAKING**

*Per 2010 Census statistics, Phelps is capturing only 1.4 percent of all retail activity in Vilas County.*

### **ACTIVITY #1: DEVELOP CULINARY TOURISM**

While interviewing the people of Phelps, the plethora of talent in the community becomes obvious. The variety of interests and talents were noted in the interviews portion of this report and are also shown below. This strategy is calling on the community to “take advantage of the unique heritage, charm, hospitality, and sense of place that already exists in your community.” This calls for a collective effort capitalizing on the talents of the local people. There is a noticeable strength on the culinary aspect, including: honey production, maple syrup production, culinary arts, plant genetics and agribusiness. There are also a lot of people with construction talent in the community. Some people are currently retired and very happy to volunteer time and become actively involved in a project. Putting those talents to work here will help to develop the uniqueness and charm of the area.

### **From the Interviews**

The initial questions asked of interviewees dealt with them personally. In an asset-based approach to economic development it is important to find out what talents and capabilities the townspeople have – with focus on their interests/passions. What is it that they love to do in their spare time? What talents can they contribute to the community?

Listed below is a partial list of the diversity of talent from interviewing 42 people in the community. Each of these individuals has much to contribute and can be called upon as resources at some point for the benefit of the Town:

- Construction/ Carpenter (multiple)
- Running own business (multiple)
- Lodge and business management (multiple)
- Hardware store business (2)
  
- Honey production (3)
- Maple syrup tour/production (3)
- Making kayak paddles
- Cooking
- Agribusiness and farm management
- Agribusiness/plant geneticist
- Teach culinary arts
- Sheep raising

- Marketing
- Engraving/signs/trophies
- Bait shop
- Bookkeeping
- Tree service business
- Website design
- Mechanic
- Photography
- Entertainer
- Teaching mentally handicapped
- Financial planning
- Nursery
- Laser engineer
- Mediation work
- Theater production
- Fiber artist
- Running a grocery store
- Running a museum
- 3-D maps

Capitalizing on this local talent pool of resources and experience can be a key priority. Promoting culinary tourism development is one way to put this local talent to a good use.

Phelps already has a maple syrup tour in place. The particulars of that need to be advertised better as both a local and tourist draw. At least three (of 42) interviewees keep bees and are involved in honey production. There is an experienced and qualified plant geneticist in this small community who can contribute much to this. A couple of residents are considering raising hops and have had contact with local brewers. One individual is considering growing grapes for wine production. All of these products have a potential outlet at the general store – not just as products on a shelf, but as unique local products that enhance the quality and charm of the general store.

Tourism statistics from the Wisconsin Department of Tourism in a Food & Beverage category point out the importance of food-related tourism:

- Food and Beverage ranked first out of 17 categories of tourism sales– having the most sales and fully 17 percent of all tourism sales in the United States.
- Food & Beverage sales also top the list of tourism categories in Wisconsin, with \$2.8 billion in sales annually.
- Tourism directly supported 45, 946 jobs in Food & Beverage in Wisconsin in 2011, far more than any other category



- Of 12 different spending categories identified by the Dept. of Tourism, *visitors spent one quarter or 25 percent on Food and Beverage. This was more than any other category including retail.*

Source: (Wisconsin Department of Tourism, Tourism Economics and Longwood's International)

### **Examples**

One small rural Wisconsin community that has been successful in recent years in developing and promoting culinary tourism is Gays Mills (population 491) in Crawford County, in southwestern Wisconsin ([www.gaysmills.org/](http://www.gaysmills.org/)). Their particular agricultural niche is different – focusing on apples and mushrooms, but their experience is valuable. They have established a community kitchen in the past few years called the Kickapoo Culinary Center.

At least a couple of individuals brought up the idea of a small kitchen business incubator in with the general store. This idea has potential depending on how Phelps chooses to develop this idea. There are several kitchen incubators in Wisconsin, but the ones in small towns or rural areas will be most relevant to Phelps. These include:

- Farm Market Kitchen Incubator in Algoma, WI
- Rock Lake Activity Center in Lake Mills, WI
- NWTC Woodland & Kitchen Business Incubator in Niagara , WI (near Iron Mountain, MI)
- Kickapoo Culinary Center in Gays Mills, WI
- Sharing Spaces Kitchen in Prairie du Chien, WI

These will serve as potential contact points if the idea of the kitchen incubator becomes entrenched in Phelps.

### **Comparative Advantage: A Downtown on a Lakefront**

“By far, the most successful tourism towns were those blessed by nature with pre-existing, recreational opportunities and natural assets” (Harshbarger, 2011). In fact, the number one reason why people visit tourist towns is water. ***North Twin Lake is Phelps' Main Value Proposition.*** Harshbarger notes that powerful tourist towns come from recognition of, or creation of, a comparative advantage. The presence of the lake presents a tremendous opportunity for development and gives Phelps an advantage over most of its neighbors – even in scenic northern Wisconsin.

Several articles on the subject of tourism were read specifically for this report. One report in particular that focused on small town tourism was in a publication called *Rural Research Report* and is published by the Illinois Institute for Rural Affairs. The report incorporated research from multiple articles on small town tourism. One article was entitled “*Small Town Tourism: Building the Dreams.*” In that article, the efforts and strategies of 42 of the most successful Midwestern

communities in tourism development are analyzed. A PowerPoint presentation of this article can be found online at:

[http://www.iira.org/conference/Presentations/Small\\_Town\\_Tourism\\_Harshbarger.pdf](http://www.iira.org/conference/Presentations/Small_Town_Tourism_Harshbarger.pdf). Drawing from that article, related articles, efforts and strategies of the Wisconsin Department of Tourism and with consideration of the dynamics of the tourist, the recommendations for action strategies are presented below.

## **ACTIVITY #2: SUPPORT TRAIL DEVELOPMENT**

At a recent presentation to the Rotary Club of Eagle River, the Great Headwaters Trail (GHT) was identifying the trail system that has been accomplished thus far (July 2013) in the county. Rotarians who are familiar with the area, (not the presenters) reported that the trail systems in both St. Germain and Boulder Junction – central and western Vilas County - were being heavily used by bicyclists and tourists. Presently, the group from GHT has no way to measure the number or track statistics, but those familiar with that part of the system concurred that there is heavy use on those trails.

These trails represent significant potential for both residents and tourists. A key way to increase tourist traffic is to have the trail lead to the downtown – a downtown with a grocery store as a destination point or stopover for bicyclists, hikers and tourists in general. Being 75 percent forested and with rolling terrain in and around the town, Phelps will be a central point for trails with *all trails potentially connecting to and from a central hub: the downtown lakefront*. Capitalizing on those sports that require trails: snowmobiling, cross-country skiing, bicycling, and hiking, the Chamber of Commerce should have maps catering to these sports and highlighting the trail system of Phelps. The Town already is doing all it can to encourage trail development in the community. There is nothing to stop Phelps from maximizing development of the trail system and promoting itself as a major hub for hiking, bicycling, and cross-country skiing or snowmobiling.

### **The Great Headwaters Trail**

The Great Headwaters Trail (<http://www.ghtrails.org>) is a 501(c) (3) non-profit foundation that exists to create a 42 mile family-friendly bike-pedestrian trail system in eastern Vilas County. The official name is The Great Wisconsin Headwaters Trail System Foundation, Inc. and their goal is to have the 42 miles of trail completed by 2020. At present, the Phelps spur of this trail system is still in the process of acquiring funding for the trail construction. Funding for the trail is currently being sought by the non-profit as the 9-mile Conover to Phelps segment will cost approximately \$442,000. The trail will come out of the adjacent Town of Conover (to the west of Phelps) from Hwy. 45 and go nine miles east along the north side of North Twin Lake curling around the northeastern tip of the lake and into the downtown of Phelps.

The Great Headwaters Trail will be for bicyclists and hikers in the spring, summer and autumn and snowmobiles in the winter. When completed, this trail will connect Phelps with other tourist destinations in the county including various campgrounds and lakes. There is much potential for Phelps to capitalize on the increased traffic that could come to their community from this trail. Hiking/biking through the woods and along the north side of Twin Lake promises to be a scenic hike for locals and for many tourists. With that in mind, what amenities will Phelps have available for these individuals when they arrive at this end of the Phelps-Conover Trail? There are currently no stores or cafes in close proximity to the (future) trail head in Phelps. There is an opportunity here to capture tourist activity, dependent upon how well this trail system is promoted.

### **ACTIVITY #3: FOR RETAINING YOUTH: CAPITALIZE ON THE EFFORTS OF THE GOGEBIC RANGE NEXT GENERATION INITIATIVE**

The Median Age of Vilas County, including Phelps is shown in figure 4. Phelps' average age per the 2010 Census is 55.4, which is older than Vilas County (50.7), the second oldest county in the state. A quick look at the age breakdown for Phelps and one sees all ages from 0- 39 are lower than the state averages but that the 20-24 age category is especially low in Phelps. Whereas this is a problem in Vilas County, the Northwoods and most rural communities throughout America, the short-term crisis it causes in Phelps is from the effect it is having on the school system.

During the interviews, most residents expressed considerable pride in their local school system – reportedly the smallest in the state with 134 students in grades K-12 during the 2012-2013 school year. If the school was to close, it would be a very painful loss for the community – one secondary in psychological devastation only to the factory closings of the past.

But the ageing population has more than an effect on just the school district. The substantially reduced numbers of people in their 20s and 30s is potentially a key reason why the downtown is so empty and nobody is 'stepping up' to replace those who have closed stores, often in retirement. This ultimately means reduced opportunities for development of an entrepreneurial class and the energy and enthusiasm to dedicate to a new business – a vital element in a vibrant downtown.

Six out of ten students in the senior class of Phelps High said that after graduation they would return to Phelps if there were jobs in the area. But would a new business locate in Phelps if there is an inadequate labor supply? A local businessman reported during the interviews that he cannot find enough reliable employees to fill positions at present, thereby forcing him to go outside the community and recruit on a more regional basis. Hence, there is a bit of a chicken-and-egg with respect to economic development in Phelps: A new business could locate here

provided it has a reliable workforce but the reliable workforce is not here because there are no businesses.

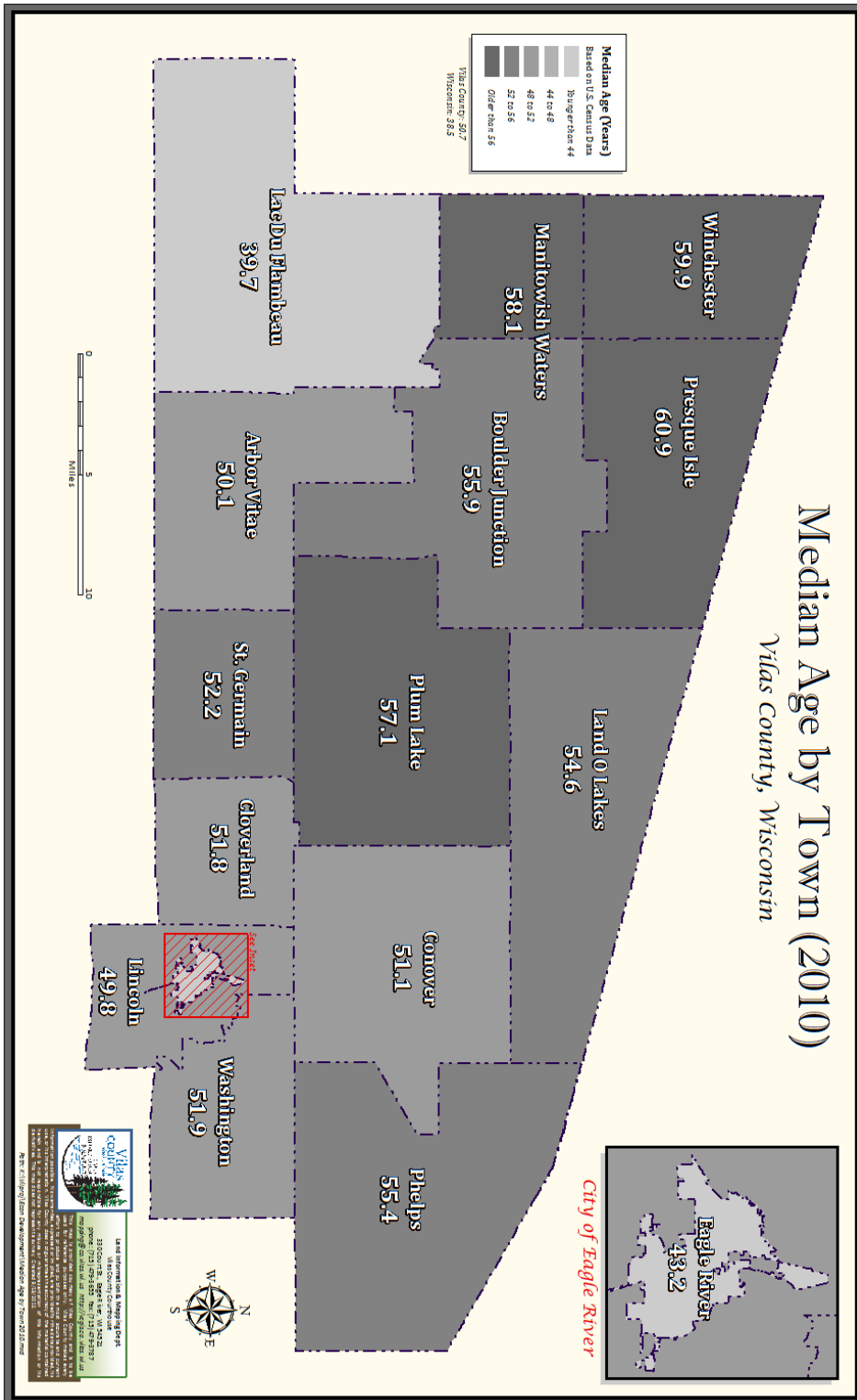
### **What is the Gogebic Range Next Generation Initiative?**

An effort to retain youth that has even garnered national attention is underway within 75 miles of Phelps and because of the demographic similarities, we can learn much from observing this project. This effort involves work across state lines in the Ironwood, MI – Hurley, WI area and is called the Gogebic Range Next Generation Initiative. The Gogebic Range Next Generation Initiative is based on the principles presented to the community by author and consultant Rebecca Ryan in late 2008.

To better understand the location preferences of young people living on the Gogebic Range, Will Andresen from the University of Wisconsin Extension, surveyed 668 high school students, college students and young people (under the age of 40). Per Andresen, 30-35% of young people are looking for ‘the small town feel’ and specifically NOT looking to live in a big city.

An evaluation of the results identified four opportunities to attract and retain young people on the range. The community created four work-groups to address each of these opportunities. These four work-groups created the structure of the Gogebic Range Next Generation Initiative to attract and retain young people.

Figure 3



## **Next Generation Initiative Work-Groups**

### **Attract Young Workers by Strengthening Our Niche**

Rationale: Young people are moving to the Gogebic Range because of its nature-based outdoor recreation niche. If this niche is further strengthened, even more young people will choose to move to the range and those who already live here will be more likely to stay. Other age groups are also attracted to this nature-based outdoor recreation niche, including retirees and people with families. By strengthening this niche, the community will also support the area's tourism-based economy.

Research Base: John Kretzmann and John McKnight, Building Communities from the Inside Out (1993)

### **Attract Young Workers by Promoting Our Strengths**

Rationale: We already have in place many quality of life factors that young people are looking for in a place to live, especially those who want to live in a small town or a rural area, including scenic beauty, safety, affordability and a good place to raise children. In order to attract more young people to the community, we should promote these positive attributes.

Research Base: Philip Kotler, Donald Haider, Irving Rein, Marketing Places (1993)

### **Retain Students by Better Connecting Them to the Community**

Rationale: Very few of our high school and college students plan on staying or returning to the Gogebic Range. Even fewer perceive the community as a good place to live for people in their 20's and 30's. Students generally do not feel valued by the community, do not feel connected to the community and do not value the community's assets. To encourage more of our students to stay in the community (or return some day), we should work to better connect them to the community.

Research Base: Patrick Carr and Maria Kefalas, "The Rural Brain Drain" (2009)

### **Retain Young Workers by Building Social Capital**

Rationale: Many young people are moving to the Gogebic Range because of its nature-based outdoor recreation niche. However, many of these young people are not finding friends in the community and then choose to leave. By building better social capital, it is expected that more of these young transplants will choose to stay in the community to live and to raise their own families.

Research Base: Robert Putnam, Bowling Alone (2000)

Rebecca Ryan has written a book entitled “*Live First, Work Second: Getting Inside the Head of the Next Generation.*” In that book, Ryan identifies the concept of third spaces for young people as a social necessity to retain youth. An example of a third space is a coffee shop or a restaurant where young people gather, having Wi-Fi available. Such places used to exist in Phelps. There is currently nothing of the kind in downtown Phelps. They want something to exist in Phelps primarily that they see as a potential meeting place. The youth are telling us that they want the same things adults do: a grocery store, a hardware store – and a place to hang out and socialize. But they also want to be able to buy video games, go to the movies and buy other products.

According to Ryan’s philosophy ([Http://nextgenerationconsulting.com](http://nextgenerationconsulting.com)) the five things that make communities strong are:

### **1. Strong communities solve problems intergenerationally.**

It’s a myth that young people are apathetic. And it’s an American tragedy that we institutionalize our elders. In strong communities, all generations are valued and work side-by-side on community solutions.

In your community, are youth involved in making decisions for your schools? Are your YPO members helping shape the agenda at the Rotary meeting? Are “retired” leaders engaged in your city’s future?

### **2. Strong communities have a healthy psyche. What’s ours?**

A few years ago, I was working with a community that had experienced a terrible flood. On my first visit, everyone talked about it. The flood had drowned their downtown, washed away homes and wreaked havoc.

But as I walked around, everything seemed so ... dry. Finally, I asked, “When was the flood?” Ten years ago. The flood was history, but the scar remained. Psychologically, the floodwaters were still holding them back, because it had become part of the community’s narrative. Your city has a narrative, too. How well is it serving you? Your children?

### **3. Be authentic, and work in your strengths.**

Madison is not Portland. Or Austin. And it shouldn’t try to be. We have our own vibe and strengths, but we’ve gotten lazy.

Face it: Madison has not had a coherent economic development strategy in at least thirty years. Thanks to some really smart forefathers who helped make Madison the state capital in 1836 and made UW–Madison the state’s crown jewel in 1848, we’ve had it easy. Our population has always been growing. The university and state workers have ensured a certain level of economic stability. But those days may be behind us. It’s time to get our hustle back on—to know our city’s strengths and build aggressively on them. Here’s one example:

**Deb Archer** and her team at the **Greater Madison Convention and Visitors Bureau** know that Madison has a great reputation among certain groups, such as bikers. So they target-market those

conventioners. Their success is evident: We've had the Ironman, Cyclocross, even a unicycling convention! Deb's team isn't trying to compete for every conference or for the trendy

#### **4. Adhere to the principle of intergenerational equity.**

The principle says that current decisions must be made in a way that does not harm future generations. But overall, we're getting this backwards.

The United States currently spends \$7 on every retiree for every \$1 it spends on its children. We've never had an imbalance this great in our per capita investments.

Strong communities understand that this is not sustainable; some even institutionalize it. For example, the Akron Chamber of Commerce has four seats on its prestigious board of directors reserved for leaders of the area's four young professional organizations. In this way, they ensure that established and emerging leaders work together on the community's future.

Is your city making decisions that will leave your next generation stronger?

#### **5. All jobs are important; knowledge workers have the greatest economic impact.**

In 1959, Peter Drucker predicted that "knowledge workers"—those who create and manage information and knowledge—would be the most important folks in society. He was right.

Richard Florida estimates that in the United States, knowledge workers make up about thirty percent of the workforce, and command more than fifty percent of the wages.

Attracting knowledge workers to Madison and keeping them here is a critical component of our community's future. If Madison could keep just one percent more of its BA degree holders, it would have an economic impact of \$180 million. I asked Citizen Dave (Madison's former mayor) recently what \$18 million means in Madison's budget. He didn't blink. "A new library."

#### **Idea: Have the High School Students Teach a Class to the Adults in Social Media**

If you want to keep the younger generation in Phelps, you're going to have to engage them. Youth-adult partnerships have got to start somewhere. Make the youth feel important. They have certain skills, particularly in technical capabilities that most seniors don't have. Have the younger generation conduct a session where they teach adults about Facebook, Linked-in, Skype or about iPods, etc. It's not the end, but it's a start.



#### **ACTIVITY #4: ORGANIZE A FACADE SQUAD**

This strategy is aimed primarily at capturing the excellent spirit of volunteerism that exists in Phelps. In Phelps, the advantages of a facade squad are (1) they capitalize on local talent and Phelps has a lot of people with construction or similar experience; (2) it is a multigenerational event and can involve the whole family. People willing to volunteer for a façade squad might call themselves something like the “Phelps Face lifters” or some similar catchy name.

#### **Main Street Façade Squad**

- A Façade Squad assists private property owners with front, street-side façade renovations
- The Façade Squad is a volunteer-driven, "bootstrap" self- help effort that involves local Main Street projects, property and business owners, civic organizations, and municipalities
- The Façade Squad organizes resources, materials, volunteers and local property and business owners to execute a façade improvement project on one block in the Main Street District in one work day
- The Façade Squad is an efficient and cost-effective way for communities to make high impact, visible improvements to their Main Street Districts

The following is an excerpt from the Silver City, (New Mexico) *Sun-News* of May 19, 2012:

*SILVER CITY Volunteers are needed today for Silver City’s Façade Squad, to help paint and improve the façades of several downtown buildings. The event, which will include free pizza for volunteers, will take place from 9 a.m. to 5 p.m. today at Bullard and Yankee streets.*

*Façade Squad is a program of New Mexico Main Street, created to help local communities make big improvements to the appearance of their downtowns with limited resources, said Nick Seibel, Silver City Main Street manager. The event gives residents a chance to get involved in improving their downtown in a very real and visible way, and it’s been tremendously successful in other New Mexico communities.*

*A small grant to purchase paint, supplies, and other improvement needs was awarded to Silver City by the Friends of New Mexico Main Street, a private nonprofit organization supporting Main Street communities around the state. Funding is matched by building owners, either in cash or in-kind. A professional architect contracted by the state helps property owners pick colors or redesign the fronts of their buildings and creates a design plan. The design committee actually talked to some other property owners first who were hesitant to get involved in a project they hadn’t seen done before, Seibel said. We’re excited to have found a great block for our first Façade Squad and hope that we will be able to work with other owners in the future to address more of downtown s rough spots.*

Macon, Georgia has also implemented this. The following is an excerpt from their website: (<http://www.facadesquad.org/our-purpose.html>):

*Facade Squad is every person who cares enough about our city and our downtown to show up ready to work. The Facade Squad Board is a group of young people in Macon GA that will not*

*accept Downtown Macon as what used to be but will work tirelessly to "Restore the Face of Macon". Facade Squad will blame no one for what has happened but will start with one building, then move to the next, then the next until Downtown Macon is full again.*

### **Why we do what we do**

It is not hard to understand that one unmaintained building can ruin a whole street of nice buildings. Facade Squad's plan is simple:

"find an ugly building, call the owner, get permission, get funding, get volunteers, and get to work"

### **What makes Facade Squad Different**

A Facade Squad has no employees and never plans to have a payroll. All board members donate a considerable amount of time to make Facade Squad work. Facade Squad will be a bare bones organization. Facade Squad will meet less and do more. Many organizations are caught in a death spiral of "meet much, do little". The core practice of Facade Squad is to "meet little, do much". It is not uncommon to see the Facade Squad Board with BlackBerrys in hand on the street corner having a board meeting. Facade Squad is committed to action.

### **Who funds Facade Squads**

Donations and community foundations often fund façade squads. On the subject of façade improvements, The North Central Wisconsin Regional Planning Commission, based in Wausau, has some monies that they make available for loans. These are usually in the accompaniment of a local match, such as a 50/50 match between their organization and the local entity. In other places, Facade Squads receive funding from private donations and grants.

### **Idea: Enforce a Maintenance Ordinance in Phelps Downtown**

The failure to maintain property directly impacts property values of adjacent property and also is a huge detriment to tourism. To protect a neighborhood from deterioration, a number of local governments have established property maintenance standards. There is a limit, however, on how far a jurisdiction may go in regulating unsightly areas on private property. Some cities wrap a general nuisance ordinance in language that addresses property standards. The premise is that failure to provide minimum maintenance creates unsanitary and unsafe conditions, negatively impacts the aesthetic value of the community, and reduces property values.

## **FINANCING**

The ability to finance complex projects is one of the three fundamentals necessary to being able to have a successful program in Phelps. Becoming a part of the Wisconsin Connect Communities and eventually the Wisconsin Main Street Program will go a long way to helping Phelps identify loan and grant opportunities for downtown revitalization. Phelps can call upon the resources of the Vilas County Economic Development Corporation, The North Central Wisconsin Development Corporation and the Wisconsin Economic Development Corporation.

### **Grants/Loans**

The North Central Wisconsin Development Corporation (<http://www.ncwrpc.org/ncwdc/>) is a 501 (C)(3) non-profit corporation established in 1994 and located in Wausau at the home of the North Central Wisconsin Regional Planning Commission. The Development Corporation has two primary funds that they administer: a Community Development Loan Fund and a Regional Revolving Loan fund.

Community Development Loan Fund – The objectives of this fund include the following:

- Provide financing to new and expanding businesses that anticipate high growth;
- Create and retain permanent jobs;
- Leverage private investment in land and buildings;
- Perpetuate a proactive business climate that encourages expansion of existing businesses;
- Implement community development goals and objectives;
- Promote a diverse mix of employment opportunities that are non-cyclical;
- Encourage development of sustainable central business districts;
- Stimulate the entrepreneurial spirit of new companies.

The three basic loan types under this funding program are:

1. Façade Improvement Loans - including building façade improvements, brick restoration, awning repair and acquisition, signage and façade painting.
2. Micro Loans to early stage businesses – this is acquisition of fixed equipment, working capital, marketing and sales materials and new construction and renovation. It is important to note that this does not include retail.
3. Job Retention/Creation Loans – which include acquisition of land, buildings and fixed equipment, site preparation, construction and remodeling, and working capital.

Regional Revolving Loan Fund – this fund provides gap financing to area businesses. A gap is the difference between what a private lender lends and what a borrower needs. It is important to

note that service based businesses, such as restaurants, day care, retail, resorts, motel and hotel, are ineligible for loan activity. The objectives of the fund are:

- To increase employment opportunities in all sectors of the economy;
- To raise personal incomes by providing opportunities for employee growth;
- Promote creation, retention and expansion of existing businesses;
- To leverage private investment throughout the region.

There is a 50 percent match to be provided by the town for these loans. Loan sizes of up to \$7,500 are available from this loan fund for façade improvements. This would be in the case of a \$15,000 project, with Phelps providing the other half. Interest rates are usually set below market rates. The length of the loan for façade improvements is five years.

### Brownfield Grants

EPA's Brownfields Program empowers states, communities, and other stakeholders to work together to prevent, assess, safely cleanup, and sustainably reuse brownfields. Revitalizing brownfield sites creates benefits at the site and throughout the community. For example, through fiscal year 2012, on average, \$17.79 are leveraged for each EPA Brownfields dollar expended; on average, 7.30 jobs are leveraged per \$100,000 of EPA Brownfields funding expended on Assessment, Cleanup and Revolving Loan Fund cooperative agreements.

Five pilot studies conducted by the Brownfields Program on Environmental (Air and Water) Benefits from Brownfield Redevelopments, indicate brownfield sites tend to have greater location efficiency than alternative development scenarios resulting in a 32 to 57 percent reduction in vehicle miles traveled, thus reducing pollution emissions including greenhouse gasses. These same site comparisons show an estimated 47 to 62 percent reduction of storm water runoff.

An additional study funded by the Brownfields program to assess the impact of Brownfields grants on residential property values, concluded residential property values increased between 2 and 3 percent once a nearby brownfield was assessed or cleaned up. The study further concluded that cleaning up a brownfield can increase overall property values within a one mile radius by \$0.5 to \$1.5 million. Also, Initial anecdotal surveys indicate a reduction in crime in recently revitalized brownfield areas.

There are many other programs that provide financing opportunities for multiple uses. Two of the most common include:

- Community Development Block Grants – which have a wide variety of programs;
- U.S. Dept. of Agriculture's Community Facilities Direct Loan Program which is specifically targeted to facilities in rural areas.
- and has multiple uses Rural Business Opportunity Grants (RBOG) and Rural Business Enterprise Grants (RBEGr)

### **Community Foundation**

Regrettably, there is no Community Foundation for Vilas County. Phelps has had several individuals interested in contributing money to the Town for various reasons in the past. To explore this option further, community leaders could speak to the Executive Director of the Community Foundation of North Central Wisconsin in Wausau and see the various potential grants and funding opportunities that they have at their disposal. Another community locally to investigate is Boulder Junction, which is establishing a local foundation.

A few grants from the Community Foundation of North Central Wisconsin include:

- Community Enhancement Grants - a flexible resource in providing funding for innovative projects that have a positive impact on enriching life in our community;
- Beyond Pencils and Crayons Grants - Ranging from \$250 to \$5,000, these are available to K-12 teachers to initiate innovative and creative projects and programs that enhance their curriculum;
- Community Arts Grants - The Community Arts Grant Fund encourages cooperation and expansion of arts opportunities;

### **Private Foundation Grants**

A private foundation is a nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family or corporation) and program managed by its own trustees or directors. It is established to aid social, educational, religious or other charitable activities, primarily through grant-making. Private foundations usually take an interest in a community if the community is in the process of implementing a unique program. Something like a facade squad program and some of the strategies mentioned in this report could potentially be a catalyst for this.

**PROPOSED TIMETABLE OF ACTIVITIES**

<u>Action Item:</u>	Qtr. 3 2013	Qtr. 4 2013	Qtr. 1 2014	Qtr. 2 2014	Qtr. 3 2014	Qtr. 4 2014	Qtr. 1 2015	Qtr. 2 2015	Qtr. 3 2015	Qtr. 4 2015
Planning Commission considers strategies of the report	█									
Town Board adopts the plan		█								
Join Connect Communities Program			█	█	█	█	█	█	█	█
Form Grocery Store Task Force				█						
Task Force reports on Findings					█					
Chamber discusses and adopts plan		█								
Chamber forms plans to work with local lodge owners			█							
Façade Squad 1 <sup>st</sup> project						█	█	█	█	█
Host downtown experts for speaking engagements						█	█	█	█	█
Consider maintenance ordinance for downtown										
Chamber establishes culinary committee		█	█							
Trail Development	█	█	█	█	█	█	█	█	█	█
<u>Random ideas:</u>										
Downtown Cleanup Day				█						
Outdoor movie nights on the outer wall of The Big Store					█					

High School Band on the  
Lakefront

Downtown Dance

Taste of Phelps Event– local  
foods, honey and sugar  
maple, etc. (with Scarecrow  
Fest

Downtown Block Party with  
4<sup>th</sup> of July event



**APPENDICES OF**  
**STATISTICAL INFORMATION**

*“Lies, damned lies, and statistics.”*  
*Mark Twain*



**APPENDIX I PHELPS AND VILAS COUNTY DEMOGRAPHICS**

*Phelps lost 11 percent of its population from 2000-2010 while Vilas County had a two percent increase.*

Table 2  
Population Growth, Phelps and Vilas County, 1990-2010

	Town of Phelps	increase	Vilas County	increase	Wisconsin	increase
1990 Population	1187	-	17,707	-	4,891,769	-
2000 Population	1350	12%	21,033	19%	5,363,675	10%
2010 Population	1200	(11.1%)	21,430	1.9%	5,686,986	6%

Source: WI Demographic Services Center, Wisconsin Dept. of Administration Population and Housing Data, Wisconsin County Subdivisions (Minor Civil Divisions) (pg. 55 of 189)

This chapter examines in detail the population of both Vilas County and where possible as statistics allow, the Town of Phelps. In most cases, the same statistics are made available for Vilas County and Wisconsin for comparison purposes. Phelps is placed ‘under the microscope’ and examined to see current trends in population and how that may affect the future of the town, including the types of services available, future potential for growth, and what this may mean to the Phelps School District and the Town in general.

Table 2 shows the current population trends for the Town of Phelps, Vilas County and Wisconsin as a whole for comparison purposes. While Vilas County’s population remained almost the same as in 2000, Towns within the county differed considerably on whether they gained or lost population. Phelps was one of the areas in Vilas County that lost population in the last decade.

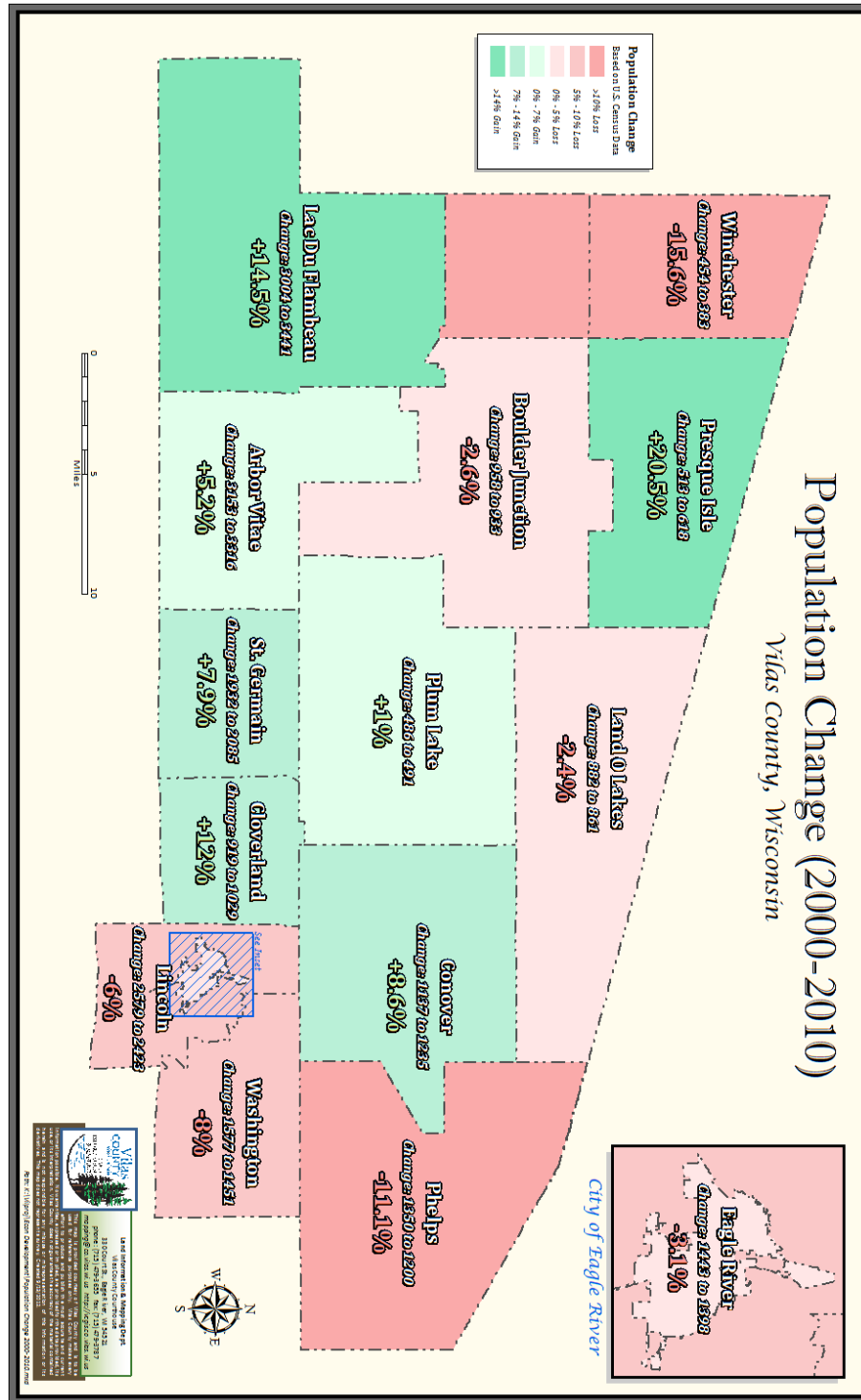
With the exception of Presque Isle Township, Towns that had the significant increases in population in Vilas County are in the southwestern most portion of the county in closest proximity to the intersection of Highway 51 and State Route 70. The fact that Phelps is quite removed from Highway 51 present its challenges, but this very distance from state highways is also a key selling point for the town: its quietness.

Map of Population Change Vilas county, 2010

This report also recognizes (to be discussed in later chapters) that that very isolation also creates opportunity for Phelps.

Table 3 (below) shows the population by ethnicity for Vilas County from 2000-2010. The highest minority group in Vilas County is Native American, primarily associated with the Lac du Flambeau tribe in the southwestern part of the county.

Figure 4 – Population Change by Municipality, Vilas County 2000-2010



Of the 1200 people in Phelps in 2010, 1166, or 97.2 percent are White, representing virtually no change from the 2000 Census. There are 20 Native Americans living in Phelps and 4 Asians. The remaining 10 represent two different ethnic groups.

Table 3  
Population by Ethnicity, Vilas County, Wisconsin 2000-2010

Population by Race	2000 Census	2010 Census	Change 2000-2010	Percent of Population 2010
American Indian & Alaska Native	1,909	2,370	461	11.06
Asian alone	38	61	23	.28
Black or African American alone	43	35	-8	.16
Native Hawaiian and Other Pacific native	2	1	1	0
Some other race alone	39	45	6	.21
Two or more races	137	260	123	1.21
White alone	18,865	18,658	-207	87.06
Total Population	21,033	21,430	397	1.89

Source: U.S. Census 2000 and 2010 Population of Vilas County, WI  
(<http://censusviewer.com/county/WI/Vilas>)

### Age

Specific age characteristics of Vilas County and Phelps are shown in Table 4. In Phelps, two age groups stand out specifically as potential areas of concern. The first is a big concern for the Phelps School District and is the 0-4 age group, very low when compared to Vilas County and Wisconsin. The second is that one look at the statistics shows how the population from roughly age 15 -24 is very low compared with Wisconsin and even low compared with Vilas County as a whole. That missing age cohort represents a substantial part of the future. This is a great concern for Phelps and the school there. This issue is not new to rural areas and northern Wisconsin, but Phelps will have to work regionally, with partners within Vilas County and the region (including Michigan) as a whole to address the issue of keeping youth in the area. Although the topic of youth is not the main issue of this report, it was felt that gathering some input from local youth was important to the report. As such, a focus group was conducted of the

seniors from Phelps High School by the University of Wisconsin Extension in February 2013. The results of that focus group are provided in Chapter IX.

Table 4

## Population by Age, Town of Phelps, Vilas County and Wisconsin, 2010

Age	Town of Phelps	Percent of population	Vilas County percent of population	Wisconsin percent of population
Total Population	1,200	100.0	21,430	5,686,986
0-4	33	2.8	4.5	6.3
5-9	55	4.6	4.7	6.5
10-14	49	4.1	5.0	6.6
15-19	42	3.3	5.5	7.0
20-24	17	1.4	3.4	6.8
25-29	50	4.2	3.8	6.5
30-34	43	3.6	3.9	6.1
35-39	55	4.6	4.6	6.1
42-44	58	4.8	5.6	6.7
45-49	83	6.9	7.8	7.7
50-54	110	9.2	8.3	7.7
55-59	107	8.9	8.3	6.8
60-64	100	8.3	8.6	5.5
65-69	122	10.2	8.0	4.0
70-74	79	6.6	6.6	3.1
75-79	81	6.8	4.8	2.5
80-84	45	3.8	3.6	2.1
85+	73	6.1	2.9	2.1
Median Age	55.4	-	50.7	38.5

Source: 2010 Census Summary File 1—Vilas County (<http://www.cubitplanning.com/county/1842-vilas-county-census-2010-population>)

## Housing

Table 5 shows both the increase in the number of housing units in Phelps and Vilas County for the period 2000-2010. This statistic clearly shows the high number of second season homes in Phelps - only 31.9 percent of all houses in Phelps are occupied year-round. This is a 68.1 percent vacancy rate for much of the year. This is common in the north woods. In fact, Vilas County as a whole has a 61.5 percent vacancy rate of all homes for much of the year. But many of these second season home owners provide jobs locally in construction activity, an important employment component in the county and Phelps.

Table 5  
Number of Housing Units, Phelps and Vilas County 2000-2010

	2000 Total H.U.'s*	2010 Total H.U.'s	Percent increase, 2000-2010	2000 Occupied H.U.'s	2010 Occupied H.U.'s	Percent occupied
Town of Phelps	1605	1705	6.2	560	544	31.9%
Vilas County	22,397	25,116	12.1	9,066	9,658	38.5%

\*H.U. = Housing Unit

Source: WI Demographic Services Center, Wisconsin Dept. of Administration Population and Housing Data, Wisconsin County Subdivisions (Minor Civil Divisions) (pg. 118 of 189)

An occupied housing unit = non-seasonal, or occupied year-round.

An ESRI Retail Goods and Service Expenditures Report along with a Consumer Spending Report are attached for the Town of Phelps.

### Consumer Spending Report (Phelps town, Wisconsin)

Consumer Expenditures (2012)			Consumer Expenditures (2012), Cont'd		
	\$ PER HOUSEHOLD	TOTAL \$000'S		\$ PER HOUSEHOLD	TOTAL \$000'S
<b>Apparel</b>			<b>Personal Care</b>		
Totals:	\$2,031	\$1,138	Totals:	\$632	\$354
Men's Apparel	\$380	\$213	Hair Care	\$49	\$28
Boys' Apparel	\$93	\$52	Electric Personal Care Appliances	\$12	\$7
Women's Apparel	\$694	\$389	Personal Care Services	\$422	\$237
Girls' Apparel	\$125	\$70	Personal Care Products	\$147	\$83
Infants Apparel	\$87	\$49	<b>Reading</b>		
Footwear	\$341	\$191	Totals:	\$143	\$81
Apparel Services and Accessories	\$309	\$173	Newspapers	\$61	\$35
<b>Education</b>			<b>Magazines</b>		
Totals:	\$916	\$513	Books	\$52	\$29
Books And Supplies	\$128	\$72	<b>Tobacco</b>		
Tuition	\$787	\$441	Totals:	\$315	\$177

<b>Entertainment</b>		Cigarettes	\$283	\$159	
Totals:	\$2,396	\$1,342	Other Tobacco Products	\$31	\$18
Fees And Admissions	\$572	\$321	<b>Transportation</b>		
Video And Audio Equipment	\$851	\$477	Totals:	\$8,711	\$4,879
Recreational Equipment And Supplies	\$972	\$544	New Vehicle Purchase	\$2,162	\$1,211
<b>Food and Beverages</b>		Used Vehicle Purchase	\$1,464	\$820	
Totals:	\$6,768	\$3,790	Motorcycles (New And Used)	\$59	\$34
Food At Home	\$3,598	\$2,015	Vehicle Finance Charges	\$406	\$228
Food Away From Home	\$2,664	\$1,492	Gasoline And Oil	\$1,985	\$1,112
Alcoholic Beverages	\$504	\$283	Vehicle Repair And Maintenance	\$678	\$380
<b>Health Care</b>		Vehicle Insurance	\$1,006	\$564	
Totals:	\$2,864	\$1,604	Public Transportation	\$478	\$268
Health Care Insurance	\$1,384	\$776	Other Transportation Costs	\$468	\$263
Health Care Services	\$678	\$380	<b>Utilities</b>		
Health Care Supplies And Equipment	\$801	\$449	Totals:	\$3,163	\$1,772
<b>Household Furnishings</b>		Natural Gas	\$443	\$248	
Totals:	\$1,842	\$1,032	Electricity	\$1,167	\$654
Household Textiles	\$134	\$75	Fuel Oil And Other Fuels	\$118	\$66
Furniture	\$498	\$279	Telephone Service	\$1,073	\$601
Floor Coverings	\$61	\$35	Other Utilities	\$360	\$202
Major Appliances	\$223	\$125	<b>Gifts</b>		
Housewares And Small Appliances	\$924	\$518	Totals:	\$1,110	\$622
<b>Shelter</b>		Gifts Of Apparel	\$219	\$123	
Totals:	\$8,317	\$4,658	Gifts Of Apparel Accessories	\$28	\$16
Mortgage Interest	\$3,065	\$1,717	Gifts Of Education	\$225	\$126
Property Taxes	\$1,421	\$796	Gifts Of Recreation	\$75	\$42
Miscellaneous Owned Dwelling Costs	\$1,123	\$629	Gifts Of Food And Beverages	\$102	\$58
Rental Costs	\$2,273	\$1,273	Gifts Of Household Furnishings And Equipment	\$178	\$100
Other Lodging	\$432	\$242	Gifts Of Household	\$46	\$26
<b>Household Operations</b>		Gifts Of Transportation	\$60	\$34	
Totals:	\$1,456	\$816	Gifts Elsewhere Unspecified	\$173	\$97



Babysitting And Elderly Care	\$316	\$177	<b>Personal Insurance</b>	
Household Services	\$271	\$152	\$416	\$233
Alimony And Child Support	\$220	\$123	<b>Contributions</b>	
Household Supplies	\$648	\$363	\$1,541	\$863
<b>Miscellaneous Expenses</b>				
Totals:	\$746	\$418		
Legal And Accounting	\$90	\$51		
Funeral And Cemetery	\$83	\$47		
Finance Charges Excluding Mortgage And Vehicle	\$479	\$269		
Other Miscellaneous Expenses	\$92	\$52		

Source: Applied Geographic Solutions, 2012



# Demographic and Income Profile

Phelps, WI  
Drive Time: 10 minutes

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Summary	Census 2010	2012	2017			
Population	701	713	714			
Households	316	320	324			
Families	208	210	211			
Average Household Size	2.15	2.16	2.13			
Owner Occupied Housing Units	267	267	271			
Renter Occupied Housing Units	49	52	53			
Median Age	53.7	54.5	56.4			
Trends: 2012 - 2017 Annual Rate	Area	State	National			
Population	0.03%	0.42%	0.68%			
Households	0.25%	0.59%	0.74%			
Families	0.10%	0.43%	0.72%			
Owner HHs	0.30%	0.68%	0.91%			
Median Household Income	0.82%	2.81%	2.55%			
Households by Income	2012		2017			
	Number	Percent	Number	Percent		
<\$15,000	37	11.6%	36	11.1%		
\$15,000 - \$24,999	43	13.4%	44	13.6%		
\$25,000 - \$34,999	60	18.8%	59	18.2%		
\$35,000 - \$49,999	59	18.4%	50	15.4%		
\$50,000 - \$74,999	53	16.6%	54	16.7%		
\$75,000 - \$99,999	34	10.6%	41	12.7%		
\$100,000 - \$149,999	22	6.9%	25	7.7%		
\$150,000 - \$199,999	7	2.2%	9	2.8%		
\$200,000+	5	1.6%	5	1.5%		
Median Household Income	\$38,905		\$40,531			
Average Household Income	\$53,522		\$57,396			
Per Capita Income	\$24,700		\$26,756			
Population by Age	Census 2010		2012		2017	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	19	2.7%	19	2.7%	18	2.5%
5 - 9	29	4.1%	29	4.1%	28	3.9%
10 - 14	26	3.7%	26	3.7%	26	3.6%
15 - 19	34	4.9%	33	4.6%	30	4.2%
20 - 24	15	2.1%	15	2.1%	14	2.0%
25 - 34	50	7.1%	51	7.2%	50	7.0%
35 - 44	76	10.9%	75	10.5%	71	9.9%
45 - 54	117	16.7%	114	16.0%	102	14.3%
55 - 64	126	18.0%	132	18.5%	134	18.7%
65 - 74	113	16.1%	121	17.0%	142	19.9%
75 - 84	58	8.3%	58	8.1%	60	8.4%
85+	37	5.3%	39	5.5%	40	5.6%
Race and Ethnicity	Census 2010		2012		2017	
	Number	Percent	Number	Percent	Number	Percent
White Alone	686	97.9%	698	97.9%	698	97.9%
Black Alone	0	0.0%	0	0.0%	0	0.0%
American Indian Alone	7	1.0%	7	1.0%	7	1.0%
Asian Alone	4	0.6%	4	0.6%	4	0.6%
Pacific Islander Alone	0	0.0%	0	0.0%	0	0.0%
Some Other Race Alone	0	0.0%	0	0.0%	0	0.0%
Two or More Races	4	0.6%	4	0.6%	4	0.6%
Hispanic Origin (Any Race)	7	1.0%	7	1.0%	7	1.0%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

July 25, 2013

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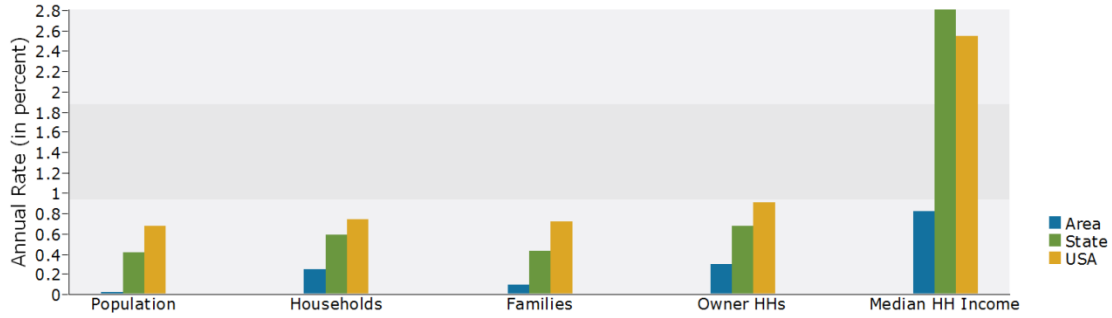


# Demographic and Income Profile

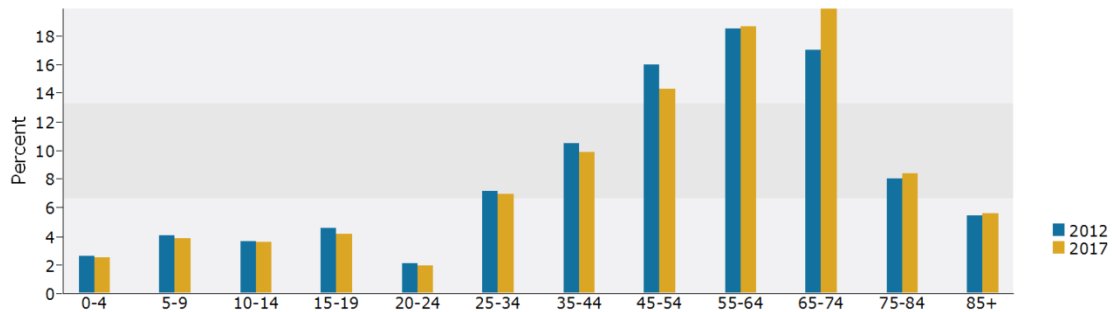
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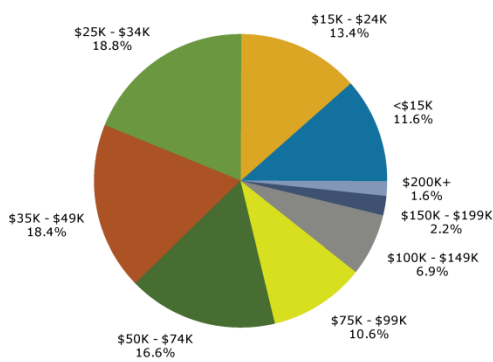
Trends 2012-2017



Population by Age



2012 Household Income



2012 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

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Page 2 of 2



## Retail Goods and Services Expenditures

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Top Tapestry Segments	Percen	Demographic Summary	2012	2017
Rural Resort Dwellers	100.0%	Population	713	714
Top Rung	0.0%	Households	320	324
Suburban Splendor	0.0%	Families	210	211
Connoisseurs	0.0%	Median Age	54.5	56.4
Boomburbs	0.0%	Median Household	\$38,905	\$40,531
		Spending Potential Index	Average Amount Spent	Total
<b>Apparel and Services</b>				
Men's		45	\$972.18	\$311,099
Women's		44	\$175.88	\$56,280
Children's		40	\$301.12	\$96,358
Footwear		49	\$173.04	\$55,372
Watches & Jewelry		36	\$143.82	\$46,021
Apparel Products and Services (1)		72	\$102.12	\$32,679
		85	\$76.22	\$24,389
<b>Computer</b>				
Computers and Hardware for Home Use		72	\$140.07	\$44,822
Portable Memory		61	\$4.39	\$1,404
Computer Software		68	\$12.79	\$4,093
Computer Accessories		82	\$13.01	\$4,162
<b>Entertainment &amp; Recreation</b>				
Fees and Admissions		86	\$2,643.00	\$845,759
Membership Fees for Clubs (2)		60	\$359.99	\$115,198
Fees for Participant Sports, excl. Trips		60	\$95.59	\$30,589
Fees for Participant Sports, excl. Trips		62	\$69.58	\$22,265
Admission to Movie/Theatre/Opera/Ballet		62	\$91.95	\$29,425
Admission to Sporting Events, excl. Trips		63	\$37.89	\$12,126
Fees for Recreational Lessons		55	\$64.55	\$20,655
Dating Services		104	\$0.43	\$137
TV/Video/Audio		82	\$998.46	\$319,508
Cable and Satellite Television Services		88	\$718.11	\$229,796
Televisions		69	\$104.69	\$33,501
Satellite Dishes		107	\$1.61	\$514
VCRs, Video Cameras, and DVD Players		65	\$7.92	\$2,535
Miscellaneous Video Equipment		45	\$3.26	\$1,045
Video Cassettes and DVDs		73	\$24.35	\$7,793
Video Game Hardware/Accessories		65	\$16.65	\$5,327
Video Game Software		65	\$18.25	\$5,840
Streaming/Downloaded Video		62	\$2.19	\$702
Rental of Video Cassettes and DVDs		71	\$18.41	\$5,892
Installation of Televisions		59	\$0.48	\$154
Audio (3)		70	\$76.70	\$24,543
Rental and Repair of TV/Radio/Sound Equipment		128	\$5.84	\$1,867
Pets		124	\$625.46	\$200,149
Toys and Games (4)		78	\$102.98	\$32,953
Recreational Vehicles and Fees (5)		105	\$223.72	\$71,592
Sports/Recreation/Exercise Equipment (6)		80	\$135.84	\$43,469
Photo Equipment and Supplies (7)		75	\$55.61	\$17,795
Reading (8)		87	\$126.90	\$40,609
Catered Affairs (9)		56	\$14.04	\$4,487
<b>Food</b>				
Food at Home		81	\$6,323.15	\$2,023,409
Food at Home		86	\$4,097.31	\$1,311,139
Bakery and Cereal Products		87	\$579.17	\$185,334
Meats, Poultry, Fish, and Eggs		84	\$882.27	\$282,325
Dairy Products		89	\$456.12	\$145,958
Fruits and Vegetables		81	\$732.03	\$234,249
Snacks and Other Food at Home (10)		88	\$1,447.73	\$463,274
Food Away from Home		73	\$2,225.84	\$712,269
Alcoholic Beverages		74	\$371.50	\$118,880
Nonalcoholic Beverages at Home		88	\$393.66	\$125,971

**Data Note:** The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

**Source:** Esri forecasts for 2012 and 2017; Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics.

July 25, 2013



## Retail Goods and Services Expenditures

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	Spending Potential Index	Average Amount Spent	Total
<b>Financial</b>			
Investments	84	\$1,659.31	\$530,978
Vehicle Loans	80	\$2,888.56	\$924,339
<b>Health</b>			
Nonprescription Drugs	104	\$122.46	\$39,187
Prescription Drugs	111	\$508.20	\$162,623
Eyeglasses and Contact Lenses	96	\$78.14	\$25,006
<b>Home</b>			
Mortgage Payment and Basics (11)	74	\$6,637.17	\$2,123,894
Maintenance and Remodeling Services	95	\$1,467.05	\$469,457
Maintenance and Remodeling Materials (12)	120	\$331.20	\$105,983
Utilities, Fuel, and Public Services	85	\$4,090.19	\$1,308,862
<b>Household Furnishings and Equipment</b>			
Household Textiles (13)	78	\$77.88	\$24,920
Furniture	77	\$349.93	\$111,978
Rugs	65	\$15.63	\$5,001
Major Appliances (14)	101	\$263.76	\$84,403
Housewares (15)	70	\$49.78	\$15,928
Small Appliances	95	\$40.30	\$12,897
Luggage	60	\$5.08	\$1,627
Telephones and Accessories	61	\$31.15	\$9,968
<b>Household Operations</b>			
Child Care	55	\$230.95	\$73,904
Lawn and Garden (16)	112	\$450.93	\$144,297
Moving/Storage/Freight Express	70	\$43.62	\$13,959
Housekeeping Supplies (17)	89	\$599.24	\$191,756
<b>Insurance</b>			
Owners and Renters Insurance	95	\$444.67	\$142,293
Vehicle Insurance	79	\$889.81	\$284,740
Life/Other Insurance	103	\$428.18	\$137,018
Health Insurance	94	\$2,210.64	\$707,405
Personal Care Products (18)	80	\$338.42	\$108,295
School Books and Supplies (19)	72	\$128.22	\$40,985
Smoking Products	113	\$522.97	\$167,350
<b>Transportation</b>			
Vehicle Purchases (Net Outlay) (20)	85	\$2,895.03	\$926,411
Gasoline and Motor Oil	88	\$2,595.74	\$830,636
Vehicle Maintenance and Repairs	84	\$866.80	\$277,375
<b>Travel</b>			
Airline Fares	65	\$281.96	\$90,226
Lodging on Trips	84	\$337.67	\$108,056
Auto/Truck/Van Rental on Trips	70	\$22.50	\$7,193
Food and Drink on Trips	82	\$339.01	\$108,484

**Data Note:** The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

**Source:** Esri forecasts for 2012 and 2017; Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics.

July 25, 2013



## Retail Goods and Services Expenditures

Phelps, WI  
Drive Time: 10 minutes

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- (1) **Apparel Products and Services** includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.
- (2) **Membership Fees for Clubs** includes membership fees for social, recreational, and civic clubs.
- (3) **Audio** includes satellite radio service, sound components and systems, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.
- (4) **Toys and Games** includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, and online entertainment and games.
- (5) **Recreational Vehicles & Fees** includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.
- (6) **Sports/Recreation/Exercise Equipment** includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (7) **Photo Equipment and Supplies** includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (8) **Reading** includes digital book readers, books, magazine and newspaper subscriptions, and single copies of magazines and newspapers.
- (9) **Catered Affairs** includes expenses associated with live entertainment and rental of party supplies.
- (10) **Snacks and Other Food at Home** includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.
- (11) **Mortgage Payment and Basics** includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.
- (12) **Maintenance and Remodeling Materials** includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, and insulation materials for owned homes.
- (13) **Household Textiles** includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.
- (14) **Major Appliances** includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.
- (15) **Housewares** includes plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.
- (16) **Lawn and Garden** includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
- (17) **Housekeeping Supplies** includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, and delivery services.
- (18) **Personal Care Products** includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, adult diapers, and personal care appliances.
- (19) **School Books and Supplies** includes school books and supplies for College, Elementary school, High school, Vocational/Technical School, Preschool/Other Schools, and Other School Supplies.
- (20) **Vehicle Purchases (Net Outlay)** includes net outlay for new and used cars, trucks, vans, motorcycles, and motor scooters.

**Data Note:** The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

**Source:** Esri forecasts for 2012 and 2017; Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics.

July 25, 2013