

2013

# Prairie du Chien Economic Development Corporation



## Economic Development & Marketing Plan



### ***Acknowledgements***

This document is the result of significant effort and contributions by a number of individuals. The staff and membership of the Prairie du Chien Economic Development Corporation, including the following individuals:

David Connolly, Crawford County EDC  
Brian Edwards, Edwards Plumbing and Heating  
Skip Gjolberg, Prairie du Chien Memorial Hospital  
Roger Grunow, Retired City Engineer  
Bill Gustafson, Lady Luck Casino  
Becky Hackett, Century21 Realty  
Tom Harris, 3M Company  
Kathleen Hein, City of Prairie du Chien Council Representative  
Jason Knapp, Cabela's  
Aaron Kramer, City of Prairie du Chien  
Chris Mara, Tri Corp Insurance & Financial Services  
Robert McDonald, Prairie du Chien Economic Development Corporation  
Robert Moses, Prairie du Chien Area Chamber of Commerce  
Linda Munson, City of Prairie du Chien Council Representative  
Mark Oehler, Madison Gas & Electric  
Tony Schwab, Dillman/Astec  
Robert Standorf, People's State Bank

Support and information was also provided by the City of Prairie du Chien, and staff and board members from its partner organizations including the Chamber of Commerce, Prairie du Chien Downtown Revitalization, Inc., and Crawford County Economic Development Corporation. The Vierbicher team would also like to thank the numerous individuals who provided specific market or industry insight and helped to refine the recommendations provided in the final chapters of this document.

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February, 2013



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## Executive Summary

This plan is the result of a four month process which took place during the fall of 2012. The objective of this plan is to create a framework for the Prairie du Chien Economic Development Corporation to direct its marketing and outreach efforts to maximize economic expansion and promote a positive business climate. The plan recognizes the organization's shift from focusing on industrial development to taking a broader economic development approach.

The City of Prairie du Chien has a significant history as a regional hub, which allows companies within the City to attract workers, consumers and visitors from a broad geographic area. This regional presence has also spurred the development of strong local infrastructure, including multi-modal transportation, broadband and highway connections with the broader region. Located within a four hour drive of most major Midwestern metropolitan areas, Prairie du Chien is perceived in the region as a solid industrial economy, which has allowed it to continually attract businesses and grow its workforce. However, while the broader trade area continues to expand, the City is experiencing declining population, especially in its younger demographic cohorts. The aging population coupled with lower than average wages in some long-standing employment sectors has resulted in a median household income within the City of \$38,215, or only 78 percent of the statewide median. Despite this low average household income, the popularity of the market as a seasonal and retirement housing destination has resulted in a generally high average cost of living, creating a housing gap for lower income segments of the population.

As an employment hub, the area is home to existing industry clusters associated with wood, metal and abrasive product manufacturing, with growing sectors associated with health care, plastics and electronic controls manufacturing. Tourism and specialty retail are also contributors to the local economy. In contrast, the region has less than its share of professional services and technology employment, with a majority of employees in these sectors working in sole proprietor firms or remotely employed. However, the formation rate of information and technology companies is expected to grow, and Prairie du Chien will need suitable commercial space and training establishments to capitalize on the potential within this sector.

From a competitive standpoint, Prairie du Chien has a number of areas of strength which can be leveraged to generate continued economic growth. The chart on the following page highlights Prairie du Chien's standing, as compared to the state, for a number of economic variables. For instance, Prairie du Chien has 0.1 percent of the state's population, but 0.25 percent of the state's employment. This means that the ratio of jobs per resident in the community is 250 percent of the statewide ratio. These areas of strength are identified in green in the chart below. Cells which are orange or red reflect areas where the City has less than its relative share of a particular variable. For instance, the City has half as many employees in the professional services sector as would be expected when compared to statewide ratios. Note that figures for some specific sectors are only available at the County level. In these instances Crawford County is used in place of Prairie du Chien in the City column and identified accordingly in the category description.

The biggest challenge facing the City are long term trends and projections within many of these categories which show the City losing ground in relation to the state and other competing

areas. The columns at the far right of the table highlight the trend over the past decade for each category. The City has been losing ground in many key areas while the state as a whole has grown. This is true of the City's residential base, local property values, and employment in several sectors. Because Prairie du Chien frequently competes economically with larger regional hub cities such as LaCrosse, Rochester and Platteville, there is a need to identify and address the drivers of these trends to grow the local economy.

	City as Percent			Percent Change 2000-10	
	City	State	of State	City	State
Population	5,807	5,711,767	0.10%	-1.51%	6.49%
Youth (19 & under)	1,381	1,325,130	0.10%	-20.36%	49.90%
Retired (over 65)	1,095	793,936	0.14%	-0.73%	13.01%
Employment	5,838	2,355,879	0.25%	6.24%	-2.44%
Manufacturing Employment	1,088	446,800	0.24%	-23.16%	-21.90%
Professional Services Employment	51	101,932	0.05%	-38.55%	14.50%
Health Care & Social Assistance Employment	927	371,959	0.25%	6.8%	15.31%
Companies	389	140,861	0.28%	37%	0.94%
Non-Employer Firms (Entrepreneurship)	1,073	310,178	0.35%	2.88%	30.10%
Manufacturing Value Add (County)*	\$635M	\$75B	0.84%	66.64%	23.19%
Agricultural Production Value (County)*+	\$61M	\$9B	.68%	-	-
Acres Farmland (County)*+	238,225	15,190,804	1.57%	2.03%	-6.42%
Tourism Spending (County)	\$37M	\$10B	0.37%	-	-
Retail Sales	\$95.6M	\$72B	0.13%	-	-
Property Value	\$341M	\$472B	0.07%	-61.92%	-99.83%
Residential Value	\$182M	\$336B	0.05%	-	-
Commercial & Mfg Value	\$130M	\$99B	0.13%	-	-
Property Tax Per Capita	\$1,615	\$1,824	86% of WI	-	-
Median HH Income	\$38,215	\$51,598	74% of WI	12.27%	13.78%
Associate Degree or Greater (percent of population 25 & older) (Change reflects increase in attainment)	23.4%	38.0%	0.07%	6.36%	27.09%

\*Crops and livestock

+Trends 2002-2007

Sources: US Census, ESRI, WI Department of Revenue, BLS

Outreach to local and regional business leaders and industry experts provided insights into unique drivers that underlay the above numbers. In addition, historic information from local business retention surveys was used to identify changes to the business climate which contribute to negative trends. Specific areas of concern include the difficulty of recruiting highly skilled workers in an increasingly technical manufacturing sector, a declining base of small and locally owned businesses (which corresponds with a declining stock of leased real estate) and an increased use of part time workers (which contributes to the overall lower wage averages published for the region). Anecdotal comments identified a lack of economic diversity and limited development of facilities in a variety of sectors including speculative commercial/industrial space, apartments, and senior housing. A lack of suitable infill sites to accommodate this development was also identified.

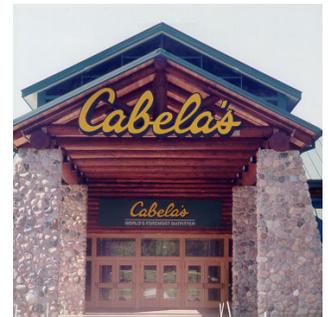
Interviews also identified several positive trends and aspects of the local economy, including a high quality of life with strong education and health care systems, strong name recognition, a reputation as a manufacturing hub, and high quality infrastructure, especially from an industrial perspective. Most stakeholders felt that Prairie du Chien typically 'shows well' and can compete as both a business and residential destination if prospects are able to spend some time locally.

Identifying objectives and initiatives required first identifying industries or sectors where the community has a competitive advantage then selecting industries with growth potential to provide a focus for recruitment efforts. This plan supports retention and expansion assistance for all existing companies. However, recruiting companies to relocate is a more costly undertaking, and focusing outreach efforts on companies with high growth prospects with associated space needs is more likely to result in a viable prospect list.

Industries prioritized as recruitment targets as a result of this process include packaging, plastics manufacturing, electronic instruments and controls, information and health care. It is important to support and encourage new business formation and innovation in all sectors to provide a pipeline of growing businesses for the future. The local share of small employers is lacking compared to state and national trends, with fewer small employers in nearly every sector.

A similar regional competitive analysis was conducted for the retail and tourism sector to identify gaps in regional demand which can be satisfied locally. Opportunities include the following retail sectors: recreational vehicles, specialty food stores (especially given the strong local agricultural base) and recreation related businesses. A challenge to successfully recruiting new retailer businesses is the seasonality of tourism demand, with only 15 percent of lodging revenues occurring during the January-March period. Identifying means of capturing alternative revenue streams during this period would allow the City to grow its downtown and regional retail clusters while better connecting commercial and tourism draws.

Marketing to industries which are likely candidates for locating in Prairie du Chien is important, although the ability to plan and provide for the future needs of industries and their workforce is also a critical factor for sustainable business growth. The first priority is to cultivate and sustain a reputation as a business friendly environment. By many measures, the perception of the City is improving, although there is some concern about the ability of the City to adequately deal with a large scale project in a timely fashion. Planning for speculative or pre-approved buildings can help mitigate this



*Prairie du Chien's diverse economic assets.*

concern, as can establishing a development review process which provides an anticipated timeline from application to groundbreaking for a “standard” project.

In order to attract interest from an expanded industry base, Prairie du Chien will need to address some competitive deficiencies in local infrastructure and amenities. The two areas with the greatest potential to influence business decision making include expanding higher education and improving coordination of physical infrastructure systems. A higher educational institution has been discussed in the community for some time. Because of the below-average college graduation rate and increasing workforce training needs of local employers, providing, at a minimum, a satellite campus within the community is a high priority. Advocating for increased access and upgrades to the existing physical infrastructure network, including rail, port, road and broadband access are also critical to maintaining the community’s status as an economic hub.

Longer term, the ability to support and incentivize infill development within the City will also be essential to retaining the City’s status as a regional center. Most large scale prospective retail, entertainment and hospitality venues would prefer to be in the City. However, if a suitable site is not available locally, new development (and associated residential) will cluster in one or more of the surrounding communities, minimizing the City’s ability to capitalize on this activity and limiting spinoff benefits for existing businesses.

Chapter seven addresses the tools and tactics necessary to convey the advantages available in Prairie du Chien to intended audiences. In general, there is a lack of third-party information on the community, and existing publicity materials are not consistently available or easily locatable online. Since online sources are often the first stop for businesses, residents, or workers exploring a new location, an expanded marketing effort will require a coordinated effort to enhance the City’s online presence. The goal of the online materials is to provide key information which will keep Prairie du Chien in the running as a viable candidate.

Successfully implementing this plan will require a multi-year approach to economic development by the EDC, City and other civic and economic development organizations. Chapter eight provides a 24-month timeline encompassing the first phase of initiatives which will help set the framework for future work plans. The implementation plan provides further data on techniques, partners and funding for initiatives as well as longer-term plan objectives. These initiatives and objectives will, together, keep Prairie du Chien competitive and support continued economic growth with the City and region.

## Chapter 1: Project History and Process

The following document is the result of a four month process which took place during the fall of 2012. The objective of this plan is to create a strategic framework for the Prairie du Chien Economic Development Corporation (EDC) to direct its initiatives, marketing and outreach efforts. The recommendations in this report reflect the organization's shift from a focus on industrial development to a broader economic outlook. Additionally, the introduction or re-staffing of several partner entities provided an opportunity to better coordinate individual efforts. These partner entities are: the Crawford County Economic Development Corporation, Prairie du Chien Downtown Revitalization, Inc., the City of Prairie du Chien, and the Prairie du Chien Chamber of Commerce. The importance of a coordinated targeted outreach strategy by the Prairie du Chien area has increased as nearby communities and counties have increased their promotion and marketing efforts.

### Project Process



Prairie du Chien has a long history of business and economic development efforts. The Chamber of Commerce was formed in 1952, and the Industrial Development Corporation (IDC) was created one year later, in 1953. In response to changing economic and retail conditions, Prairie du Chien Downtown Revitalization, Inc was formed in 2005. In 2011, the IDC expanded its role to include broader commercial and business retention and recruitment activities, changing its name to the Prairie du Chien Economic Development Corporation (EDC).

The historical focus of the EDC has been to serve as the marketing arm of the City's economic development department, including the marketing of municipal business parks. The organization operates with an executive director and 19-member board of directors. In 2011, the corporation solicited a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis to identify the major opportunities and challenges associated with economic development and effectively marketing the community. Additional EDC marketing activities include the development of a new website and creation of a business recruitment marketing packet, in addition to industrial focused marketing and development, including the development of a new speculative building.

This report represents the second phase of the IDC-to-EDC transition, and is intended to further evolve and refine the organization's outreach and marketing efforts.

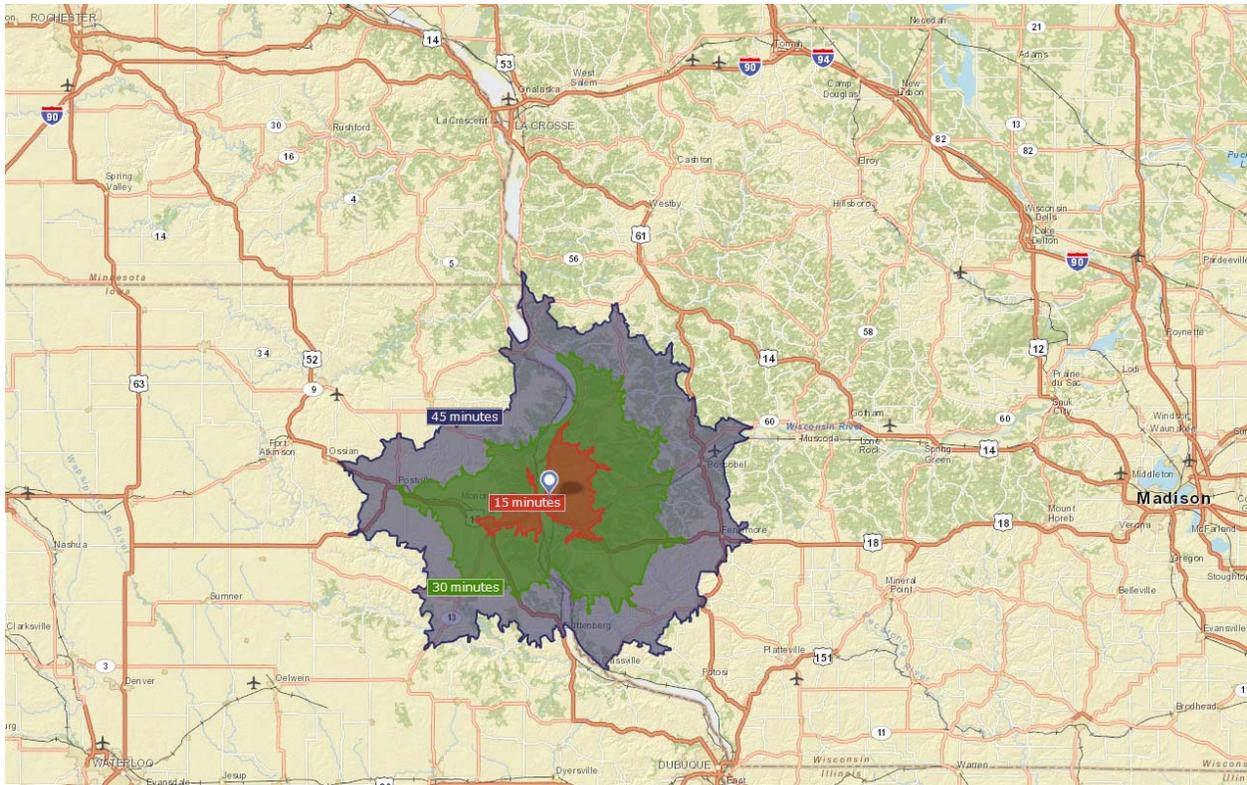
The process for this plan included both a quantitative and qualitative assessment of Prairie du Chien's assets, economic position and targeted opportunities, as shown in the graphic on the previous page. The first phase of the planning process evaluated historic trends and growth projections for individual industry sectors, which were in turn used to assess the competitive strength and growth potential for various sectors. Sectors were then evaluated based on the availability of physical and human resources in the community and through interviews with industry representatives. Ultimately, market information was combined with best practices from other comparable communities to develop a set of economic development strategies and marketing messages which reflect Prairie du Chien's unique advantages and resonate with target industry groups.

## Chapter 2: Prairie du Chien Location, Access and Economic Position

### Location

Prairie du Chien is a City of 5,911 residents (2012 ESRI), located in Crawford County in the southwestern corner of Wisconsin. The area is also referred to as the Driftless Region, and has historic relevance as a hub of commerce and trade at the confluence of the Wisconsin and Mississippi Rivers. The City is commonly known as the oldest City on the upper Mississippi, and is also the second oldest City in Wisconsin. Prairie du Chien's location on the Mississippi River has contributed to its economic vitality since its formation in 1673. The City served as a major fur trading post, military outpost and railroad depot and clothing and food manufacturing center. Many remnants of these early industries still remain, serving as significant tourism draws for the City and region.

### Geographic Location & Trade Area



Source: ESRI

### Access

Major transportation corridors include Highway 18, which travels east-west through Wisconsin and Minnesota, and State Route 35, also known as the Great River Road, which travels north and south along the Mississippi River. State Route 27 also travels north from Prairie du Chien through the Driftless region. On the Minnesota side of the river, State Route 76 and Highway 52 travel northwest to Minnesota and Southwest toward Iowa. The highest traffic count volume in the City is 15,500 cars per day along Highway 18. This is a high traffic count for a rural location, but less than the 20,000 cars per day that national retailers typically require for new sites.

Prairie du Chien is served by three major rail providers, including main line service for Burlington Northern Santa Fe, regional service via Wisconsin Southern and transfer service to Canadian Pacific (via transfer on the Minnesota side of the Mississippi River). Between the three providers, cargo service is available to Milwaukee, Minneapolis and Chicago. Rail service has increased in the region with the presence of the Frac Sand industry, and has historically been a critical link in the supply chain for agricultural products.

Prairie du Chien is also one of eight port facilities in the State of Wisconsin. Prairie du Chien's cargo port facility is privately owned, although the City owns port facilities for passenger watercraft. The cargo port has 10-ton lift equipment and space for 30 barges although on site warehouse facilities are limited to 20,000 square feet. Trans-load capabilities provide connections to US 18 and Burlington Northern Santa Fe/Wisconsin Southern railroads. The cargo port handled an estimated 600,000 metric tons of product in 2012, an increase of 33 percent from 2008. Major cargo includes coal, salt, sand, cement, grain and fertilizer. The Army Corp of Engineers projects a 35 percent increase in cargo traffic on the Upper Mississippi from 2000 through 2020. At present, Minneapolis is contemplating closure of their municipally-operated port, shrinking available port space in the region, further limiting upper Mississippi freight options.

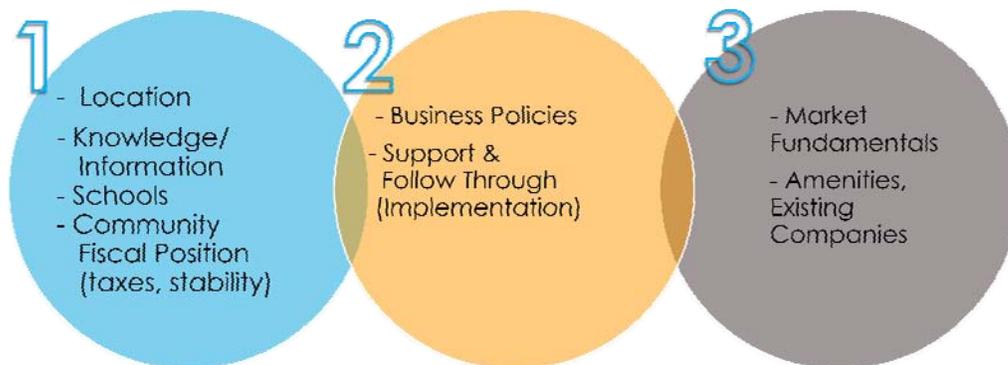
### **Economic Position**

The City's position at the edge of the state has significant advantages, but also introduces more direct competition due to differing business policies and tax structures between states. Because of its location more than an hour away from nearby metropolitan areas such as Dubuque, LaCrosse and Madison, Prairie du Chien serves as a regional hub, attracting workers and spending from around the region. More than three quarters of overall consumer spending dollars come from outside the City, while 74% of workers at the City's nearly 400 businesses commute into the City daily. Interestingly, these two groups are distinct, with visitors and tourists predominantly traveling from the south and west, and employees from the north and east.

Prairie du Chien's jobs and spending draw has a significant positive influence on the City's economic and tax base, enabling it to support retail and industrial businesses which draw from the broader region. However, it also creates occasional conflicts with nearby communities which attract residential and commercial development activity based on the availability of larger development sites and lower property taxes and land costs. The ability to coordinate regional development activity and associated costs will be critical to continued growth of the community as a regional economic hub.

## Chapter 3: Market Analysis

This chapter focuses on analyzing specific economic indicators and economic conditions which impact the sustainability and competitiveness of existing businesses. Prairie du Chien's relative competitiveness in these areas is further assessed in terms of the importance of individual factors on the site selection decisions of companies within targeted industry sectors. The graphic below highlights the general hierarchy of site selection decision making. The first step includes the selection of a primary search area. This area is typically selected based on existing knowledge about a location, whether from personal or business experience, or based on specific industry or business information such as client or vendor locations. Within this primary area, certain communities will likely be considered as higher priority targets, based on known or readily available information about local business clusters, available real estate and general reputation of the area. Once this short list has been established, communities and sites will be explored in further detail. Communities where relevant information is not available, or where obtaining information or navigating municipal processes appears cumbersome may be eliminated. Finalist communities will ultimately be compared in terms of market fundamentals and industry-specific operating requirements, including access for materials, finished products and customers, available workforce, and cost of operations. This process is largely unscientific, and in some cases may be overridden by an immediate need for a specific real estate asset or infrastructure demand, but generally illustrates the importance that marketing can play in influencing the early stage decision process driving site selection decisions.



Although this process is relatively standard; the specific variables considered by individual industries vary greatly. In order to identify the position of Prairie du Chien relative to the needs of various industry sectors including commercial, industrial, service and retail, this chapter incorporates an analysis and assessment of the community relative to its demographics, employment, real estate, infrastructure and industry clusters.

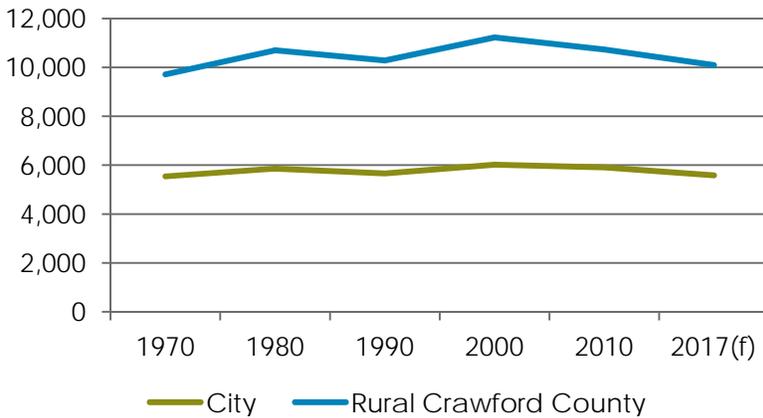
### Demographics & Spending

#### Population & Demographics

The City has been home to a steady population of just under 6,000 residents over the last 40-50 years with less fluctuation than Crawford County as a whole. However, the City's population has

become increasingly older and poorer over time. Some of this change is due to the general aging of the US and state population, but can also be attributed in part to increased construction of residential units in surrounding towns which have attracted younger and more affluent residents.

**Population Trends**



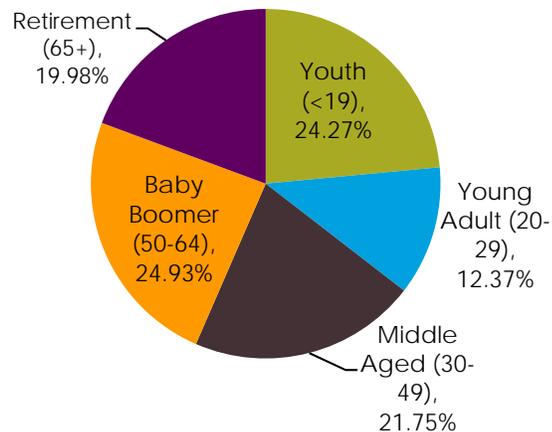
Source: US Census

The primary trade area for the City (defined as the area from which a majority of customers are drawn) was determined to encompass a 45-minute drive time distance, as shown in the map on page 7. Within this area, there are 53,022 residents. This population is anticipated to grow by 2.7 percent in the next five years. While this rate of growth is not fast, it is a positive factor given

the negative or flat growth rates in many other rural areas. Additionally, the segments of the population anticipated to grow the fastest over this period are children (age 19 and under), and their parents, age 40-49. This demographic trend is positive for the school district and also for consumers, as families with children tend to have greater household expenditures than other demographic segments. As with the rest of Wisconsin and the nation, the percentage of older adults (over 65) is also anticipated to grow, increasing to 22 percent of the population by 2017.

The population within the identified trade area is generally wealthier in terms of household income than the population in the City, despite having a higher percentage of elderly households. The median household income is 6 percent higher for surrounding towns than the City's median of \$37,940. Both geographies large populations (approximately 1/5<sup>th</sup> of all households) with annual incomes of \$75,000 or more, while surrounding towns are home to slightly more family households with children (31 percent of households containing 3 or more individuals).

**2012 Population by Cohort (City)**



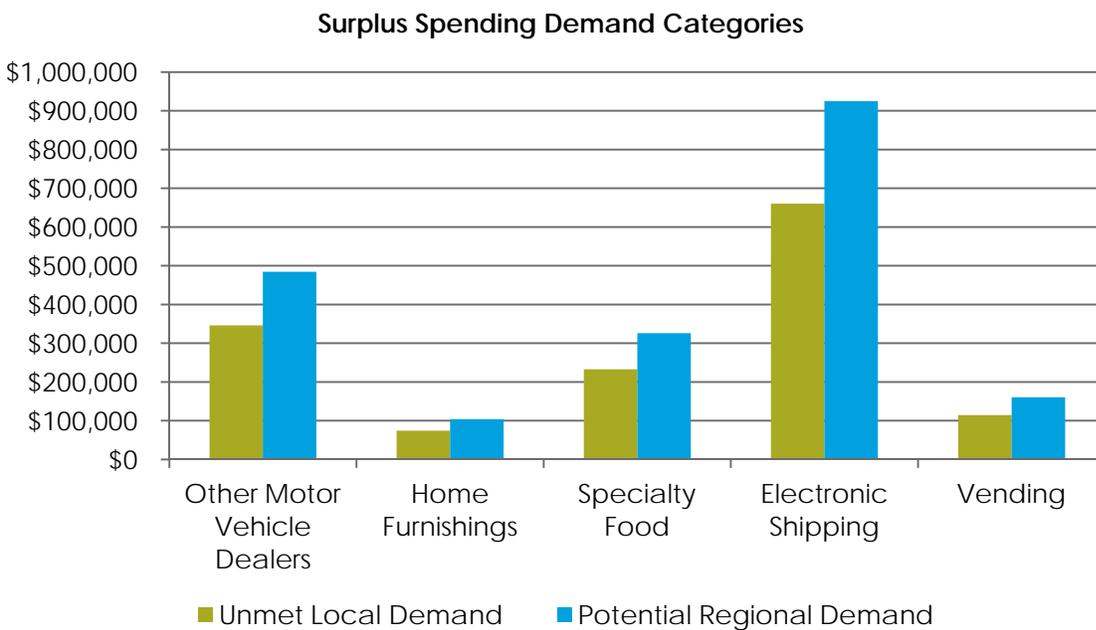
Source: GIS Planning

### Consumer Spending

As mentioned, Prairie du Chien serves as a regional retail and commerce hub for the region. Over 76 percent of all retail and hotel spending in the City comes from non-residents, based on retail supply and demand information from ESRI, the City and local retailers.

Despite being a regional population center and having a significant concentration of retail, there are goods and services the City, lacks. These retail categories and the amount of surplus local spending for each are highlighted in the chart below. A conservative estimate of non-resident spending was applied to local demand to create a combined estimate of potential revenue assuming an average capture rate from the secondary trade area. These figures suggest potential opportunities for retail business recruitment; although not all gaps mean that a new store would be supported. For instance, based only on the supply and demand data for the City, there appears to be a demand gap for grocery and department stores. However, the gap in each of these categories is largely satisfied by the nearby Wal-Mart and therefore is not sufficient to support additional establishments.

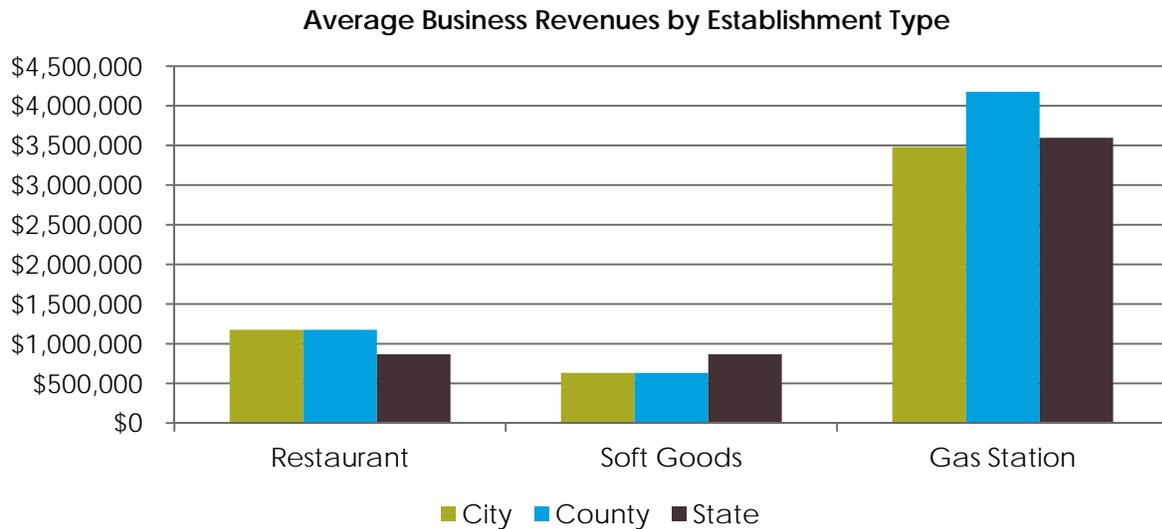
The home furnishings and specialty food categories have high employment and strong clusters regionally, yet are underserved within the City itself. Providing an outlet for these products near existing tourism destinations may represent an opportunity to solidify Prairie du Chien's reputation as a hub of commerce for the County. Electronic shipping, also underrepresented, includes both mail order fulfillment centers and also local shopping which is conducted online. The gap in this category is a positive, indicating that a greater percent of local consumer spending is done at physical retailers.



Source: ESRI

This study looks at the relative health of existing business sectors in the community in addition to identifying potential gaps in the local retail mix. While such figures are somewhat skewed by the

small local sample size, they do provide an illustration of areas of relative strength and weakness for the community. For instance, the strong performance by the restaurant sector reflects the strong daytime population and tourism spending, while the slightly lower soft good sales is the result of some spending leakage to larger communities for major purchases. Gas station sales tend to be strongest along major highway corridors, including stations outside of City limits, as indicated by the higher county revenue streams in this category.



Source: 2010 Community & Economic Census, GIS Planning

## Residential Market & Cost of Living

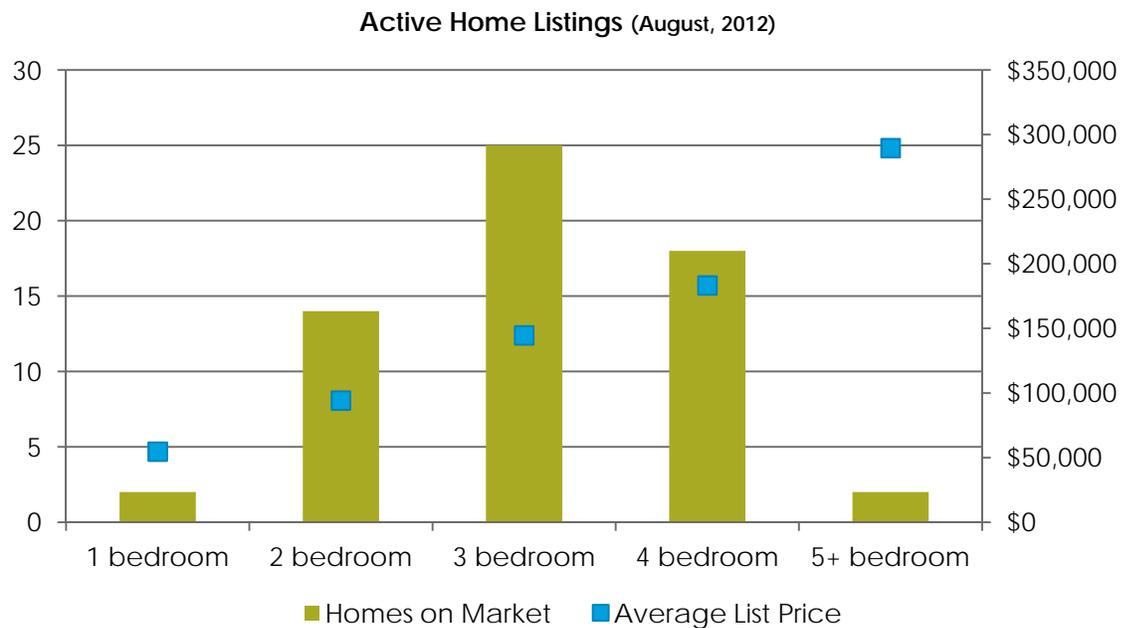
### Residential Market

The lack of housing options in the City came up in virtually every stakeholder interview conducted. These comments reflected concerns over the availability of housing at every stage – affordable, higher end, rental and senior units, depending on the audience. Housing unit growth in general has been sluggish within the City, with only 54 new housing units added since 2000. While this is sufficient to cover the increase in household growth, there were still 82 fewer housing units in the 2010 than household growth and housing stock turnover would suggest are needed. This lack of new product (coupled with changing housing preferences) has pushed residential growth into surrounding towns, where 238 housing units were added during the same period, for a 4.6 percent increase in housing units.

This shortage is visible in the market, where only 61 units (0.2 percent of units) were on the market in the City in August of 2012, in spite of the real estate downturn. 3 bedroom single family homes were the most widely available, with an average asking price of \$144,604. The overall distribution of homes on the market is illustrated on the graph below.

The area zip codes with the highest priced homes, and for which pricing trends are generally positive, were 54631, representing Gays Mills and the surrounding towns, followed by 54655, representing the rural area south of Viroqua and Liberty. The City’s zip code of 53821 has been

generally stable, with less than 3 percent positive or negative shift in prices in recent months, and an average list price of \$156,845.



Source: Trulia, MLS

### Rental Housing

The most dramatic shortfall in housing is evident in a review of the rental market. Anecdotal evidence of this shortfall is evidenced by the fact that an August internet and craigslist search for keywords including “apartment” “rental housing” and Prairie du Chien produced zero hits. While this is obviously not a complete picture of the rental market, it is a relevant indicator of the difficulty of locating rental housing for non-residents exploring opportunities in the community. Rental housing is in demand nationally due to multiple factors, including: diminished household incomes, increasing younger and older populations who are more inclined to rent, and difficulty obtaining financing for new construction. While approximately 30 percent of Prairie du Chien’s residents have always rented (a rate that is comparable to the statewide average), there are a number of additional factors which contribute to the trend of rising demand for rentals. Driving demand for new rental units are both existing and prospective residents. Studies by the National Association for Home Builders estimate that as many as 30 percent of current or former home owners can no longer qualify for a mortgage under today’s more stringent underwriting. Prairie du Chien employers with open positions are impacted by the City’s lack of rental housing stock - a 2011 study by the Worldwide Relocation Council found that 60 percent of relocating workers are now choosing to rent rather than buy for the first year of employment.

Combined, these factors are creating rising demand for rental housing, while production of rental units within the City has increased at a slower rate than household growth. The number of Prairie du Chien households grew by 4.2 percent from 2000-2010, while and rental housing units increased by 3.2 percent over the same period. The number of rental units within the entire zip code did increase by a more rapid pace, adding roughly 100 new rental units for a ten percent

increase in total rentals, but this growth was in response to an underrepresentation of rental units in the zip code historically, with rental units still comprising less than 30 percent of all housing units in the surrounding towns.

### Seasonal Housing

A secondary factor impacting housing trends in Prairie du Chien is the significant seasonal housing market. Nearly 8 percent of housing units within the City are used as seasonal residences. Based on assessor data, these non-local owners are primarily from Wisconsin (64%) and Illinois (15%). 14 percent are from the Milwaukee metropolitan area. Information on ownership of semi-permanent campground facilities was unavailable, although anecdotal evidence points to Iowa, Wisconsin and Illinois as primary sources for these and other regional seasonal homes. While many municipalities see seasonal residents in a negative light, as they do not contribute to school enrollment or the general trade area spending, there is reason to view them as a positive opportunity for the community. Research by the Wisconsin Department of Tourism indicates that seasonal residents use the home 86 days per year, with half of the use coming in the summer months. During these visits, they spend an average of \$6,000 per year on household goods, half of which are purchased locally. They also bring guests into the community, with an average of 3.3 visitors per trip. Additional local spending on items such as groceries, restaurants, and recreation, averages \$46 per day. Spending by seasonal home owners comprises 5 percent of all economic activity for many tourist areas.

The vacation and seasonal home market plays a significant role in the County, with 16.3 percent of housing units (1,432 units) dedicated for seasonal use. This is up from 14.2 percent (1,202 units) in 2000. Within the City, 2 percent of units were identified as strictly seasonal units in the 2010 Census. Local assessment data indicates 8 percent of single family housing is owned by out of town individuals, a potential indicator of seasonal use. While in the short term seasonal homes can have a limiting impact on some economic drivers, many second home owners retire to these homes, bringing above average household incomes and spending potential with them.

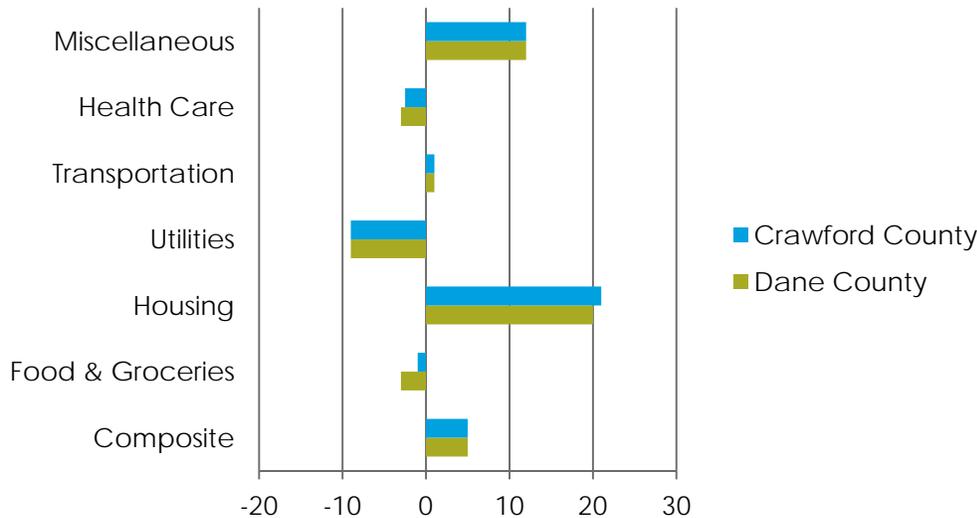
A study of seasonal home owners by Michigan State University found that 40 percent of seasonal home owners considered retirement potential as a primary reason for homeownership. A majority of seasonal home purchases are made by individuals between the ages of 45 and 60, with a decade or more of seasonal use prior to retirement. In Crawford County, approximately one quarter of seasonal units were purchased in the 1980s, which could indicate an imminent wave of retirees over the coming decade. While these retirees may require additional health care services, and the conversion to full time residences requires additional emergency and public works services, retirees also tend to have higher incomes than local households and represent significant consumer spending potential.

### Cost of Living

The relative cost of living in Crawford County is higher than for the nation as a whole, despite the County's relatively low incomes. The overall cost of living is equivalent to the Dane County indexed cost, largely as a result of higher housing costs and the cost of miscellaneous goods and services including haircuts, entertainment and other general discretionary items (this is frequently the case in rural communities due to lack of competition). While a cost of living index of 105 is unlikely to significantly influence business decision making, it does factor into residential decision

making, especially when housing represents a significant component of the increased price. Price competition is significant in the region, with a cost of living index of 95.2 for Clayton County Iowa, where housing costs are five percentage points lower than the national average.

### Cost of Living Comparison



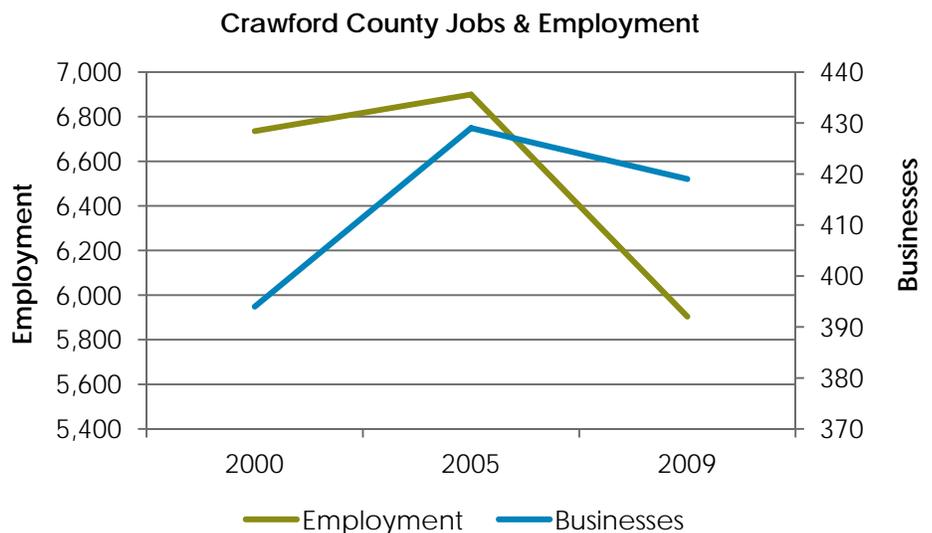
Source: Relocation Essentials

### Employment

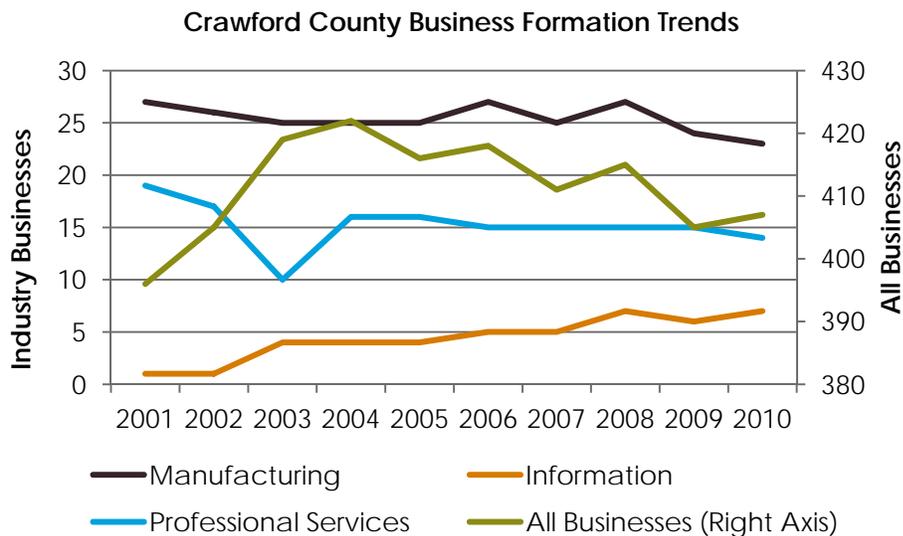
#### Business Growth

Due to the small number of businesses in each individual industry sector, business formation and job growth can only be tracked at the County level. In contrast to the rest of the state, the County has had a net gain in businesses over the period from 2000 to 2010. This net gain in businesses has been largely driven by growth in the professional services and information sectors, the latter of which has increased steadily over the past decade.

However, this growth has not been consistent across industry sectors, with steady growth in the information sector and general decline in manufacturing businesses, as shown in the graph on the following page.



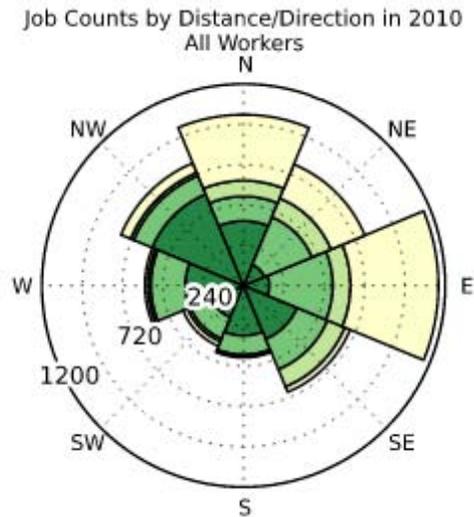
Source: 2009 Business Census



Source: BLS

### Labor Pool

Prairie du Chien attracts workers from a broad geographic area. While 42 percent of workers travel less than 10 miles to work in the City, 21.9 percent travel more than 50 miles. In total, 74 percent of workers at businesses in the City reside outside the municipality. A majority of these commuters come from the north and east, as shown in the compass graphic at right and illustrated on the following map. Residents to the south and west of Prairie du Chien tend to fall into the Dubuque labor pool and will choose to commute in that direction in order to achieve higher wages and greater occupational choice.



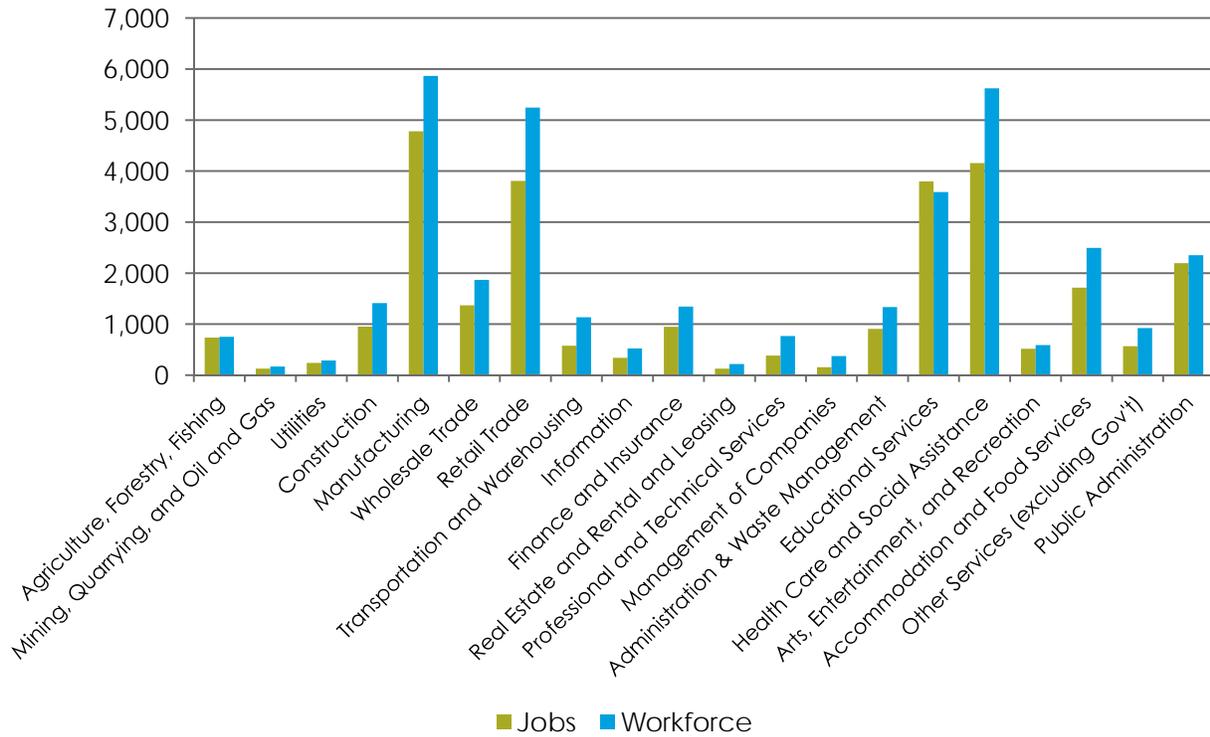
Each color gradient represents 25% of local workforce.

Source: 2010 Economic Census

There is some concern among City officials and residents that new jobs do not create the tax base that they used to, as residents frequently choose to live outside of town. There are a number of reasons for this, including a lack of local development, lower taxes in the towns, appreciation of residents of the area for natural amenities, desire for large lots or rural homes, and the need of some households to split commutes between two destinations. While the City should strive to provide a wide variety of housing options to accommodate workers who prefer to live in the community, the presence of large taxpaying employers and supporting retail and amenities in the community will offset the impact of missing property taxes from residential units. In many ways the City can improve its ability to capture more of this ancillary development, but longer term it will be necessary to work with adjacent towns to create coordinated development strategies, up to and including tools such as joint TIF districts.



### Labor Shed Jobs versus Workforce



### Wages & Training

Companies must provide sufficient wages and/or benefits to offset the cost and inconvenience of commuting to entice workers from greater distances. A major issue identified by local companies is the continuous struggle to fill higher level positions in Prairie du Chien. This topic is addressed in greater detail in Chapter 4.

On average, Prairie du Chien employers pay wages that are only 68 percent of the statewide average. Given the relatively high cost of living in the area, industries on the lower paying end of the spectrum must rely on recruitment of individuals who are unable or unwilling to travel greater distances for employment. Industries that pay below-average wages include occupations such as dentists, electrical contractors, lawyers, industrial mechanics and warehousing and distribution, all of which pay wages that are equivalent to 65 percent or less of state averages. In contrast, Prairie du Chien also has a number of industries which pay significantly better than the state average. These industries also include a number of industries with high growth potential over the next decade. The following table highlights the average wage paid locally and statewide within high growth occupations concentrated in Crawford County (more than 50 employees).

The competitive difference between industries paying lower than average wages in high growth industries (with the exception of printing) are in direct contrast to the higher than average wages paid by retail and tourism-oriented businesses, indicated in the second table. While lower

wages and higher costs of living negatively impact residential relocation decisions, competitive wages coupled with an affordable cost of doing business are a positive influence on site selection decisions in industries which rely on recruiting workers with specific skill sets.

### Sectors Paying Below Average Wages

Occupation	Employment Growth Projection (2012-2022)	County Annual Wage	Statewide Annual Wage
Agriculture, Construction & Mining Machinery Manufacturing	81%	\$34,287	\$85,483
Navigational, Measuring & Control Instrument Manufacturing	61%	\$68,232	\$84,026
Construction Materials Wholesalers	58%	\$37,859	\$48,922
Offices of Physicians	50%	\$69,716	\$111,851
Commercial & Lithographic Printing	50%	\$63,657	\$53,204
Plastics & Rubber Manufacturing	40%	\$52,713	\$57,351
Packaging	32%	\$28,914	\$32,300
Glass Product Manufacturing	18%	\$33,782	\$56,787

Source: EMSI

### Sectors Paying Above Average Wages

Occupation	Employment Growth Projection (2012-2022)	Local Annual Wage	Statewide Annual Wage
General Merchandise Stores	42%	\$33,120	\$23,508
Pharmacies & Drug Stores	24%	\$48,794	\$41,807
Prefabricated Wood Product Manufacturing	-92%	\$45,992	\$42,098
Nursing Care Facilities	20%	\$34,767	\$32,444
Hospitals	1%	\$54,251	\$58,351

Source: EMSI

Average low wages in some industries identified in the tables above reflect wages in the industry as a whole, although in many cases there is significant variability in the level of pay necessary to recruit and retain workers in certain positions. Most companies reported significantly greater difficulty in attracting highly skilled workers in professional and technical industries. Many local employers pay premiums to attract this type of worker to the community. Therefore, while overall manufacturing wages are 14 percent below state averages, wages for specific occupations within that sector may be significantly higher than average. The ability to convey high-wage opportunities available for advanced skills is an important factor in developing and maintaining a pipeline for specific types of workers.

### Real Estate & Infrastructure

Both the presence and cost of suitable real estate and infrastructure have a significant influence on companies' location decisions, as existing facilities are generally less costly and can

accommodate near term growth needs more easily than planning and permitting to develop a new facility. This is especially true for rural locations where the cost and availability of private and institutional capital to fund new construction may be more challenging and reliable information on local market conditions is difficult to obtain.

Real Estate

Prairie du Chien is fortunate to have a robust local banking community which is well capitalized and has expertise in utilizing SBA, WWBIC and other specialized programs to facilitate business growth. However, the community lacks the market scale and growth projections which attract traditional developers to build speculative projects. This issue is further complicated by the fact that projects which have been proposed are typically marketed by real estate firms out of Madison (or elsewhere) by individuals who have limited local market exposure.

As of August 2012, there were 9 properties marketed for sale or lease on major commercial property search engines. These properties included retail, medical, and industrial *lots* and investment *properties*, but no existing industrial *structures*. However, City-owned lots and many locally owned and marketed properties are not included in these databases, limiting exposure for these properties.

Property taxes are highly correlated to the cost and desirability of real estate in a community. As identified previously, Prairie du Chien has a relatively low property tax burden compared to the state and competitive municipalities. However, its position in a rural county and adjacent to the Iowa border lends itself to comparisons with rural towns and neighboring state policies. As the table below illustrates, each state has specific competitive advantages when it comes to tax policy. Additionally, policies regarding tax rebates, incentives and exemptions can have significant impacts on individual household or corporate taxes paid. For example, Iowa’s single-factor tax is a significant advantage for manufacturers which export a majority of product outside of the state. However, for service and professional sector employers, the lower corporate income tax rate favors a Wisconsin location.

State	Individual Income Tax	Corporate Income Tax	Sales Tax	Property Tax (per capita)
Wisconsin	7.75% (5 brackets)	7.9% (flat)	5%	\$1,633
Iowa	8.99% (9 brackets)	12% (4 brackets)	6%	\$1,305

Source: Tax Policy Institute

Utilities

Prairie du Chien’s utility service is provided by multiple entities, with Madison Gas & Electric providing natural gas service, Alliant Energy serving electric customers, and municipal water and sewer provided by Prairie du Chien’s own utility. This multiple carrier service is not uncommon, although comparison pricing services for Wisconsin is more difficult than in some states. Additionally, service areas for each of these providers are especially fragmented in the region, so companies also considering nearby communities will likely need to contact multiple providers

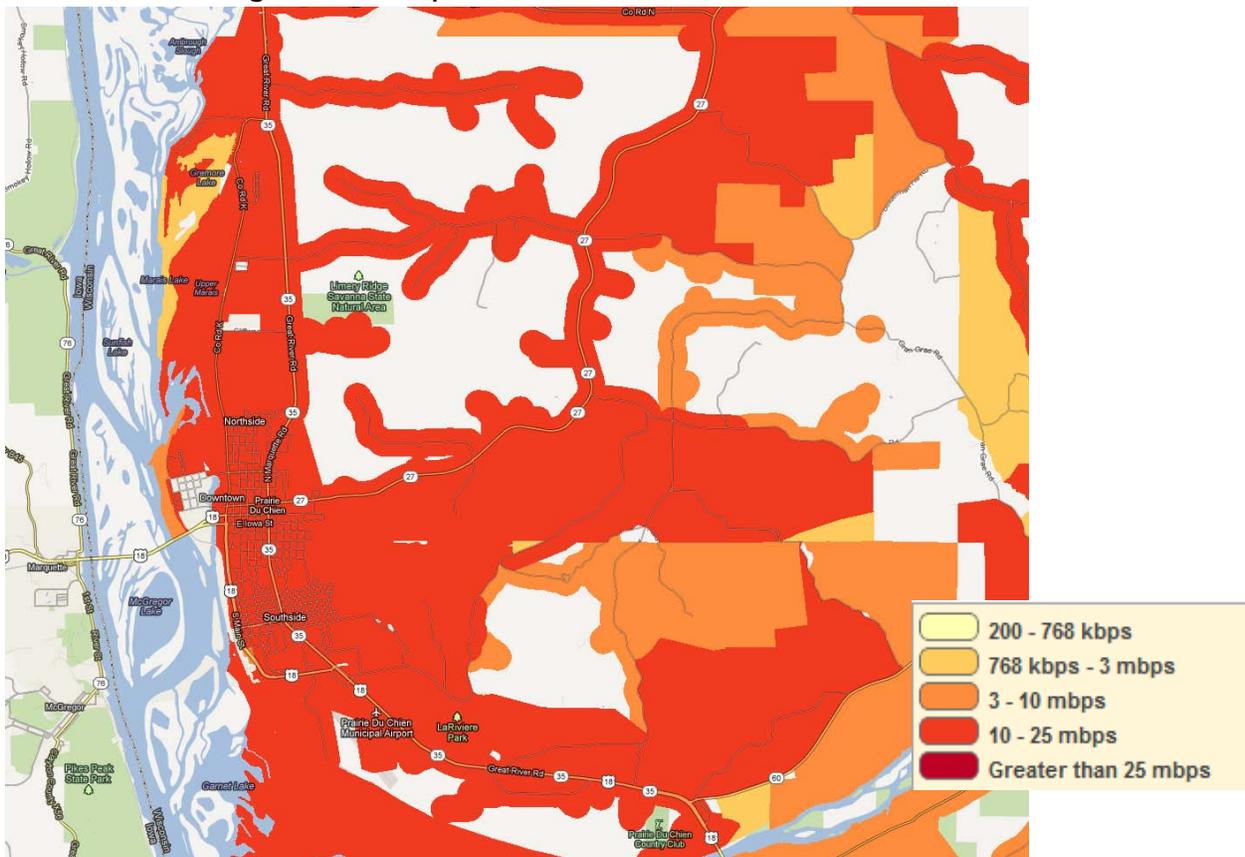
for cost estimates as part of the site selection process. For instance, natural gas is provided by MG&E in Prairie du Chien, but Xcel in LaCrosse and Alliant in Dodgeville.

From a competitive standpoint, prices vary greatly depending on business needs and the timing of demand. For a small to medium manufacturer with peak demand of 200 kW and usage of 250 kWh per quarter, Alliant Energy tends to provide competitively priced service in comparison to other large providers. For water service, the Public Service Commission of Wisconsin provides regional comparisons of pricing. The 2012 comparison ranks Prairie du Chien in the top quintile for water costs. While this cost may play into the decision of water intensive industries (i.e. car washes, food processing facilities), those communities offering lower rates are typically smaller and not competitive with Prairie du Chien from an economic perspective.

### Broadband Coverage

Many rural Wisconsin communities have limited broadband coverage. Prairie du Chien is fortunate to have extensive coverage, as shown on the map below, although the cost of this service can be prohibitive for smaller businesses. Broadband coverage and cost is one area of advantage for Prairie du Chien over most rural Wisconsin communities, although Iowa has a significant contingent of rural broadband providers.

### **Broadband Coverage & Service Speeds**



Source: LinkAmerica

## Logistics

While Prairie du Chien has significant potential for trans-load distribution activity incorporating road, rail and barge traffic, these networks are generally underutilized. Rail service is experiencing growing demand nationally. Wisconsin & Southern has numerous local service accounts, but Prairie du Chien industrial parks are not included in the railroad's database of rail served parks. Similarly, activity at the Prairie du Chien port represents ¼ to ½ of the activity at the Port of LaCrosse, which is the other Wisconsin Mississippi River Port. The Port of LaCrosse is municipally owned and is three times the size of the Port of Prairie du Chien, with a variety of available loading equipment. The Port of Lacrosse also accommodates liquid cargo and can provide temperature controlled storage, features which are not available in Prairie du Chien. there is also a projected increase in demand for barge shipping (35% by 2020), as grain (and corn) production increases and gas prices remain elevated. Additionally, Minneapolis is contemplating closure of its municipally owned Mississippi port, which could potentially have a domino effect, pushing barge demand downriver. A limiting factor for trans-load usage is the highway connection is limited to two-lane roads. While these roadways are sufficient to distribute locally manufactured product, they are not adequate to meet the higher traffic and travel-time sensitive requirements of regional distribution centers which typically require greater proximity (less than 10 miles) to a four-lane limited access highway. While there are significant opportunities associated with logistics, efforts to expand distribution activity must be mindful of the impact of this traffic on river tourism and rail-adjacent residential neighborhoods, as these distribution systems are located in the heart of the community.

## **Industry Trends**

Location Quotients are a measure of the relative strength of various local industries. A location quotient is the measure of the relative concentration of individual industries within a specific area by employment. Since industry data is not available for all sectors at the City level, Crawford County data was used as an indicator of Prairie du Chien employment. To determine the local location quotient, the percentage of employers in Crawford County within a specific industry is compared to the percent of workers nationally within the same industry. If employment is in an industry is perfectly in line with national averages, the location quotient will be 1.0, meaning that the same ratio of employees are employed in, say, retail trade. Generally, a ratio of 2.0 or greater is considered to be an indicator of the presence of a competitive advantage in the area. While this comparison can be significantly impacted by the presence of one or two major companies when conducted for a small area, it is still a useful method for measuring the strength of a particular industry and the potential for generating a cluster of supporting businesses. The table below shows the industry clusters with high location quotients which also employ more than 50 workers within Crawford County.

<b>Industry Sector (NAICS)</b>	<b>Location Quotient</b>	<b>Sample Company</b>
<b>Commercial building construction</b>	2.0	
<b>Sawmills</b>	16.1	Nelson Hardwood
<b>Wood Preservation</b>	96.9	Bennett Hardwoods
<b>Prefabricated wood building manufacturing</b>	429	Design Homes
<b>Abrasive product manufacturing</b>	547	Minnesota Mining Plant 2

<b>Architectural metals manufacturing</b>	9.7	River Town Ironworks
<b>Metals machining</b>	3.3	Dillman Equipment
<b>Electronic controls manufacturing</b>	3.0	Automatic Environmental Control
<b>Engine parts manufacturing</b>	83.4	Miniature Precision Components
<b>Agricultural product wholesalers</b>	11.1	AMPI North Central
<b>Specialized distance freight trucking</b>	7.0	Basset Trucking
<b>Warehousing and storage</b>	21.6	

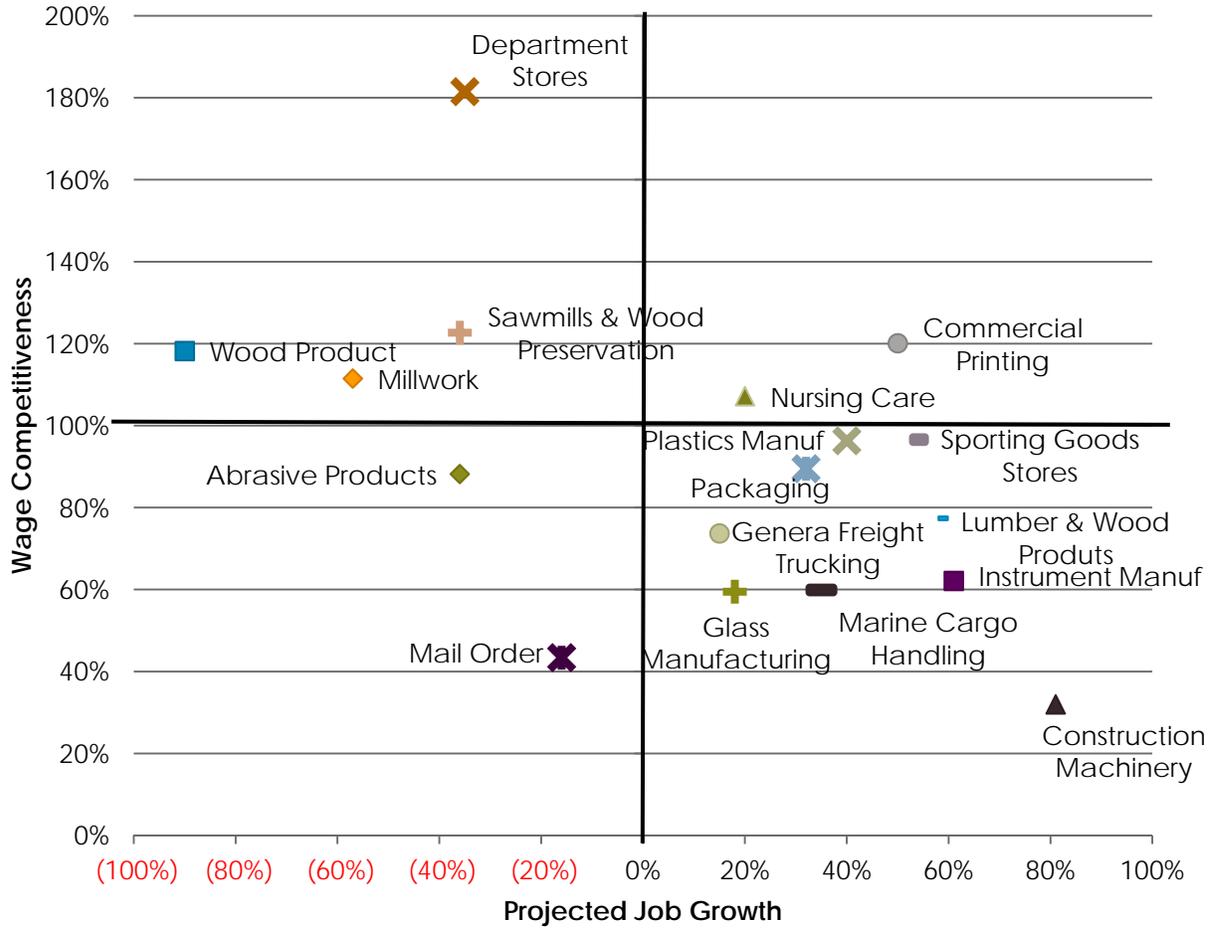
While location quotients are typically associated with primary employment, this measure also highlights the regional strength of the retail market in the community. The retail trade sector as a whole has a location quotient of 1.4, with significant concentrations of retailers associated with boat dealers, furniture stores, hardware, specialty foods and clothing and shoes.

Having an industry with a strong location quotient is one indicator of a potential location advantage. However, the longevity and growth prospects of individual industries are also relevant considerations when developing an economic development focus. Some existing clusters may be in decline, while other growth sectors may present opportunities to grow an existing cluster. The following chart highlights the growth projections for industries which have a demonstrated strength in the community. The chart also compares the average annual wage for each industry at the County to the statewide average. The upper right quadrant represents high paying occupations with strong employment growth projections. In contrast, the lower left quadrant includes industries which are expected to see declines in employment nationally, and which also currently pay below average wages locally.

There are several relevant considerations when interpreting this chart. First, industries which pay low wages may have a significant seasonal workforce locally as compared to statewide averages. Additionally, high wage rates make recruitment of new employees easier, but limit the potential to recruit additional employers in this sector who do not want to compete for workers. Lastly, because an industry is expected to decline in employment does not mean that all companies in that sector will lose jobs. In some cases, such as abrasive products, industry consolidation may bring additional jobs to larger companies, and/or declines in employment will be the result of increased use of technology and advanced manufacturing.

The chart indicates that the long-term industry strength in wood products that Prairie du Chien has enjoyed is not likely to help carry the community forward, while other large sectors such as nursing, commercial printing, plastics and packaging may present future growth opportunities.

## Wage Competitiveness & Job Growth for Prairie du Chien Industry Clusters



- ◆ Abrasive Products
- ◆ Department Stores
- Glass Manufacturing
- ◆ Millwork
- ◆ Plastics Manuf
- Sawmills & Wood Preservation
- Wood Product
- ◆ Mail Order
- Lumber & Wood Products
- ◆ Instrument Manuf
- Sporting Goods Stores
- ▲ Construction Machinery
- Genera Freight Trucking
- Marine Cargo Handling
- ▲ Nursing Care
- Commercial Printing

Source: EMSI

### Manufacturing Sector

The manufacturing sector is a longstanding strength for the community. The City’s proactive approach to providing industrial development sites has sustained the area’s manufacturing sector. Although manufacturing employment has been trending downward nationally since 2004, this is largely due to a transition to more highly technologically advanced processes. In fact, value-added manufacturing in Crawford County grew by 66 percent over the past decade - twice the rate of growth for the state’s manufacturing sector.

An additional local manufacturing advantage is worker productivity, which is 2 percent higher than the national average and twice that of the state, measured by sales per worker. Worker productivity locally is also increasing at a faster pace than the state, growing by 44 percent over

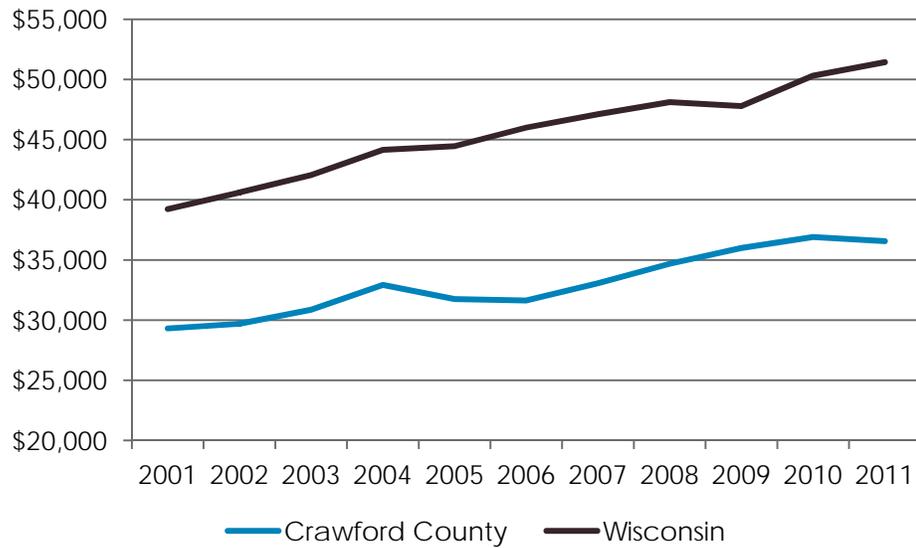
the past five years for the County, versus 30 percent statewide. This higher output per worker is especially compelling when competitive (from the employer perspective) local wage rates are factored into the equation.

Raw materials are a significant

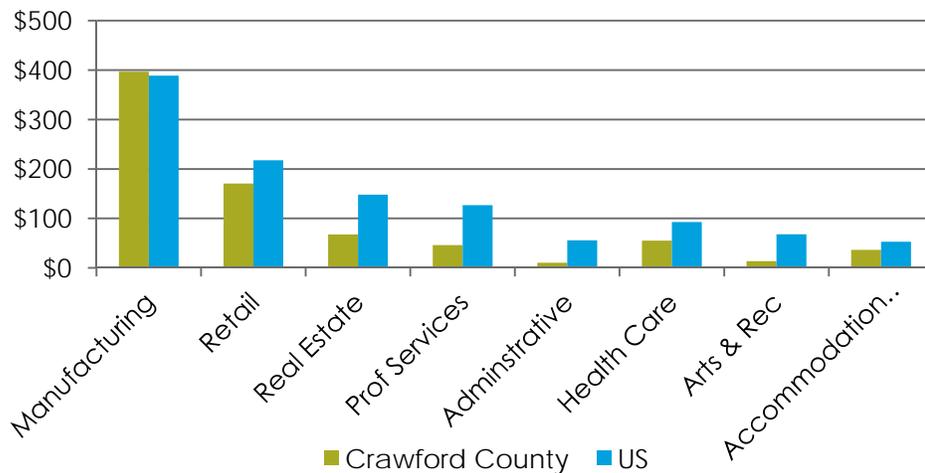
component of local manufacturing success. Asphalt, abrasives, wood products, construction, agricultural production, and, more recently, frac sand, are major industries represented in Prairie du Chien. This is a positive factor since companies utilizing raw materials typically have significant cost savings from locating in proximity to resource deposits. Long-term, these industries will be heavily reliant on technology and innovation to reduce costs and increase production. 3M, which has a Prairie du Chien facility, is the largest American producer within the industry and is currently expanding production in the community. The consolidation within the industry is driven by increased use of technology which creates economies of scale and more efficiently utilizes limited local raw materials to minimize shipping.

The need for innovation and skilled workers is obvious given the trend toward increased use of technology and advanced manufacturing principles. However, Crawford County has lagged behind the nation in manufacturing innovation, with only three patents issued in the last five

**Average Annual Manufacturing Wage**

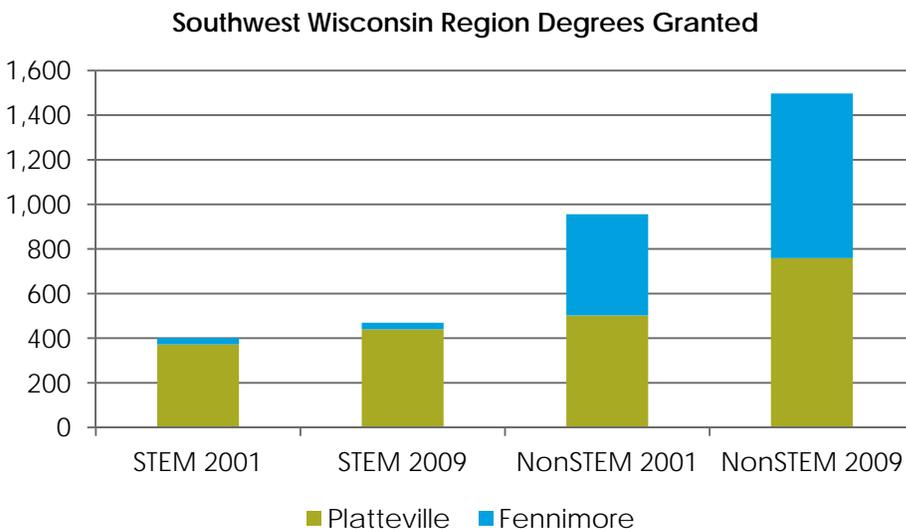


**Productivity (Sales per worker, \$1,000s)**



years. This is the equivalent of 2 patents per 1,000 businesses versus a national average of 14 patents per 1,000 businesses per year. Similarly, the number of small manufacturers (less than 10 employees), which frequently result from innovation or process improvement, are underrepresented in the County. This underrepresentation of small firms is true for all industries, with small employer firms representing 2 to 5 percent less of the total employment base than would be expected in most industry sectors. While the City has consistently worked to provide adequate industrial land for expansion and coordinated Tax Increment Districts to fund infrastructure, similar investments have not been made on the smaller end of the spectrum. A planned speculative industrial building is a positive step in this direction. Similar efforts to provide smaller scale industrial spaces for lease would provide an internal pipeline for land and structures in the future.

The lack of higher education infrastructure in the community poses a challenge for the manufacturing sector. As the industry becomes more reliant on advanced technology, there has been little increase in degrees and certificates granted in Science, Technology, Engineering and Math (STEM) fields, with nearly 90 percent of the increase in graduates at regional institutions of higher education coming in non-STEM fields, as illustrated in the graph below.



Coordinating with these institutions to offer training programs which provide the skill sets necessary to obtain jobs in specific occupations with regular openings can help to offset some of the workforce gap, although changing perceptions and capturing student interest at younger levels is a more

effective long-term strategy. A related issue will be the replacement of older workers nearing retirement, which make up 18 percent of the total manufacturing workforce.

Professional/Technical Sector (Information, Finance, Technical Services)

As a percent of employment, the County’s professional sector is only half of its expected size based on statewide averages. Despite this underrepresentation, professional service sector employment locally has been a source of strength, holding relatively steady during the recession. Additionally, some sectors such as information have sustained consistent year over year growth over the past decade. Collectively, the professional services industry is also projected to grow significantly in the coming decade.

In contrast to manufacturing, the increase in degrees awarded regionally has produced qualified workers in the professional sector, with more workers in all professional occupations than there are jobs available within the labor shed. This imbalance is shown on the chart comparing local jobs versus workforce employment provided on page 18. In industries where there are more workers employed than local jobs available, these surplus workers are traveling outside of the area, working remotely, or opting for self-employment to find meaningful work in their industry. For the professional services sector, this results in a gap of over 1,000 workers in the labor shed for whom corresponding jobs are not available. Some of these workers likely travel to larger communities nearby, but others choose to work from home. This choice is reflected in the 50 percent higher rate of professional and technical workers who report being self-employed in the County as compared to the national average. This surplus of workers is likely partially attributable to spouses of relocating employees who continue to provide services for former clients, as well as seasonal home owners who choose to become self-employed as part of a phased approach to retirement.

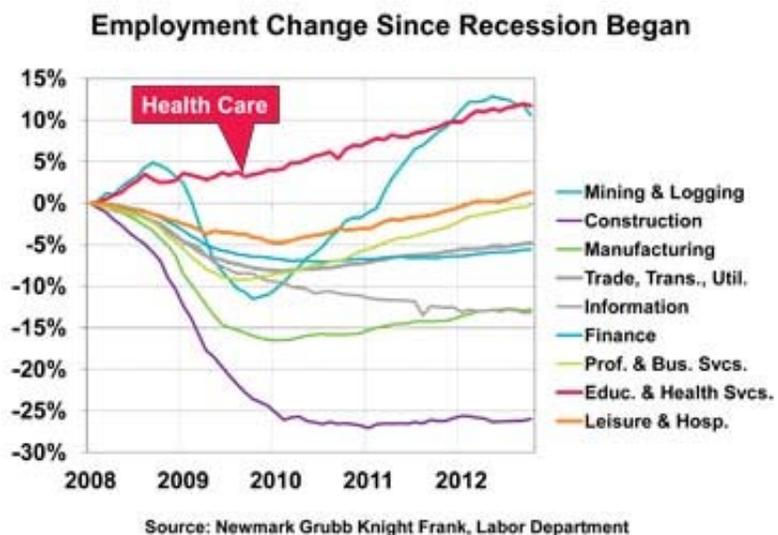
This alternate employment arrangement can provide a substantial source of personal income wealth for the area. Identifying ways to support this type of work arrangement may facilitate recruitment of skilled workers in other sectors by providing spousal employment options, and can also support entrepreneurial activity. Some common challenges faced by the self-employed include access to affordable broadband and technology resources, the need for accounting and legal assistance, and the ability to form local

professional networks to support professional growth. These needs present opportunities to provide targeted assistance to enhance growth within the sector.

#### Health care

Prairie du Chien Memorial Hospital is estimated to represent more than \$28 million in direct economic impact for the region and over \$41 million in total

activity, making it a significant local driver. While access and proximity to high quality health care is frequently represented as a quality of life issue, the health care industry can also be a catalyst for growth in other sectors. This is true of development activity, including senior housing, which requires hospital facilities within a reasonable distance, and hotels, which benefit from patient and family visits for in and out-patient services. The nearly \$50 million investment in a new facility by the Hospital suggests that health care will remain a local competitive advantage. From an employment standpoint, health care is one of the top industry sectors for growth, with 10 of the top 20 fastest growing occupations being health care related, and sector employment growth of 20 percent projected at the state level. The chart on the previous page illustrates the



comparative strength of health care at the national level since the start of the recession. Health care employment also creates spinoff jobs, evidenced by the demand for office development adjacent to the new hospital. A study by Newmark Knight Frank determined that one physician supports an average of 21 jobs and more than \$2 million of revenue in a community.

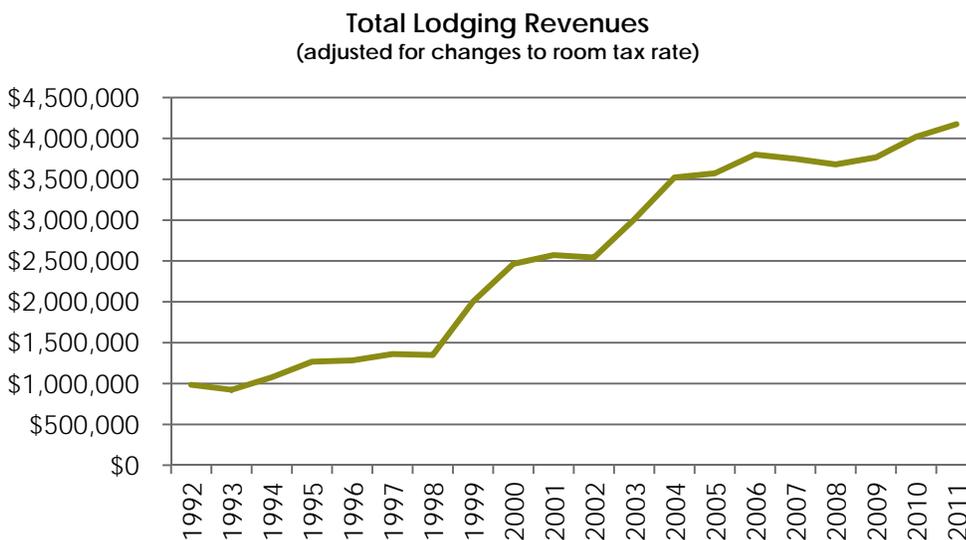
Challenges facing the local health care industry include both training of new workers and the need to replace retiring staff. Health care wages in Crawford County are higher than the state average, making it an attractive destination for medical professionals and an attractive industry for students entering the workforce. This has resulted in a significant local concentration of health care employees. However, 17 percent of these workers are over age 55, which is the second highest percentage of pre-retirement workers in any sector, behind only manufacturing. Prairie du Chien Memorial Hospital has worked to address this challenge with a scholarship and training program. Similarly, emerging regional strategies are working to consolidate and centralize training and clinical records to streamline residency and licensing requirements across the region and increase the mobility of trained professionals. Continuing with these strategies while also exploring the potential for additional training opportunities can create a long-term solution to address shortages in key personnel sectors.

Visitor & Tourism Sector

While not a distinct measurable industry sector, the visitor and tourism market represents portions of several sectors, including arts, entertainment, recreation, accommodation, and food services, as well as smaller portions of the real estate, retail and transportation sectors. As mentioned in the retail market overview, Prairie du Chien is a regional hub for visitor and tourism activity, including retail spending. The largest influence for this regional spending is to the South and West, with 62 percent of traffic at local visitor centers coming from Iowa. This is in spite of the fact

that there has traditionally been little statewide investment in the Iowa tourism market until 2012.

Prairie du Chien has ten hotels and lodging establishments, with nine smaller niche operations in the immediate area. The new Cobblestone Inn in



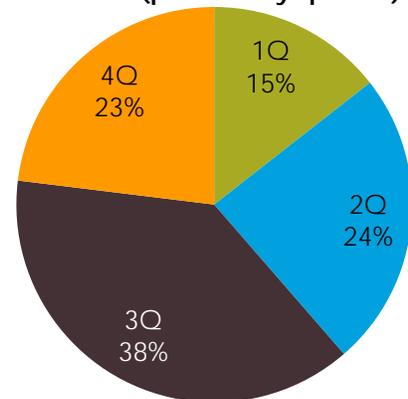
Marquette will be the first major regional hospitality establishment outside of Prairie du Chien. Additional lodging opportunities include camping at two state parks and numerous private campgrounds. Local attractions include historic destinations such as Villa Louis Historic Site, Fort Crawford Museum and numerous landmarks and annual events. The visitor market has generally increased over time, although the recession slowed tourism growth from 2007 to 2009. The

community's historic significance, natural resources, and regional hub status have driven activity much of this increase, with regional and national companies contributing weekday visitor traffic. Major retail destinations including Cabela's, The Cannery and downtown clothiers are also popular visitor destinations.

As a gateway community to both Wyalusing and Pikes Peak State Parks, Prairie du Chien has a built in tourist base. Roughly one-quarter of Wisconsin residents visit state parks or trails regularly, and a significant amount of visitors come from out of state. Park and trail visitors have higher than average household incomes, with more than half of visitors having household incomes greater than \$50,000. Average spending by park and trail users is \$190 per group per trip based on research by the Wisconsin DNR. Fifty one percent of park visits occur in the summer months, reflecting even more reliance on seasonal attractions than the overall tourism market. Top priorities for visits included participating in "silent sports" (especially hiking) and spending time with family. Parks in southwest Wisconsin receive a high percentage of visitors from outside of the local market. This is a positive factor, since nonlocal visitors tend to stay longer and spend more than local visitors. However, per person spending by park visitors in the southwest Wisconsin region is lower than statewide averages, with local visitors spending 20 percent less per day and non-local visitors spending 51 percent less per day. The largest spending difference is due to the reduced cost of lodging in the region, and, to a lesser extent, lower spending at restaurants and bars. In total, the study estimates that local spending contributes one-quarter of the total recreational revenues associated with state park usage in the southwest Wisconsin region. Identifying ways to better connect Prairie du Chien with the parks and capture spending on par with statewide averages could provide a significant boost to the local market. Increasing the spending of non-local visitors by just 10 percent would bring as much as \$2 million in increased sales at local businesses.

The most significant challenge in the visitor and tourism sector is the seasonality of the local market. The region has wintertime outdoor amenities, but recent years have had little snow, and most of the trail networks are easily accessed for day use and do not require overnight stays. Additional challenges facing the industry include the fact that major destinations are outside of the City (Wyalusing, Pikes Peak, Country on the River) and visitors will not necessarily pass through the community en route to these destinations. Facilitating development or expansion of future facilities within the City will help concentrate economic activity and increase spillover effects. Additionally, despite being a regional hub, the community does not have sufficient meeting space and room capacity to host conferences or events for 200 or more individuals. The potential to develop this type of facility has been explored, but a viable project has never emerged. Such a project would help boost off-season traffic.

**Seasonality of Tourism Revenue (percent by quarter)**



Source: Prairie du Chien Convention & Visitors Bureau, Lodging Revenues



## Chapter 4: Stakeholder Input

Additional input from key stakeholders and community members was solicited to confirm information identified in the market analysis and identify additional trends that impact the City and its businesses. The City and its partners have done an admirable job maintaining open dialogue with its businesses and neighboring communities over time. The City has conducted regular business retention studies and hosted industry gatherings and listening sessions.

The business retention and expansion studies done in 1999 and 2006 provide a direct comparison on key business issues over time, while also comparing responses from Prairie du Chien businesses with businesses elsewhere in the state.

### Primary Challenges



Issues related to labor supply and quality were the most frequently mentioned local challenge in 2012. Labor issues included a wide variety of challenges, including the ability to retain and or train lower wage workers, the ability to recruit professional employees, and a lack of advancement opportunity. Largely, the dual industry focus of the local economy and lack of economic diversity is a common thread. Recruitment is increasingly difficult as dual wage earner families look for relocation sites where both partners are generally likely to find quality jobs. The limited availability of professional jobs, non-manufacturing jobs, and health care jobs relative to skilled workers limits this potential. To the extent that some of the issue is the result of limited information, this plan recommends strategies to overcome this challenge.

Additional challenges mentioned by multiple stakeholders included the lack of higher education opportunities, limited supporting infrastructure to attract new workers, especially rental housing and spousal job opportunities. Many felt that a lack of desire for growth by community members is a significant limiting factor. Many also identified specific location advantages that are not being adequately capitalized for economic growth. These include the port, marina, downtown and natural/environmental assets.

## Primary Opportunities



Despite business or economic challenges, every stakeholder saw the area as a quality place to live and work. Virtually all feel that it is a good location for their business and would locate here again if given the choice. Unlike many small communities, Prairie du Chien is generally welcoming of outsiders and offers many opportunities for new residents to get involved. The high level of business engagement in civic life further enhances this perception.

Other notable changes in self-reported business climate issues and perceptions over time include the following:

- Changes in firm mix:
  - Declining importance of health care, and increasing presence of service industry.
  - Growth in local businesses relative to businesses headquartered elsewhere.
- Changes in operations:
  - Increase in businesses which own real estate versus rent.
  - Increased focus on regulatory constraints and the national economy following the 2001 recession. Energy costs also replaced global competition as a top 5 concern.
- Changes in workforce:
  - Increased use of part-time workers (86% of employers utilizing part time help in 2006 versus 77% in 1999), which remains consistently higher than the state as a whole. The impact of seasonal work has also increased, with many part time employees based on seasonal fluctuations in demand.
  - Wage rates for highly skilled workers declined by 14% between 1999 and 2006, while semi skilled wages increased 4% and unskilled wages increased by 10%. Wages in the City overall were generally lower than elsewhere in the state, but comparatively higher for professional and technical staff.
  - Turnover rates have increased significantly, with 21 percent of companies experiencing annual turnover of 25% or more. Other opportunities or termination for poor performance were the most common reason cited.
  - Despite higher turnover and difficulty finding workers, quality of workers was not reportedly more of an issue locally than for other areas in the state.
- Changes in business climate:
  - Respondents reported similar success in actual worker recruitment figures for 1999 and 2006, but employers were generally less optimistic about their ability to recruit to the community in 2006, with some respondents identifying quality of life and business climate issues as having a negative influence on recruiting.

- o Property taxes were ranked as a specific factor perceived to limit recruitment. Affordable housing was identified as an issue in 1999, but not in 2006. Both of these issues likely stem from more competitive wages offered elsewhere in the state while wages remained flat or declined in the City during this period.
- o A greater percentage of respondents did not respond to questions about economic development efforts – those who were aware of efforts ranked the impact of these efforts slightly lower in 2006. However, these lower rankings were still significantly above state averages. Respondents also ranked the City higher than the state in terms of general business climate.

Additional qualitative information was gathered from in person interviews with local representatives, industry representatives and regional representatives from real estate, economic development and workforce professions. Primary topics addressed in these conversations included questions about the perceived business climate in Prairie du Chien, opinions regarding the City's main competition from a business recruitment perspective, and input on major opportunities or challenges to the City's growth. These conversations identified several common themes relative to the City's position. Several were positive, including;

- The City is welcoming of new residents and outsiders, and offers opportunities to get involved.
- Prairie du Chien "shows well" - people generally like it once they see it.
- The City feels bigger than it is, and therefore competes with larger communities from an economic development perspective. Dodgeville, Rochester, Platteville and LaCrosse were all mentioned as potential areas of competition depending on the industry.

Only a few comments were primarily negative or raised potential issues regarding the ability of the community to carry out a successful economic development plan. These included;

- The City is working to improve its approach to growth and development, which was noted by many. However, there was still significant concern about the ability of the City to move quickly if a large opportunity presented itself. Examples of indecisive or delayed decision making were provided as areas of concern.
- The community was not seen to be unified in its vision for the future. Many felt that there are conflicts among various groups within the community regarding the desired type and nature of growth. This led to comments such as 'everything is political' to explain the lack of decision making on many fronts.

This input, together with market information, will provide the foundation for the strategic planning and marketing development. From an economic development perspective, perceptions can be equally as important as market data, especially if they are negative and widespread. Acknowledging and addressing these issues will be a critical factor in the success of a local marketing campaign.

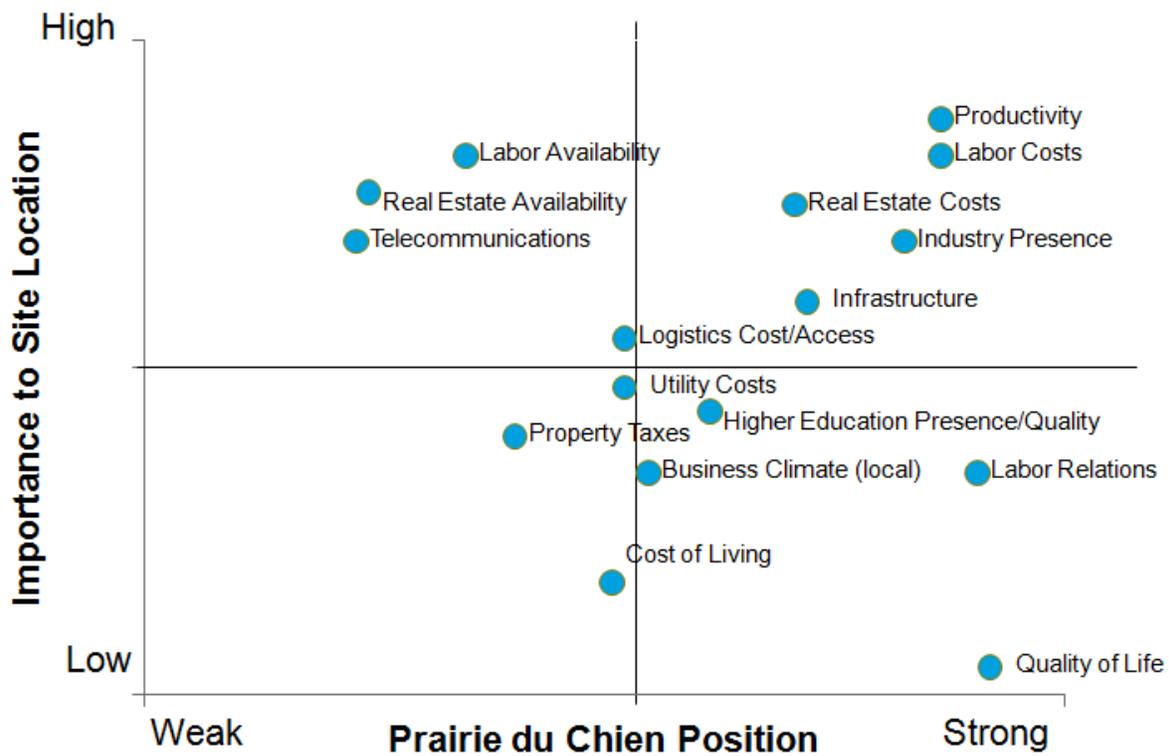


## Chapter 5: Competitive Position

The goal of this plan is to identify industries and businesses which are a good fit for the community based and to recommend industries for which Prairie du Chien can provide a competitive advantage. Specific advantages can be quantified and the benefits to specific industries marketed, while challenges can either be addressed through programs or serve to filter out industries which may not be suitable targets for economic development efforts.

Because of its position at the edge of the state and relatively isolated from other large communities, Prairie du Chien has a unique competitive position. As a retail and tourism market, Prairie du Chien competes with smaller niche markets such as Lansing, Iowa or Galena, Illinois. Additional retail competition for shopping-oriented trips is primarily represented by LaCrosse.

Prairie du Chien's primary competition for businesses is with larger communities such as Platteville, Rochester, LaCrosse, or Dubuque, depending on the industry in question. Although the City has a strong economic foundation, competing with these larger communities raises the bar in terms of expected deliverables and service. Because not all assets are equally relevant to business decision making, the chart below highlights areas where Prairie du Chien's competitive position relative to regional communities may be relevant from a marketing perspective. The vertical axis represents criteria that are important to site selection decisions, while the horizontal axis reflects the City's position relative to its competitive set. Factors in the upper right quadrant are both important and present a competitive advantage, while factors in the upper left quadrant are important but competitively lacking in the City.



Not all businesses and industries have the same cost or regulatory structure, so some factors weigh more heavily than others in a particular business's decision. As personnel and real estate typically represent two of the largest overhead expenses, it is not surprising that factors associated with these categories are of critical importance. Prairie du Chien's worker productivity and wage rates make it highly competitive for employers, although the limited labor pool and availability of trained workers in some sectors, especially for advanced positions, poses a limitation. While local housing costs are relatively high, commercial properties tend to be competitively priced, and property taxes are competitive with other large communities. In this category, only the availability of space poses a significant threat to growth. Other positive factors for the community, such as quality of life and presence of national brands do not rise to the top as being either critically important or particularly influential, although information on the positive aspects of these categories should be mentioned in areas where it can help to tell the larger story of the community.

### **Summary of Key Competitive Opportunities**

- Name recognition of both City and existing businesses.
- Regional hub status.
- Improving reputation for service delivery by the City.
- Strong business engagement and involvement, with multiple civic organizations.
- Strong local banking industry and history of private and community investment.
- Opportunity to diversify local economy by supporting economic trends.
- Welcoming community for newcomers, easy to get involved.
- Quality schools and health care facilities.
- Safe community and small town feel.
- Regionally growing population, with increasing popularity of the region by artisans and local food producers.

### **Summary of Major Challenges Impacting Business Climate**

- Need for improved coordination among civic organizations and government.
- Limited on-line information available on Prairie du Chien for those researching the area.
- Underutilized infrastructure/capital: port, marina, downtown retail, northern commercial corridor.
- Landlocked community with limited infill opportunities.
- Strong competition regionally for companies, tourism and residents.
- Lack of higher education facility for resident and worker training.
- Lack of housing availability in many sectors: rental, high end, senior.
- Difficulty recruiting employees for higher skilled jobs.

## Comparable Community Profiles

In order to identify best practices and gauge progress relative to communities with similar economic conditions, a set of benchmark communities was identified nationwide. These communities were identified as comparable based on size, location relative to metropolitan areas, the income, education and age of residents and composition of local industry and employment. The resulting communities are profiled in the table below. It should be noted that finding suitable comparable cities was more difficult for Prairie du Chien than in many other cities. There are very few communities of comparable size that are located over an hour from a major metropolitan area. Additionally, many of the larger rural hub cities that were identified demonstrated substantial declines in population and jobs and therefore were eliminated as comparables.

Community	Population	Population Growth 2000-2010	Job Growth 2000-2012	Household Income	% Bachelor's Degree or Greater	Median Age	% Manufacturing employment	% Professional Employment
Prairie du Chien	5,807	-1.5%	6.24%	\$37,940	14.9%	39.2	24%	12%
Manchester, IA	5,096	-1.0%	-6.8%	\$41,846	16.2%	40.2	35.8%	16.6%
Boyne City, MI	3,727	-2.3%	-7.1%	\$41,690	18.9%	35.6	20%	17%
Harrison, AR	13,053	5%	5.4%	\$34,947	14.8%	38.4	19%	15%
Belle Fourche, SD	5,678	14%	14.8%	\$39,899	18.6%	35.5	17%	14%

Source: Zoom Prospector, Sperling, US Census

Many of the above communities have achieved economic development success in areas which serve as an example for Prairie du Chien. Several feature similar community amenities, including restored downtowns, proximity to natural areas, river ports, and municipal airports. The following paragraphs highlight specific programs utilized in these communities which may be particularly relevant to goals and objectives for Prairie du Chien.

For instance, Harrison, Arkansas, benefits from its restored downtown and nearby outdoor recreation amenities. It was recently named as one of the best retirement towns in the Country. North Arkansas College is located in the community. Targeted economic development programs include site preparation assistance through the College's construction training department, discounted motel rates for prospecting stays, free temporary office space and spousal employment assistance. The community also offers a Retirement Guide, similar to the Relocation Guide offered by many Chambers. The Harrison Chamber website has an Interactive FAQ feature which provides online chat opportunities with Chamber staff for individuals with relocation and retirement questions.

### Harrison, Arkansas offers a variety of online information resources



[www.harrisonarkansas.org](http://www.harrisonarkansas.org)

Belle Fourche, located at the gateway to the Black Hills, has largely marketed itself as the gateway to the west and the center of the nation. They are in the process of converting their former airport into a rail-served industrial park and attracted a new Pipeline Plastics plant. The plant was attracted by a preexisting qualified workforce and rail service to North Dakota oil fields.

Boyne City, Michigan has parlayed its local artisan food and proximity to Lake Michigan to build on its distribution and cultural sectors. The City completed a Cultural Economic Development Plan to focus on events, training and retail to advance the local food cluster, while a burgeoning medical device industry is being targeted for their industrial park. They are also looking to take advantage of their seasonal residential base with a 'Live and Work in Boyne FULL-TIME' program which includes a blog highlighting entrepreneur and self-employed business success stories.

**Boyne City is working to encourage seasonal residents to consider Boyne as an opportunity to achieve life-work balance.**



<http://boyncechamber.blogspot.com>

Manchester, Iowa, is working to encourage economic growth in the community. The City recently passed an ordinance which rebates a percentage of property tax for new construction and improvements to commercial structures. The rebate provides a declining abatement of 75 percent in the first year and 15 percent in year five, for a combined 45 percent abatement over a five year period. (Note: Wisconsin law does not allow for direct property tax rebates to businesses) The State of Iowa also has aggressive statewide programs which can benefit local communities by providing low interest or forgivable loans for building construction, site development and working capital. The City of Manchester also has a private economic development group, Manchester Enterprises, which owns the local business park and has funded speculative building projects to address local needs in the community.



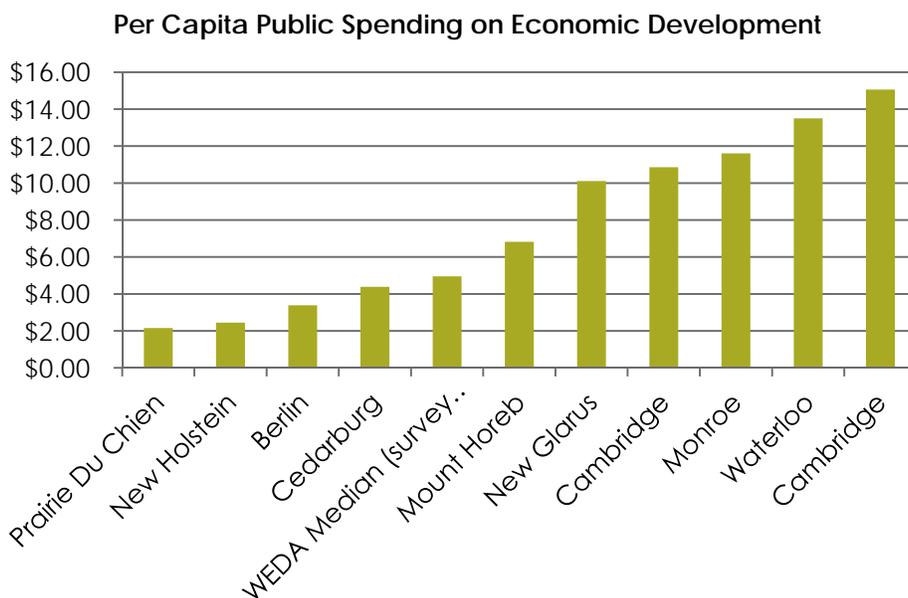
*Boyne City, Harrison, Belle Fourche, and Manchester offer comparable small town amenities with a strong industrial base.*

## Chapter 6: Strategic Economic Development Plan

The recommendations formed as part of this strategic economic development plan include short, mid and long-term items which are intended to capitalize on local strengths and address areas of potential competitive weakness. The initiatives presented in this chapter and included in the implementation matrix are designed to work together as part of a comprehensive economic development strategy. While many initiatives can be undertaken by the EDC, others will require partnerships with other community organizations to be fully implemented.

This first category of initiatives includes elements associated with organizational and operational initiatives. These initiatives will create a framework for attaining, measuring and demonstrating success in achieving economic objectives. Having a framework in place for tracking progress relative to specific economic development goals will be essential for fundraising success, allowing the organization to demonstrate its ability to influence the economic conditions in the community, increasing the likelihood of receiving grant funding and private contributions. Additionally, tracking the progress and success of initiatives will allow the organization to recognize and be flexible to changes in local conditions and adapt its plan accordingly.

An internal goal of the EDC is the developing of a long-term funding plan which will provide organizational stability and create future potential for a part-time staff position. The EDC has historically obtained funding from the City to accommodate operating and project spending without soliciting private sector contributions, resulting in a nominal operating budget of roughly \$2,500 annually. A survey of other communities of under 10,000 residents with active economic development programs found that the average public spending per capita is \$7.75 per capita, as shown on the graph below. The average local economic development survey in a 2011 WEDA survey was \$4.95 per capita. These budget figures include ongoing operational support for a wide variety of economic development programs, including City staff positions, contracted economic development staffing, Chamber support, downtown organization funding and EDC funding. One time contributions for individual projects were not included in these calculations.



Prairie du Chien's per capita spending of \$2.16 per capita is one of the lowest identified among a set of similarly sized communities with active economic development programs. In addition to this low overall financial contribution, this support is split between the City, Chamber and PDRI, further diluting the impact of expenditures.

Communities with other EDC organizations also typically receive private sector contributions comprising 15-45 percent of the total budget, depending on the size and nature of the local business community. A majority of the communities identified in the graph above have a part-time staff person (typically a municipal contract with an EDC, Chamber or outside consultant) acting as the economic development point person for the community. The time commitment and compensation for these positions varies greatly, ranging from .1 to .5 FTE or equivalent and from as low a \$5,000 stipend to \$40,000 annually in salary and benefits. In order for the EDC to achieve its goal of hiring a staff position, an initial budget in the range of \$20,000 per year including public and private sector contributions is recommended. Additional support to expand position responsibilities could be obtained through funding for program activities such as training, entrepreneur support or other direct business assistance which could be provided by staff and funded through grant dollars.

Although it is difficult to solicit outside funding for day to day operations, grant and operating income are frequently used to support specific programs, and could also provide a portion of staffing support associated with program implementation. One near term opportunity for accessing both grant and program related funding would be a plan for utilizing the former hospital facility. This nearly 100,000 square foot building will be fully vacated by the hospital over a several year period following completion of the new facility. There have been no active inquiries regarding purchase or re-use of this facility to date, and there are a number of examples of former hospitals which have been demolished rather than re-purposed. However, a number of initiatives identified for Prairie du Chien require that space be made available to accommodate programming and provide a home for small and emerging businesses. The size of the hospital facility could potentially accommodate a number of these uses, including:

- Small tenant industrial spaces near loading dock areas
- Higher education classroom and medical training spaces
- Co-working or shared work space
- Professional service office space
- Daycare and community amenity spaces

A combination of these and other uses could provide lease revenue from rented spaces and offer potential for grant funding for renovations or count as an in-kind contribution for funding match requirements. It would also achieve the objective of creating visual signs of progress and demonstrating the ability to accomplish large scale public-private initiatives within the community. One case study illustrating the successful adaptive re-use of a similarly sized facility is featured on the following page. Additional information on hospital redevelopment and reuse trends is included in the appendix.

### Potential Project: Adaptive ReUse of Former Hospital Facility



**Project Overview:** The 95,000 square foot former hospital facility will be vacated over an extended period of time as the hospital relocates to its new facility. The size and scope of this project make it unlikely that the building will be fully utilized by a private developer, yet the structure offers many opportunities for the community.

**Objectives Accomplished:** The former hospital site presents opportunities for the EDC to coordinate multiple programs which will achieve several objectives identified in this plan including: providing small industrial space, provision of professional office or shared working environment, attracting higher education providers and demonstrating public-private partnerships and a reputation for creative problem solving.

**Business Planning:** Because of the size and complexity of the project, structural assessments and operational feasibility studies will need to be completed to determine whether any or all of the proposed uses can adequately be accommodated within the structure. Additionally, information on operating costs and potential revenues from each proposed use will need to be determined as part of the overall project feasibility. Engineering or conceptual plans will also need to be developed in order to effectively approach potential tenants or project partners which may lease space in the project and to further develop cost and rent projections. These studies and initial outreach to the hospital and potential partners should be conducted over the next year in order to coordinate with the existing Hospital relocation and budgeting timeline.

**Funding:** The potential to work with the Hospital to arrange an attractive purchase price and/or leaseback scenario are a critical factor for start-up funding. Because the facility will likely be owned and operated as a non-profit facility, Tax Increment Financing assistance will likely be limited, although funding may be available in support of other community amenities which could be located in the facility. Several of the proposed uses are anticipated to pay rent in the new facility, providing some ongoing revenue. The local business community will also be a likely partner, both as a contributor of match funding as well as a tool for guaranteeing enrollment for relating technical college programs. By incorporating training and support programs for entrepreneurs and small businesses, program funding may also be obtained through CDBG, USDA, and other targeted state and federal programs. A similar hospital redevelopment in Brighton, Colorado attracted \$7 million from six sources for the creation of a community learning center in a former hospital space.

Moving beyond organizational objectives, initiatives associated with economic development programs, policies and infrastructure were identified. These initiatives can be broken into three major categories:

1. Creating marketing and information delivery tools to convey the image of Prairie du Chien as a business friendly destination.
2. Maximizing business retention, recruitment and expansion efforts.
3. Capitalizing on and strengthening Prairie du Chien's position as a regional hub.

Within each of these categories are associated initiatives designed to achieve these goals. These initiatives are discussed in the following chapter, with sample case studies of communities which have successfully implemented recommended initiatives. Information on the cost, timing and financial or operational partnerships necessary to successfully implement the initiatives are provided in a concise format in Chapter 8.

Along with these initiatives, there are a variety of marketing strategies and tools which can be employed to complement and expand the reach of these initiatives. Information on target markets, messaging and tactics to promote programs and competitive advantages of Prairie du Chien are provided in Chapter 7, which addresses marketing strategy.

#### Building an Identity as a Business Friendly Community

Because Prairie du Chien is viewed as a competitor of larger regional communities, prospective businesses and developers expect the community to offer the tools and resources found in these larger communities. While Prairie du Chien is somewhat unique among communities its size in terms of the number of high quality civic organizations, these organizations have not always collaborated to present a unified vision for economic development. There were a number of formerly proposed projects that were referenced as examples of the inability of local groups to work together on behalf of a project. There is concern over the perceived delay in approving projects at the municipal level, based on experiences with recent potential redevelopment projects within the community. By selecting a priority redevelopment site, providing a vision and carrying out a redevelopment project, the community could demonstrate its ability to be proactively and efficient in producing desired results. To further demonstrate commitment to transparency and a predictable process, many communities provide timelines which lay out a timely and predictable approval process for development projects. These guarantees identify roles and responsibilities for both the municipality and the developer during this period, creating a structured and accountable approval process. Some communities go even further by designing one or more pre-approved buildings for available sites, which shortens the timeframe for new construction and minimizes risks associated with time delay. Partnerships with investors or development partners can support building plans to a basic approval phase at fairly minimal cost which can be recouped if a business elects to locate in the facility.

An additional concern is the ability to provide targeted incentives to facilitate development activity. Several of the existing tax increment districts are nearing the end of their expenditure periods, although they will not repay all outstanding debts and be eligible for closure for several years. The City is actively exploring options to address this issue, but it may place limitations on the availability of local business assistance. One opportunity that the near-term closure of these districts may provide is the ability to fund housing renewal programs within the community, potentially creating higher quality rental or upper story residential units. Under state statute, the City has the ability to extend the life of a TID by one year if at least 75 percent of the funds are used to improve the affordable housing stock in the City (the remaining 25 percent may be used to generally improve housing in the City).

### Business Retention, Recruitment & Expansion

Business retention and expansion, often referred to as BRE, is a core activity of economic development groups nationwide. The following recommendations are will capitalize on the success of Prairie du Chien in recruiting and retaining national industrial companies. The community has consistently provided functional and cost effective industrial development space, which has created a dynamic local industrial marketplace. Given this track record, recommended goals for the business recruitment and retention activities are to:

- Build on the industrial strength of the community,
- Work to diversify the local industry mix,
- Increase innovation and startup activity in the community, and
- Recruit, retain and grow a high quality workforce.

These goals are intended to strengthen and support key areas of the economy in terms of supporting existing industry, nurturing growth sectors, and providing a pipeline of new businesses which can contribute to the economic and employment base.

### *Strengthen Manufacturing Sector*

The large number of national and regional brands currently located in Prairie du Chien is a significant positive from a business recruitment perspective. The ability to access industry expertise from individuals at these companies to recruit complementary supplier/vendor or customer companies to the region is a much easier task than recruiting a new and unproven sector to the community.

Of course, to grow existing clusters, existing businesses must adapt to changing conditions. As the traditional manufacturing industry profile evolves to include more advanced technology and skilled workforce requirements, the need for expanded categories of workers has become a critical issue. Prairie du Chien's low overall educational attainment and household income present a challenge for employers hoping to expand operations or recruit workers. In some cases, the large labor shed may help to overcome these issues. However, businesses exploring a new location will have a difficult time identifying and profiling a labor shed that spans a 30 mile region including multiple states. Conducting a wage and benefits survey of the labor shed area can help provide current and prospective employers with critical information on the location, availability and wage and benefit preferences of workers with the desired skill set in the labor shed. This type of information can allow companies to make educated decisions about their ability to recruit necessary workers, and can also help regional partners such as universities and workforce boards to tailor programming to meet specific gaps in the marketplace.

A notable Prairie du Chien advantage has been its proactive approach to providing for a range of industrial land development opportunities. The EDC has recently worked to provide increased industrial space options to address an additional industrial infrastructure needs. However, other aspects of the built infrastructure are not as fully utilized. For instance, while there is a long term vision for increased highway connectivity with Dodgeville, such connectivity is 20 years away, at best. In the next decade, both rail and river freight traffic are anticipated to increase in importance. With the presence of main line service on multiple lines and an underutilized port facility, Prairie du Chien is well positioned to capitalize on this increase. While Prairie du Chien's

port is privately owned and operated, there may be mechanisms to increase the capacity or service to this facility, although this must be done in balance with river tourism concerns. At minimum, providing a trans-load facility in the City or nearby can improve connectivity for raw materials manufacturers and processors.

### *Diversify the Local Economy*

While the area's manufacturing strength makes it competitive, many growth sectors in the economy are located in the information, health care and professional service sector, which is significantly underrepresented in the community. Employees who work in these sectors currently are 150% more likely to work at home than sector employees nationwide. This is likely due to the presence of semi-retirees in seasonal homes, but also to the lack of local positions within the industry. Residents who wish to remain in their field frequently resort to self-employment or remote employment. This type of work arrangement provides for more diverse local employment opportunities, but can be intimidating for workers to begin. Providing mechanisms for this type of employee to network and identify local resources can make this work arrangement an option for more residents, increasing the skill base and ultimately creating an industry presence which can be used to attract employers. Facilities such as shared work spaces and programs such as the Veel Hoeden facility, profiled at right, can provide support and resource connections for individuals engaged in or interested in this type of employment. Prairie du Chien's broadband coverage makes this type of business operation more feasible in the community than in other rural areas.

### *Promote Innovation & Startups*

Prairie du Chien has significantly less than its share of innovation and business startup activity. The percentage of small businesses, patents granted, and new business formation are all significantly below state and national averages. In some cases, there is a lack of physical infrastructure to support small business success, and in others there is a lack of access to resources or information which can spur innovation and startup activity. Based on historical business survey data, the amount of rentable commercial space in the community has declined significantly over the past decade. There are currently no commercial or industrial spaces less than 10,000 square feet listed as available for lease in public commercial databases. This lack of small

### **Case Study: Veel Hoeden Rural Coworking**



**Location:** Pella, Iowa (population 10,000)

**Overview/Mission:** Providing a co-working space for the local business community

**Operations:** In addition to memberships and drop-in rates, the facility hosts a variety of training events and a webinar series which has subscribers nationwide. Costs for an individual 100 square foot office are \$180 per month, with \$50 monthly rates for shared space users.

**Partners:** University of Northern Iowa, local business sponsors

**Facilities:** Approximately 3,000 square foot space with lounge space, conference areas and individual work spaces.

**Funding:** Veel Hoeden was the winner of a contest through the MyEntre.Net "Dream Big Grow Here" grant, where the winner (determined by popular vote) gets funding for new business start up.

**Comments:** Many such facilities are the result of grants from various government entities and/or are an extension of space for regional economic development offices which can provide additional support. Some rural models focus on non-business models such as home sales consultants, craftspeople or other local clusters.

leased space precludes most industrial businesses from locating in Prairie du Chien. This pipeline of companies with growth potential can be a significant component of future development. Dillman, one of the largest employers in the community, was originally formed in this manner. Identifying a development partner and/or funding for a speculative small industrial facility with spaces divisible to 1,000 or 1,500 square feet can help meet the needs of the community and create a pipeline for future growth.

Supporting other forms of innovation and startup activity can be accomplished through regional partnerships and training opportunities in the community. The planned Innovation Network at UW Platteville is one such resource, while other regional and statewide resources can also support this network, including the Service Corp of Retired executives (SCORE), Small Business Development Center (SBDC) and Small Business Administration (SBA) partners. The proposed Platteville Innovation Center (PIC) has the potential to be a tremendous resource to Prairie du Chien's existing businesses and its budding entrepreneurs. The intent of the PIC is to provide both physical space and a network where businesses within the region can access the resources of the University of Wisconsin - Platteville, regional technical colleges, workforce development centers, and other partners to innovate new and better processes, products and services.

#### *Grow a Quality Workforce*

Many local employers have active workforce recruitment programs. Prairie du Chien is fortunate to have multiple growing industries which require additional workers. The EDC may be able to help these companies by providing information on relocation and employment in the region online. Coordinating information and dissemination on jobs available regionally is a first step in achieving this objective. Future initiatives might include local job fairs highlighting the diversity of local employment opportunities and/or adoption of career pathways programs in coordination with local school districts to provide students with relevant information on skills needed to qualify for open positions.

By increasing the local pool of skilled talent, Prairie du Chien also makes the community an increasingly attractive place for companies looking for related skills and improves the likelihood of spinoff and startup businesses. In the case of a significant shortage or looming retirement threat (identified by the workforce survey), a coordinated and community-wide forgivable scholarship program similar to that offered by Prairie du Chien Memorial Hospital may be one way to generate interest and a pool of talent locally. In addition, the lack of local higher educational facilities precludes employers and workers from pursuing convenient training opportunities for the existing workforce. Providing, at a minimum, a satellite facility within the community from one of the regional educational institutions can help to address targeted workforce needs.

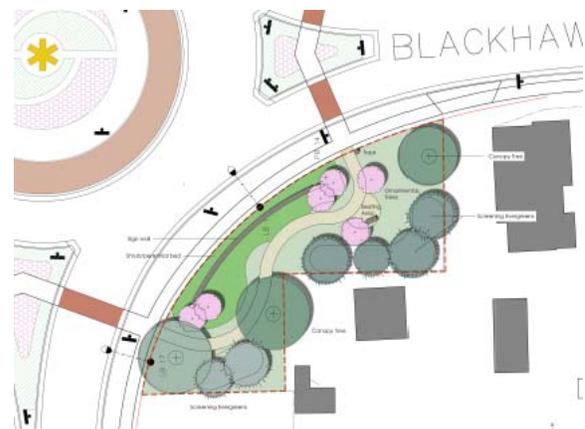
Long-term, the most effective strategy will be to expand partnerships between the educational institutions and local employers. The shortage of students entering specific training programs out of high school, including manufacturing and health care, is a critical issue facing the state and the nation, and helping address this shortage will strengthen Prairie du Chien's manufacturing cluster. Initiatives which have helped drive interest in manufacturing related careers at younger ages include programs such as Madison's Sector 67 and Appleton's Fab Lab, which offer electrical, machine and fabrication workshops for youth as young as age 6. Other programs

aimed at high school students include the Eleva-Strum School District's manufacturing program, which functions as a self-supporting company run by students who receive a dividend at the end of the year. This unique structure and the success of the company has resulted in a waiting list for program participation. Watertown has also created a formal business partnership with its manufacturing companies to create opportunities to train on modern equipment. An annual competition sends students on to the state and national level. Two Watertown-area students took first place at the annual SkillsUSA challenge in 2012.

### Capitalize on Prairie du Chien's Regional Hub Status

An inherent strength in Prairie du Chien is its central location within a large labor shed and consumer trade area. However, a lack of infill development opportunities in the community may limit the community's ability to capture and retain regional destinations. This lack of infill development is the result of several factors, including fragmented ownership and unwilling land owners. This is true not only of traditional redevelopment sites near downtown, but also in other commercial districts, which have not evolved to accommodate changing real estate demands. The site of the new hospital, Cobblestone Inn & Suites in Marquette and relocation of Country on the River and Hospital are all examples of significant regional draws which were forced to locate outside the City due to a lack of suitable development sites, although the Hospital facility will ultimately be annexed. Large destination facilities may elect to consider opportunities in other communities if suitable sites are not available in Prairie du Chien. Identifying and assembling (through purchase or options) infill sites suitable for redevelopment for necessary retail, hospitality, tourism or commercial uses can help ensure that prospective developers and businesses have the choice of locating in Prairie du Chien. Many of these businesses will be most successful if they are able to locate in proximity to other regional draws, and accommodating these needs will benefit both the City and region. Long-term discussions with neighboring municipalities may be necessary to develop a regional plan for development patterns.

In addition to the presence of commercial and employment hubs, the City is surrounded by numerous outdoor recreation destinations. However, as discussed previously, visitors to regional parks spend less on ancillary activities during their stay than visitors to parks in other areas of the state. This is in part due to the highway routes, which make it easy for visitors to get to destinations without going through Prairie du Chien. Additionally, visitors who do pass through the community may do so without being aware of the presence and location of amenities within the community. Major visitor destinations such as the riverfront, downtown, Cabela's and the hospital are all separated by distance and disparate land uses, with few visual connections. The City does have an extensive wayfinding system, but the streetscaping and development patterns along the corridors connecting these destinations do not encourage visitors to explore on their own. Providing consistent streetscape patterns along major corridors can help orient and direct



*Proposed streetscape at Blackhawk & Marquette*

visitors to key destinations. The City has successfully adopted streetscape plans for individual segments within the community, and is currently working on a plan for Marquette Street. Developing a long-term plan to strategically connect existing nodes and major destinations will gradually help to achieve this vision.

The final strategy for solidifying Prairie du Chien's status as the regional hub of economic activity is related to residential development. There are a number of demographic and income groups that are underserved in the City's housing market. Encouraging new housing development can provide alternatives to these populations, allowing them to remain in the community. As each type of housing has different economic fundamentals, there may need to be multiple strategies to effectively address each market. However, in order to entice developers and financing to the desired projects, a local housing analysis and vacancy and rent survey may be needed to accurately determine the number and type of units needed and market supported prices. Such a housing study could be funded by the opportunity to use TIF money from districts that are nearing the date where they would otherwise close, as was discussed earlier in this chapter and included in the case study at right.

Given targeted market information, apartment, mixed-use residential and/or condominium development represent near to mid-term development opportunities if suitable sites are available. The City and local business community may also be able to incentivize certain development through creative partnerships. An example of this would be a mid-term leasing commitment for rooms by local employers or real estate entities to minimize initial losses during the lease-up period, enabling a developer to obtain permanent financing sooner and minimizing risk. From a senior housing perspective, developers are increasingly looking to locate senior housing projects within walkable environments due to their increased local amenities. This type of development could increase commercial space opportunities and provide vitality for downtown. Given the region's growing popularity as a retirement destination, a retirement community may be feasible in the City, similar to the Park Place project profiled on the previous page.



**Park Place Senior Housing**

**Location:** Reedsburg, WI

**Project Overview:** Park Place is a 48-unit senior housing project located immediately adjacent to downtown Reedsburg.

**Developer:** Silverstone

**Funding:** The site had been purchased and remediated by the City, and was sold to the developer for a nominal fee. The project utilized Section 42 housing tax credits and also received a CDBG grant as a result of recent funding. The City also contributed up front Tax Increment Financing to support high quality architecture and fill the startup financing gap.

**Impact:** The project replaced a long-blighted former car lot facility, provided housing opportunities for the local aging population, and created additional foot traffic for downtown retailers. The developer is now working on a second workforce housing project in the community.



### **Renew Monona Housing Project**

**Location:** Monona, WI (pop. 7,533)

**Project Overview:** A landlocked suburb of Madison with a shrinking population and aging, largely single-family housing stock, the City has been encouraging housing reinvestment and redevelopment to improve, expand, and diversify housing options.

**Plan:** The City had an in-depth housing study prepared in 2007, which recommended increasing the diversity of housing types, allowing denser mixed-use development, marketing the City to families and first-time homebuyers, simplifying zoning/permitting to allow reinvestment in older homes, and creating a low-interest loan program for home improvement, among other things.

**Funding:** The City has created 4 TIDs and amended two existing TIDs since mid-2007, all of which budgeted money to carry out housing-related objectives. One TID that was scheduled to close was extended one year to fund a newly created "Renew Monona" housing improvement program that offers 0% interest loans for energy efficiency, electrical, plumbing, and mechanical upgrades to homes. The City was the first in the state to take advantage of a change in TIF law to allow a closing TID to fund housing improvements throughout a community.

**Impact:** The Renew Monona program has received 39 applications and funded 15. The City has provided TIF assistance for a 228-unit senior housing redevelopment project on the site of dated apartment buildings, a mixed-use commercial/apartment project with 125 units on the site of a former mobile home park, and a 50-unit apartment project that redeveloped a vacant medical clinic.

## Chapter 7: Marketing Plan

This marketing plan provides a strategy for advancing the City's competitive position. This includes strategic marketing messages designed to promote existing competitive advantages, but also to capitalize on strategic economic development, infrastructure development or organizational initiatives recommended in the previous chapter. While these elements are not marketing specific, they are specifically identified based on their ability to expand the relevance and impact of the recommended marketing initiatives.

The marketing plan provided as part of these recommendations has three objectives:

- 1) Build on existing marketing efforts and current brand,
- 2) Develop marketing message content which emphasizes specific competitive advantages and targeted industry trends, and
- 3) Strengthen the City's competitive position and perception relative to targeted industry recruitment.

### Existing Message & Branding

Between the EDC and its numerous public and private partners there are a number of existing marketing messages being used with respect to the City and surrounding region. As is expected, a significant percentage of this marketing is targeted at the tourism market, and is heavily weighted toward outdoor recreation and natural amenities imagery, as shown below. Similarly, the existing taglines used by the community and its partners emphasize history, rural character and the City's location on the Mississippi River.

#### Existing Marketing Imagery



While the EDC and Crawford County Economic Development have dedicated branding statements, information highlighted in business informational packets focuses primarily on the industrial market, and more specifically, on industrial opportunities. Detailed information is provided regarding real estate opportunities, utilities, and financing, which are three critical components of site selection. However, there is no information available on the size or skills of the local labor force, and cost factors associated with the area, such as wage rates, taxes and utility costs, are also not provided. Additionally, little information is provided about the ability to import and export goods and materials from the market, including distance to major markets, multi-modal opportunities, and local logistics providers. The summary objective for the City's economic development program offered on the City website is "The City is looking for



existing information is available online at present, and may limit Prairie du Chien's consideration by companies and individuals without previous experience in the community.

### Recommended Marketing Strategies

Making the decision to locate in a smaller community can be challenging due to the lack of data available to compare potential costs and revenues with larger areas. Providing information about the community and trade area makes development of a sustainable and supportable business plan for a Prairie du Chien location more feasible. Key data points which should be highlighted in economic development marketing include:

- Highlight the geographic size and reach of the labor pool.
- Identify prevailing wages paid locally in targeted industry sectors.
- Highlight educational partnerships, opportunities, and local skill set concentrations.
- Provide specific information about the City's TIF policies and objectives and more complete information on available financing tools (such as the revolving loan fund, including sample projects which have been funded).
- More thoroughly profile existing businesses and their area of specialty to demonstrate the breadth and depth of existing business operations and knowledge.
- Create industry specific fact sheets for key sectors which include targeted information relevant to the industry.

Combined, these pieces of information will demonstrate the EDC's knowledge of each targeted industry while also providing a clear set of value propositions for the community. For example, a marketing piece targeted towards machined metal products manufacturers might focus on the proximity of raw materials, availability of multiple distribution modes, and the variety of large metropolitan destinations within a day's drive of Prairie du Chien. Information on wages, workforce skills, industry-specific educational programs, and available properties with suitable power and loading capacity could also be included in a marketing piece.

Similarly, a piece targeted at professional service sectors would feature information on availability, skills and wage rates of workers, broadband connectivity and speeds, location of training programs, buying power of local major employers, professional space opportunities and regional connectivity.

Marketing materials should take a personal approach to presenting information wherever possible. Prospects of all types will expect to be able to obtain basic information, but many companies choosing to locate in smaller communities are also driven by a desire to engage with the local community. Demonstrating Prairie du Chien's ability to deliver an inclusive community while also providing a business case for site selection can be an impactful strategy. Methods for conveying a personal touch should include providing testimonials from existing businesses. The City should also make site visits part of the community's marketing strategy. Such visits help businesses get a sense of the community and make connections locally early on in the recruitment process. Harrison, Arkansas, has put together a relocation assistance package for companies which select the community. This program is profiled on the following page.

Of course, all of this information will need to be readily accessible to potential prospects. A recent study by Atlas Advertising surveyed businesses, real estate agents and site selectors who had recently made a location decision regarding the sources of information used during the early stage decision process. Of those surveyed, 86 percent identified the primary source of market data as third party data services (ESRI, Claritas, Loopnet, etc). Seventy five percent said that they called contacts with which they have a previous relationship. Sixty-one percent listed the community's website as a major source of information. Other methods of information gathering such as site visits and calls to local entities were employed in less than half of situations. In Prairie du Chien, where there are fewer third party data providers offering comprehensive market information, the local community website becomes even more important.

Prairie du Chien does a good job of linking content among various community organizations and differentiating amongst services provided by each organization. An exercise conducted during the planning process required individuals on the EDC to locate key pieces of information relevant to site selection decisions online and submit their answers and source locations. Two-thirds of respondents were able to answer all of the questions, although several felt that some of the answers were not completed. The questions which presented the most difficulty asked for information on available industrial spaces for lease, and electrical and water rates for industrial users in the community. Questions on population, employers and income were typically easily answered, although population and income were for the City or County specifically not for the trade area, which would be a more accurate and compelling set of information for prospective retailers. Respondents used a wide variety of websites to answer the questions, with an average of four sites visited to collect all of the information. Although the City and Chamber were the two most frequently cited websites, altogether six separate sites were used to source population data. The chart on the following page breaks down the types of sites referenced by respondents in the survey.

### Harrison, Arkansas Relocation Assistance Package

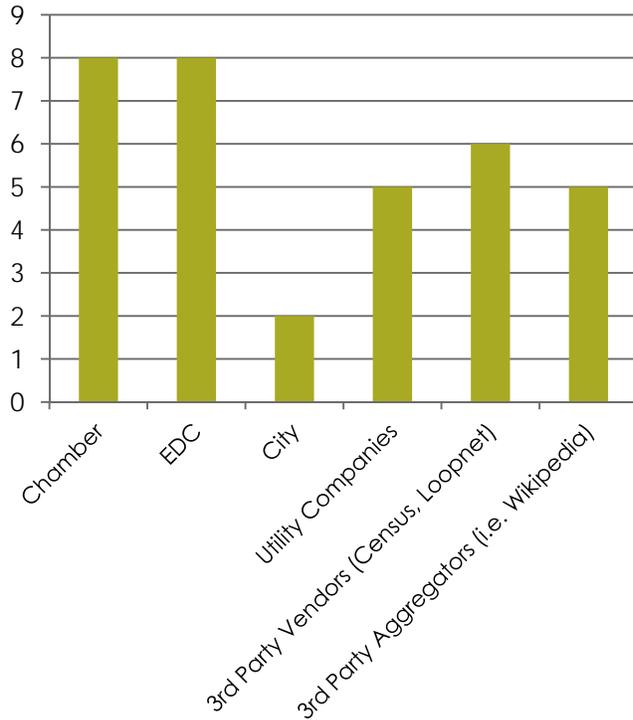


Many of the available incentive programs for Harrison's prospects are offered at the County and regional level. To differentiate the community from others in the region, provide a personal touch, and utilize its local business assets, Harrison offers the following benefits to new or relocating companies during the relocation period:

- Discounted motel rates
- Free business checking accounts
- Temporary office space
- Assistance with spousal employment placement

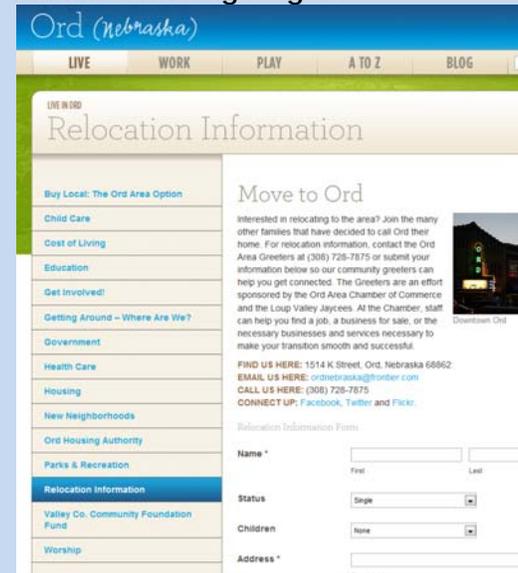
These benefits are not dissimilar to items that would be offered to a relocating employee, and provide a personal approach to community orientation for new businesses.

### Website References Cited



However, not all available information is provided online, and most of the information is not targeted to a particular audience, but rather a category of data (i.e. demographics, land). By providing landing pages for each target audience and uploading pdf files for content, the site can become more robust and user-friendly without necessarily having a large expense for updates. In the near term, these landing pages can be fairly broad, such as 'Relocating Here', which would feature information on employment opportunities, cost of living, housing opportunities and community amenities. Another page could feature 'Industrial Information' and include information on workforce, employment trends, testimonials from large employers, sites, and building data. Additionally, only a handful of the available buildings and sites available in the community are listed on regional and statewide commercial databases. Making connections with these free regional commercial sites, as well as with residential listing services available either as embedded features or direct links will help streamline the search for external information not managed by the EDC, Chamber or City.

### Ord, Nebraska Alumni Marketing Program



**Population:** 2,269

#### Initiatives:

- Created Ord Area Greeters to answer questions from prospective homebuyers and direct people to local resources and employment opportunities.
- The Valley County Youth Initiative is an effort to stay in contact with high school alumni and keep them informed about job openings, business ownership opportunities and various community improvements.
- A local private investment group developed a new single family subdivision to accommodate targeted household relocations.
- The City created a fund to help relocating residents purchase or start a business locally.

**Results:** Over \$125 million in private investment since 2000. 1,500 former alumni are fans of the Facebook page. The community has not entirely reversed population decline, but has cut its rate of population loss in half, and lowered the average age while simultaneously increasing household income.

### Workforce & Residential Recruitment

Strategies associated with workforce development include information targeted to workers actively seeking employment and individuals which have a connection to the region and are potential recruitment candidates in the future. The first audience requires targeted and timely material on available jobs, housing options and specific amenities (schools, health care, etc) which factor into relocation decisions.

The second audience represents a longer term pool of individuals who are familiar with small town living, appreciate outdoor amenities and would be likely to consider relocation to a small community in the future. These individuals may be young professionals who are currently enjoying an urban lifestyle but who would prefer to relocate once they have a family, or older households exploring a lifestyle change and slower pace of life. Identifying social media and online strategies to reach these audiences and provide continuous information on jobs, culture, recreation and social opportunities in the community can help put Prairie du Chien at the top of the list when the relocation decision becomes a reality. A 2012 study by the University of Minnesota Extension identified a recent trend of increasing migration by 30-50 year olds who are leaving urban areas for rural communities. This trend has come at a time when overall migration has declined, but has resulted in as much as a 15-20 percent increase in the population within a given age group in some small communities.

### **Marketing Messages**

A marketing message must reflect the local reality, be relevant to the target audience, and reflect an area of competitive advantage in order to be effective. Marketing which is overly broad, such as 'the greatest small town on the river' doesn't set the City apart. Similarly, while marketing a vision is good, the vision needs to reflect the current reality, or the City will lose credibility with its target audience. Advertising advantages such as 'the best industrial sites' when there is significant quality competition may make it appear that the City does not understand the needs of its target market. The recommendations in the following chapter identify specific competitive advantages which may be appropriate for marketing, and also identifies the specific type of information which is relevant to business location decisions within identified market clusters. Taken together, these phrases may be used to craft marketing messages and taglines for use on individual marketing materials.

Creating these messages involves converting language about the facts of a community into benefits for the consumer. The table below provides a sample of this type of benefit statement using some long-standing taglines for the community.

<b>Fact</b>	<b>Target Audience</b>	<b>Benefit</b>
<b>Oldest City on the Mississippi</b>	Industrial Distributors	Long tradition of industrial and distribution industry success
<b>Oldest City on the Mississippi</b>	Visitors	Where history and natural beauty meet

Based on the target economic development audiences, some of the key marketing messages should include:

Industrial Business:

- Large 30-mile labor shed with a productive workforce that produces twice the national average revenue per worker.
- Ample industrial development sites with pre-approved facility options.
- Multi-modal transportation options and four hour access to many major Midwestern markets.
- Dedicated workforce with minimal worker turnover and competitive wage rates.
- Strong and growing health care, information and professional services sector reflected by \$50 million hospital expansion project.

Professional Service Business:

- Strong and growing health care, information and professional services sector reflected by \$50 million hospital expansion project.
- Entrepreneurial base with two-thirds of industry workers self-employed and nearly 1,500 area college graduates annually.
- Robust local broadband coverage, with multiple providers offering high speed connectivity.

In all cases, the message should be focused on the broader trade area as opposed to the City or County. A company or individual considering the region will be living, working, recruiting and doing business within the entire region, and the regional amenities and assets should be highlighted. This regional focus should encompass the retail and visitor trade areas and the labor shed, depending on the audience.

Additionally, there are specific pieces of information which are valuable to individual industry sectors. It is recommended that Prairie du Chien create targeted information pages for those industries with the greatest likelihood of relocating to the community. By incorporating data on available incentives and available sites or buildings within the community into these materials, they will also be useful for existing businesses considering expansion within the community. The following table identifies specific information which is most valuable to specific industry types relevant to Prairie du Chien. Sample marketing materials from other communities targeting these industries are also included in the appendix.

Industry	All Audiences	Manufacturing	Logistics	Health Care	Retail/Tourism
<b>Key Information</b>	Demographics Growth Rates & Projections  State of WI Information on Taxes and Incentives  Quality of Life Amenities: Education, Health Care, Outdoor	Worker Productivity  Wages & Benefits  Industry Growth – Firms/ Workers  Existing Company Profiles  Labor Shed	Rail, Port and Road Profiles (Include drive time market within 5 hours and 1 day)  Service Providers (rail, barge and trucking)  Available Workforce and	Sector Employment & Growth  Private Investment  Regional Program Graduates  Local Services/ Specialties (number	Primary and Secondary Market Areas, Demographics and Spending  Population & Income Growth Trends & Projections  Tourism Trends – Room Nights, Regional

	Recreation, Retail/ Service Amenities Relevant Testimonials	Size & Availability of Workers by Sector Utility Rates (Water, Gas, Electrical) HR Group Presence & Coordinated Marketing of Available Positions Regional Training Resources/ Programs Available Sites & Buildings	Training Trucks/Trains/ Barges Per Day/Month, Inbound vs. Outbound Traffic Existing Company Profiles Available Sites & Buildings	performed, regional reach) Scholarship Program Providers in City Serving Region (Per Capita for Dentists, Orthopedics, etc) Available Sites/ Buildings	Destination Attendance Seasonal & Retirement Population Impacts Private Investment in Industry Expansion (permits) Existing Businesses & Revenue Trends (ESRI/Census) Available Buildings & Sites
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### Marketing Tools & Tactics

As mentioned previously, the ability to incorporate personal testimonials by residents and businesses which convey the above messages will provide greater resonance with the target audience. Soliciting testimonials from existing companies, and profiling diverse local businesses on blogs or in newspaper articles similar to the Boyne City approach helps to reinforce the perception of familiarity and community.

The tools used to deliver this message should incorporate both online and in-person resources, which are grouped onto individual landing pages based on common topics (i.e. ‘relocating here’, ‘living here’, ‘building here’, etc). Many of these pages will include similar content – for instance, both potential residents and relocating workers will be interested in information on cost of living, while industrial and professional service sector employers will both be interested in tax and utility rate information. By creating landing pages, the information can be customized to individual audiences without a need to create substantial additional materials.

Because a substantial amount of initial information gathering is done via third party websites, developing partnerships to populate these sites and link to these trusted sources of information internally can also demonstrate industry understanding. Working with brokers and property owners to populate sites such as Costar, Loopnet or PropertyDrive with available information, including a community profile, will maximize reach to target audiences. Additional user-specific marketing venues include the Wisconsin & Southern Website, American Waterways Operators, and other local logistics groups. In addition to providing marketing opportunities for properties of interest to their members/customers, relationships with these organizations can also provide leads. The same is true of partnering with the existing MLS network to effectively market residential opportunities.

A substantial amount of marketing effort is driven by prospect leads, followup and tracking, which is already being coordinated well locally. In addition to the diligent follow-up and coordinated project assistance which is already occurring, there is value in creating an official prospect tracking database used by all of the local entities. Incorporating industry type, contact data, the prospect's ultimate decision, and deciding factors for each prospect can provide data driven adjustments to marketing materials and programs based on the amount of interest received from various industry sectors. For instance, if there is an increase in industrial prospects unable to obtain suitable space, a speculative building may be a viable project. Similarly, if workforce concerns drive multiple prospects elsewhere, an updated wage and benefit study can address the specific issue. Because prospect data is typically confidential during the active prospect period, it may only be entered after the prospect has made a decision, but historical information will be equally valuable.

In addition to providing reliable and targeted information directly and online, there is the opportunity to participate in regional conferences, either alone or in partnership with the Wisconsin Economic Development Corporation or with a local industry partner. Conferences held in the Midwest (typically Chicago) for existing industry clusters such as advanced manufacturing, metal fabrication and events such as Iowa's Advanced Manufacturing Conference provide EDC staff and board members with opportunities to meet with specific prospective companies and gain insight into current industry trends. Utilizing local corporate connections to identify and schedule meetings with specific recruitment targets during these conferences maximizes the benefit of conference attendance.



## Chapter 8: Implementation Matrix

The following timeline and implementation matrix provides a mechanism for putting this plan into action. Initiatives identified in the implementation plan include broad economic development initiatives which will help Prairie du Chien enhance and capitalize on its unique assets, and also includes marketing tools and tactics which will convey these messages to the target audiences.

As a collaborative partner in community-wide economic development, the implementation plan includes initiatives which fall into three categories:

Category 1) EDC-led initiatives. These initiatives represent new initiatives or expansions of existing initiatives which are complementary to the EDC's mission and resources. These projects include real estate and programmatic elements which are directly tied to retaining and recruiting businesses to the community.

Category 2) EDC-supported or partnership-driven initiatives. Many initiatives will require a collaborative effort in order to be successfully implemented. These initiatives include marketing, education and community development projects, and involve a wide range of partner organizations which are identified in the matrix.

Category 3) Advocacy initiatives. There are several initiatives which were identified as having potential to significantly influence the competitiveness or serve as drivers of economic growth but which are beyond the scope of work that the EDC can undertake. The EDC will engage in advocacy with governmental and legislative bodies with influence in these areas to encourage expansion or creation of relevant projects within the community.

The timeline provides a work plan for the first 24-months, and includes both EDC-led and partnership or advocacy initiatives, with EDC-led initiatives indicated in the investment column. The implementation matrix also identifies the lead organization and partner entities for each initiative. Funding for each initiative is identified, along with information on potential sources of funding assistance to help offset identified costs.

**NEAR-TERM STRATEGIES, DETAILED TIMELINE AND INVESTMENT**

Strategy	Description	Timeline (First 24 Months)																								EDC Role Funding Required
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
<b>Organization &amp; Operations</b>																										
Formalize Development Planning Process	Advocate for City creation of streamlined development process and timeline to mitigate risk and demonstrate ability to provide efficient services.	•																								EDC Advocate \$0
Market EDC Project success	Market previous EDC project success, including track record of prospect outreach and public-private spec building development								•																	EDC Lead \$0
Prospect & Trend Tracking	Develop & implement coordinated prospect tracking system to identify trends in industry interests and decision drivers.	•																								EDC Partner \$0
Project Priorities & Planning	Prioritize high-profile redevelopment projects and create funding and/or business plans for implementation																									EDC Potential Lead on Hospital \$40,000 planning phase
Financial Planning	Develop a funding plan which accommodates part-time staffing and organizational stability within three years.																								•	EDC Lead \$0

**NEAR-TERM STRATEGIES, DETAILED TIMELINE AND INVESTMENT**

Strategy	Description	Timeline (First 24 Months)																								EDC Role Funding Required
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
<b>Business Recruitment, Retention &amp; Expansion</b>																										
Continue business retention interviews	Continue to conduct regular business retention and expansion interviews together with the County.																									EDC Partner \$0
Continue industrial sector growth	Continue to provide variety of suitable industrial sites in community.																									EDC Partner \$0
Enhance strong industrial sectors	Actively recruit supply chain, client and vendor companies to support existing corporate base.																									EDC Partner \$1,000
Broadband Connectivity	Continue to advocate for affordable and reliable broadband coverage in area.																									EDC Advocate \$0
HR Coordination	Support creation of Iowa/Wisconsin HR Managers group to coordinate job posting/hiring																									EDC Partner \$0
Support growth in emerging professional service sector.	Support education, training and networking opportunities for self-employed and work from home population.																									EDC Partner \$1,000
Encourage K-12 educational partnerships	Work to create local pipeline of skilled workers with local industry knowledge through targeted education partnerships.																									EDC Partner \$0
Growth in small industrial companies	Explore provision of small tenant leased space development in Prairie du Chien.																									EDC Lead \$25,000 Match
Wage & Benefit Survey	Conduct regional wage and benefit survey to identify available workforce populations and expected wage rates.																									EDC Partner/Advocate \$15,000
Scholarship Program	Explore community-wide scholarship program to encourage training or relocation of skilled workers.																									EDC Advocate \$10,000 seed money

**NEAR-TERM STRATEGIES, DETAILED TIMELINE AND INVESTMENT**

Strategy	Description	Timeline (First 24 Months)																								EDC Role Funding Required
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
<b>Retain and Enhance Regional Hub Status</b>																										
Regional Marketing	Support coordination of regional marketing and cross promotions activity.																									EDC Partner \$0 additional
Residential Market Options	Advocate for housing vacancy and rent survey to determine need at price point for residential product in City.																									EDC Advocate \$5-7,000
<b>Marketing &amp; Outreach</b>																										
Communication with Existing Partners	Develop semi-annual EDC update to present to partner organizations, invite partners to attend meetings.																									EDC Lead \$0
Targeted Industry Marketing	Create industry focused community profiles and website landing pages to simplify access to information.																									EDC Lead \$5,000
Expand Site Marketing	Work with realtor/broker networks to increase regional marketing of available sites and buildings in the community via online tools and industry user groups.																									EDC Lead \$0
Relocation Marketing	Assist Chamber to post relocation information on website to provide critical information on community housing options and amenities.																									EDC Partner \$500
Personal Marketing	Collect testimonials from existing businesses to support marketing.																									EDC Lead \$0
<b>SUBTOTAL</b>	<b>Total anticipated public/economic development participation costs, and costs associated with EDC-led initiatives. In majority of cases, costs may be offset by grant, TIF or other funding sources and shared by partner organizations.</b>																									<b>Year 1: \$52,500 Total Year 1 EDC: \$45,000 Year 2: \$51,000 Total Year 2 EDC: \$25,000</b>

Organization & Operations					
Objective	Initiative	Lead Party & Partner(s)	Cost (& Potential Funding Source)	Priority	Timing (Near Term 0-2 yrs Mid Term 3-5 yrs Long Term 5+ yrs)
Build Identity as a Business Friendly and Responsive Community	Create development planning process & timeline to mitigate risk and guarantee timely approval of basic development types.	Lead: City EDC Role: Advocate	None	High	Near Term
	Market previous EDC project success. Develop annual report to include historic development projects and prospect activity. Market new speculative building as successful public-private initiative.	Lead: EDC	None	High	Near Term
	Demonstrate visible success in project management with targeted project completion. First Step: Prioritize Projects (i.e. Fort Crawford, Hospital, Main/Blackhawk Intersection)	Lead: City EDC Role: Lead on Hospital	None	Medium	Mid Term
Prospect Tracking & Measurement	Develop coordinated system for tracking prospect leads among organizations to identify industry trends and common win/loss decision factors over time.	Partnership: EDC, City, Chamber	None	High	Near Term
Financial Planning	Develop an organizational financing plan which accommodates a future part-time staff and program needs.	Lead: EDC	None	High	Near Term
	Create a business plan and funding plan for re-use of the former hospital site to meet identified community needs (incubator, education, professional space, etc)	Lead: EDC	\$40,000, potential for grant funding	Medium	Mid Term
	Explore formation of a local investment club to provide gap financing for real estate projects.	Lead: EDC	Minimal - legal fees	Low	Long Term

**Business Retention, Recruitment & Expansion**

Objective	Initiative	Lead Party & Partner(s)	Cost (& Potential Funding Source)	Priority	Timing (Near Term 0-2 yrs Mid Term 3-5 yrs Long Term 5+ yrs)
Continue to Grow Manufacturing Sector	Continue to conduct regular business retention & expansion surveys	Partnership: EDC & CCEDC	Minimal	High	Ongoing
	Continue to provide variety of industrial sites in community.	Partnership: City & EDC	Varies	High	Ongoing
	Actively recruit supply chain, client and vendor companies of existing corporate citizens to enhance industry clusters.	Partnership: EDC & Businesses	Printing/Mail	Medium	Near Term
	Consider conducting occupation and wage survey within labor shed to provide prospective businesses with reliable data on availability, cost and qualifications of workforce.	Partnership: EDC & Workforce Board	\$15,000	Medium	Near Term
	Develop additional pre-approved building plans for key industrial sites to speed up time to opening for prospects.	Lead: EDC	\$150,000 TIF, USDA	Medium	Mid-Long Term
Address Infrastructure Needs & Maximize Use	Explore ways to increase broadband coverage and lower costs in region. Potential to capitalize on Connect America funding for Crawford County.	Lead: WEDC EDC Role: Advocacy	Unknown	Medium	Ongoing
	Explore ways to capitalize on Mississippi Port traffic growth and limitations in Port capacity. Potential for trans-load facility incorporating rail & over land, or expansion of port capacity/access.	Lead: EDC	Unknown	High	Long Term
Work to Diversify Local Economy	Encourage growth in professional service & information sectors by providing business support & networking for work from home and startup businesses.	Partnership: EDC, Chamber, WWBIC, SBDC	Minimal, or up to \$10,000 for targeted training courses.	Medium	Near Term
	Explore potential for shared work space in community.	Partnership: EDC, City, Property Owner, SBDC	\$20-\$25,000 in startup costs, need space	Low	Mid Term

**Business Retention, Recruitment & Expansion**

Objective	Initiative	Lead Party & Partner(s)	Cost (& Potential Funding Source)	Priority	Timing (Near Term 0-2 yrs Mid Term 3-5 yrs Long Term 5+ yrs)
Increase Innovation and Startup Activity	Encourage small tenant leased industrial space to create pipeline of industrial sector growth companies.	Lead: EDC	Varies TIF, USDA	Medium	Mid Term
	Participate in UW-Platteville Innovation Network to provide access to entrepreneurial resources and technology.	Lead: City, Tech College, SBDC	Minimal	Low	Mid Term
Recruit and Retain High Quality Workforce	Encourage and coordinate partnerships with area high schools and workforce/ industry groups to demonstrate range of industry careers in community.	Partnership: EDC, SWTC, EMMA, Schools	Minimal	High	Near Term
	Support formation of Iowa/Wisconsin Human Resource Managers professional group	Lead: Lucky Lady HR EDC Role: Support	None	High	Near Term
	Encourage and market forgivable scholarship programs similar to Prairie du Chien Memorial Hospital program.	Lead: City or Local Nonprofit EDC Role: Advocacy	Minimal Recipients work off majority of awards	Medium	Mid Term
	Explore partnerships with regional higher educational institutions to provide industry training within Prairie du Chien.	Lead: EDC	Unknown Provision of space for temporary or satellite facility	High	Mid Term

**Retain and Enhance Regional Hub Status**

Objective	Initiative	Lead Party & Partner(s)	Cost	Priority	Timing (Near Term 0-2 yrs Mid Term 3-5 yrs Long Term 5+ yrs)
Maximize Reputation as Outdoor Destination	Maintain and enhance existing regional marketing and cross-promotional partnerships, continue to promote region.	Lead: Chamber/ Tourism EDC Role: Support	Existing Budget	High	Ongoing
	Consider potential recruitment/development of local foods/product outlet to meet need for specialty food item and reflect regional draw.	Lead: UWEX, County EDC Role: Support	Unknown	Low	Long Term
Provide for Long Term and Destination Development Opportunities	Identify and option or assemble infill development sites to accommodate future development needs (i.e. hotel, conference center, mixed-use residential) within City.	Lead: EDC Partner: City	Varies	High	Mid-Long Term
	Initiate conversations with adjacent municipalities regarding future development patterns and potential joint development in border areas.	Lead: City EDC Role: Support	None	High	Long Term
Provide for range of housing options to maintain residential mix within City	Conduct housing vacancy and rent survey to determine need and price point for new housing development in Prairie du Chien.	Lead: City EDC Role: Advocacy	\$5-7,000	Medium	Near Term
	Explore potential to develop a retirement community in Prairie du Chien.	Lead: City EDC Role: Advocacy	None, developer outreach only if housing market study includes senior populations	Medium	Long Term

Marketing & Outreach					
Objective	Initiative	Lead Party & Partner(s)	Cost	Priority	Timing (Near Term 0-2 yrs Mid Term 3-5 yrs Long Term 5+ yrs)
Targeted Audience: Existing Businesses, Partners, Media	Provide semi-annual EDC activity updates to partner organizations, invite Council/Partner Board members to EDC meetings to increase awareness.	Lead: EDC	None	High	Ongoing
	Market community wins and project successes through partner networks/newsletters and earned media.	Lead: EDC	None	Medium	Mid Term
Targeted Audience: Business Recruitment Clusters	Create targeted industry focused fact sheets and web landing pages which feature specific benefits associated with Prairie du Chien strengths.	Lead: EDC Partner: Chamber	\$5,000 for setup, can coordinate with other changes, share among agencies	High	Near Term
	Increase marketing of available sites and buildings on commercial listings systems, coordinate attached documents to include targeted industry profile pieces.	Lead: EDC Partner: Realtor/Broker Groups	None	High	Near Term
	Explore participation in industry specific trade shows in conjunction with WEDC or local corporate partners.	Lead: EDC	\$3,000/year (2 shows)	Low	Long Term
Targeted Audience: Relocating Workers and Residents	Create relocation page to provide critical information on local quality of life, availability and cost of housing, schools, etc.	Lead: Chamber EDC Role: Support	Minimal	Medium	Near Term
	Create alumni outreach program using technology to target graduates of regional high schools and universities. Create relocation website for job posting & relocation information.	Lead: School EDC Role: Advocacy	\$5,000 for web design, social media setup	Medium	Mid Term
Provide Personal Perspective of Community	Capture testimonials from key individuals and businesses on business climate advantages in Prairie du Chien.	Lead: EDC	None	High	Near Term
	Create 'see it for yourself' program to provide free overnight stay for qualified business prospects.	Partnership: EDC & Chamber	\$1,500 varies depending on activity	Low	Mid Term
	Consider live chat or other online personal touch information center.	Lead: Chamber	Unknown	Low	Long Term



## Appendix

Demographic Profile

Consumer Spending Report

Labor Market & Wage Rate Report

Sample Industry Profile Pieces

Hospital Redevelopment/ReUse Trends & Strategies

**Prairie du Chien 45-Minute Drive Time Demographics:**

Population (2011)			Population (2016)		
	TOTAL			TOTAL	
<b>Population (2011)</b>	53,022		<b>Population (2016)</b>	54,437	
<b>Sex (2011)</b>			<b>Sex (2016)</b>		
	TOTAL	%		TOTAL	%
Male	27,081	51.08	Male	27,783	51.04
Female	25,941	48.92	Female	26,654	48.96
<b>Age Distribution (2011)</b>			<b>Age Distribution (2016)</b>		
	TOTAL	%		TOTAL	%
0-4	3,305	6.23	0-4	3,400	6.25
5-9	3,363	6.34	5-9	3,463	6.36
10-19	6,675	12.59	10-19	6,896	12.67
20-29	5,482	10.34	20-29	5,612	10.31
30-39	5,568	10.5	30-39	5,718	10.5
40-49	7,124	13.44	40-49	7,331	13.47
50-59	8,366	15.78	50-59	8,584	15.77
60-64	3,405	6.42	60-64	3,477	6.39
65+	9,734	18.36	65+	9,956	18.29
<b>Race Distribution (2011)</b>			<b>Race Distribution (2016)</b>		
	TOTAL	%		TOTAL	%
White	51,034	96.25	White	52,323	96.12
Black	744	1.4	Black	812	1.49
American Indian	131	.25	American Indian	140	.26
Asian	159	.3	Asian	168	.31
Pacific Islander	36	.07	Pacific Islander	37	.07
Other	456	.86	Other	464	.85
Multirace	462	.87	Multirace	493	.91
Hispanic	1,326	2.5	Hispanic	1,311	2.41
<b>Total Households (2011)</b>			<b>Total Households (2016)</b>		
	TOTAL	%		TOTAL	%
Households	21,632		Households	21,701	
Families	14,159	65.45	Families	13,819	63.68

## Household Income Distribution (2011)

	TOTAL	%
<\$10 K	1,537	7.11
\$10-\$20K	3,096	14.31
\$20-\$30K	3,136	14.5
\$30-\$40K	2,724	12.59
\$40-\$50K	2,681	12.39
\$50-\$60K	2,214	10.23
\$60-\$75K	2,254	10.42
\$75-\$100K	2,305	10.66
> \$100K	1,685	7.79

## Labor Force Status (2011)

	TOTAL	%
Labor Force	27,484	
Employed	24,915	90.65
Unemployed	2,551	9.28
In Armed Forces	18	
Not In Labor Force	14,892	

## Total Number of Housing (2011)

	TOTAL	%
Total Dwellings	26,780	
Owner-Occupied Dwellings	16,384	75.74
Renter-Occupied Dwellings	5,248	24.26
Housing Units Occupied	21,632	80.78

## Education Attainment (2011)

	TOTAL	%
Population Age 25+	34,814	
< Grade 9	1,873	5.38
Grade 9-12	2,273	6.53
High School	15,517	44.57
Some College	6,746	19.38
Assoc Degree	3,176	9.12
Bach Degree	3,475	9.98
Grad Degree	1,754	5.04

## Household Income Distribution (2016)

	TOTAL	%
<\$10 K	1,291	5.95
\$10-\$20K	2,871	13.23
\$20-\$30K	2,799	12.9
\$30-\$40K	2,533	11.67
\$40-\$50K	2,557	11.78
\$50-\$60K	2,307	10.63
\$60-\$75K	2,500	11.52
\$75-\$100K	2,790	12.86
> \$100K	2,053	9.46

## Labor Force Status (2016)

	TOTAL	%
Labor Force	28,243	
Employed	27,011	95.64
Unemployed	1,215	4.3
In Armed Forces	17	
Not In Labor Force	15,331	

## Total Number of Housing (2016)

	TOTAL	%
Total Dwellings	26,797	
Owner-Occupied Dwellings	16,436	75.74
Renter-Occupied Dwellings	5,265	24.26
Housing Units Occupied	21,701	80.98

## Education Attainment (2016)

	TOTAL	%
Population Age 25+	36,662	
< Gr 9	1,575	4.3
Gr 9-12	1,946	5.31
High School	16,540	45.11
Some College	7,115	19.41
Assoc Degree	3,790	10.34
Bach Degree	3,699	10.09
Grad Degree	1,997	5.45

Size of Household (2011)			Size of Household (2016)		
	TOTAL	%		TOTAL	%
1 Person	6,028	27.87	1 Person	6,139	28.29
2 Person	8,405	38.85	2 Person	7,966	36.71
3 Person	3,099	14.33	3 Person	2,958	13.63
4 Person	2,249	10.4	4 Person	2,557	11.78
5 Person	1,239	5.73	5 Person	1,400	6.45
6+ Person	427	1.97	6+ Person	476	2.19

*Source: Applied Geographic Solutions, 2011*



# Retail MarketPlace Profile

Prairie Du Chien City, WI  
 Prairie du Chien city, WI (5565050)  
 Geography: Place

## Summary Demographics

2010 Population	5,883
2010 Households	2,308
2010 Median Disposable Income	\$35,101
2010 Per Capita Income	\$21,569

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$47,408,259	\$68,592,958	\$-21,184,699	-18.3	87
Total Retail Trade	44-45	\$41,112,506	\$54,953,850	\$-13,841,344	-14.4	61
Total Food & Drink	722	\$6,295,753	\$13,639,108	\$-7,343,355	-36.8	26

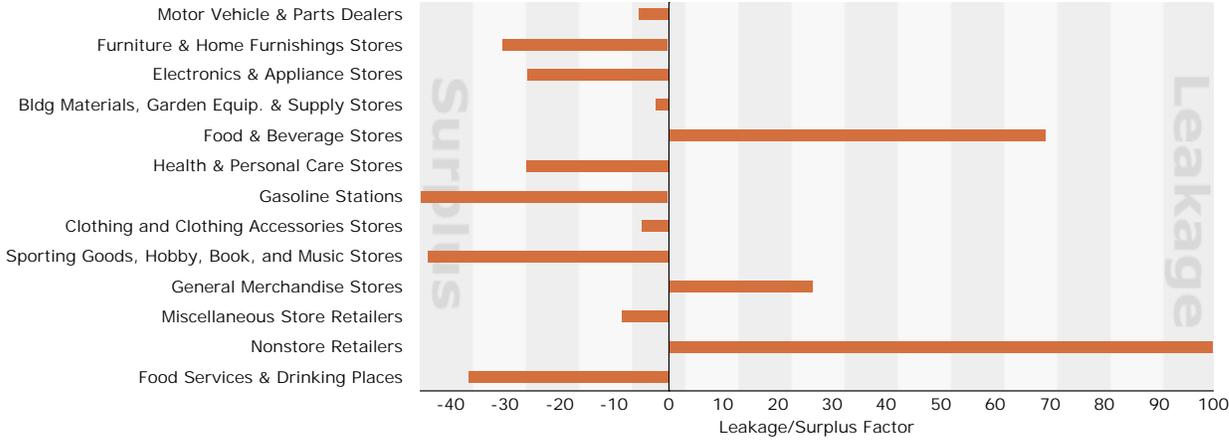
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$9,657,652	\$10,775,620	\$-1,117,968	-5.5	10
Automobile Dealers	4411	\$8,064,918	\$8,012,016	\$52,902	0.3	3
Other Motor Vehicle Dealers	4412	\$809,611	\$463,428	\$346,183	27.2	2
Auto Parts, Accessories & Tire Stores	4413	\$783,123	\$2,300,176	\$-1,517,053	-49.2	5
Furniture & Home Furnishings Stores	442	\$1,029,003	\$1,932,577	\$-903,574	-30.5	3
Furniture Stores	4421	\$802,502	\$1,780,088	\$-977,586	-37.9	2
Home Furnishings Stores	4422	\$226,501	\$152,489	\$74,012	19.5	1
Electronics & Appliance Stores	4431	\$1,327,870	\$2,257,213	\$-929,343	-25.9	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$1,299,452	\$1,360,123	\$-60,671	-2.3	4
Bldg Material & Supplies Dealers	4441	\$1,244,502	\$1,293,207	\$-48,705	-1.9	3
Lawn & Garden Equip & Supply Stores	4442	\$54,950	\$66,916	\$-11,966	-9.8	1
Food & Beverage Stores	445	\$6,727,364	\$1,221,244	\$5,506,120	69.3	3
Grocery Stores	4451	\$6,406,401	\$1,147,944	\$5,258,457	69.6	1
Specialty Food Stores	4452	\$306,041	\$73,300	\$232,741	61.4	2
Beer, Wine & Liquor Stores	4453	\$14,922	\$0	\$14,922	100.0	0
Health & Personal Care Stores	446,4461	\$1,632,209	\$2,789,923	\$-1,157,714	-26.2	5
Gasoline Stations	447,4471	\$10,252,459	\$27,468,278	\$-17,215,819	-45.6	5
Clothing & Clothing Accessories Stores	448	\$726,751	\$802,997	\$-76,246	-5.0	7
Clothing Stores	4481	\$548,204	\$644,050	\$-95,846	-8.0	4
Shoe Stores	4482	\$123,504	\$119,337	\$4,167	1.7	2
Jewelry, Luggage & Leather Goods Stores	4483	\$55,043	\$39,610	\$15,433	16.3	1
Sporting Goods, Hobby, Book & Music Stores	451	\$771,833	\$1,993,025	\$-1,221,192	-44.2	6
Sporting Goods/Hobby/Musical Instr Stores	4511	\$394,117	\$1,244,108	\$-849,991	-51.9	5
Book, Periodical & Music Stores	4512	\$377,716	\$748,917	\$-371,201	-32.9	1
General Merchandise Stores	452	\$6,228,042	\$3,601,041	\$2,627,001	26.7	1
Department Stores Excluding Leased Depts.	4521	\$4,355,866	\$0	\$4,355,866	100.0	0
Other General Merchandise Stores	4529	\$1,872,176	\$3,601,041	\$-1,728,865	-31.6	1
Miscellaneous Store Retailers	453	\$633,165	\$751,809	\$-118,644	-8.6	11
Florists	4531	\$68,058	\$66,218	\$1,840	1.4	1
Office Supplies, Stationery & Gift Stores	4532	\$170,465	\$269,223	\$-98,758	-22.5	4
Used Merchandise Stores	4533	\$34,450	\$37,405	\$-2,955	-4.1	2
Other Miscellaneous Store Retailers	4539	\$360,192	\$378,963	\$-18,771	-2.5	4
Nonstore Retailers	454	\$826,706	\$0	\$826,706	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$660,372	\$0	\$660,372	100.0	0
Vending Machine Operators	4542	\$114,418	\$0	\$114,418	100.0	0
Direct Selling Establishments	4543	\$51,916	\$0	\$51,916	100.0	0
Food Services & Drinking Places	722	\$6,295,753	\$13,639,108	\$-7,343,355	-36.8	26
Full-Service Restaurants	7221	\$3,058,946	\$5,895,517	\$-2,836,571	-31.7	12
Limited-Service Eating Places	7222	\$2,745,331	\$6,572,072	\$-3,826,741	-41.1	5
Special Food Services	7223	\$6,564	\$0	\$6,564	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$484,912	\$1,171,519	\$-686,607	-41.5	9

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>.

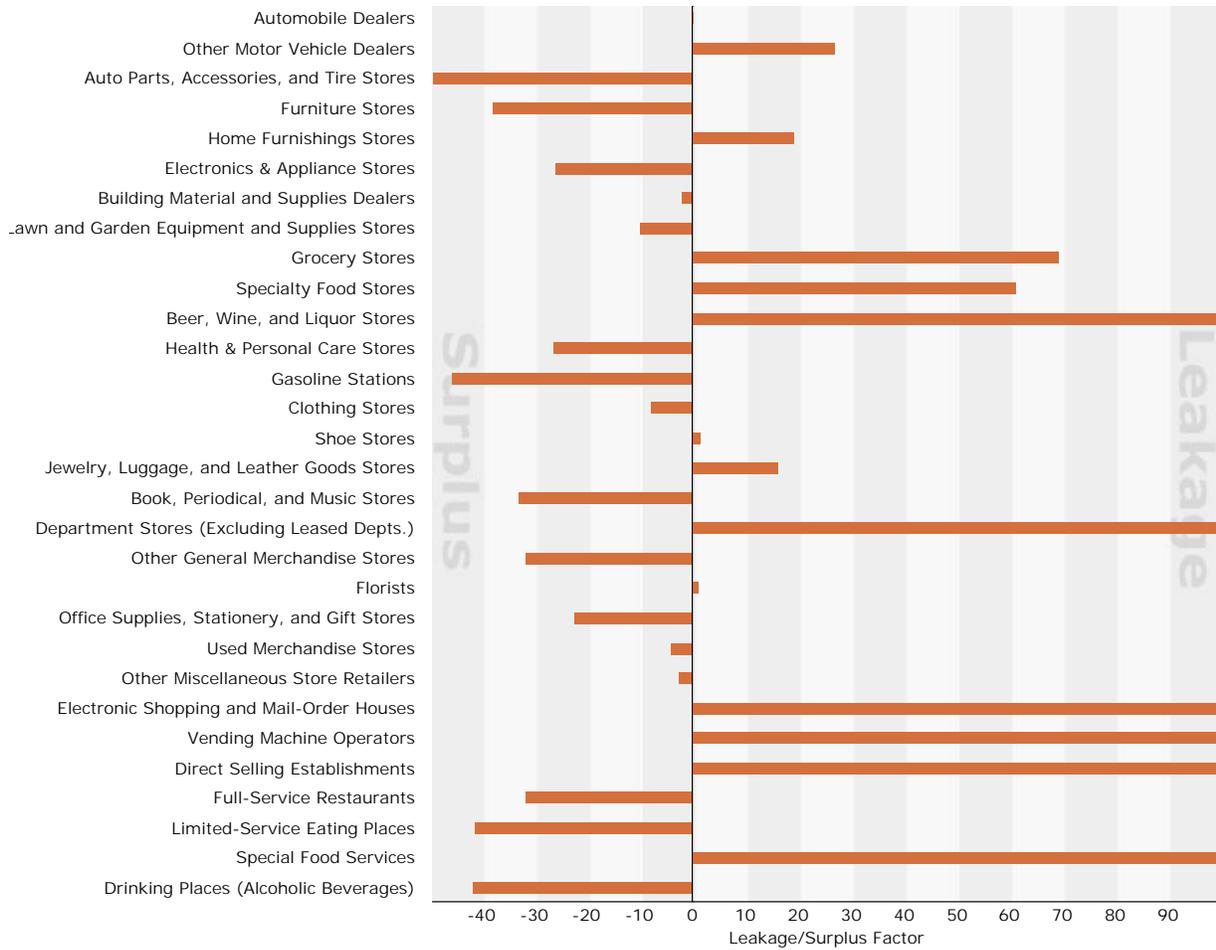
Source: Esri and Infogroup

Prairie Du Chien City, WI  
 Prairie du Chien city, WI (5565050)  
 Geography: Place

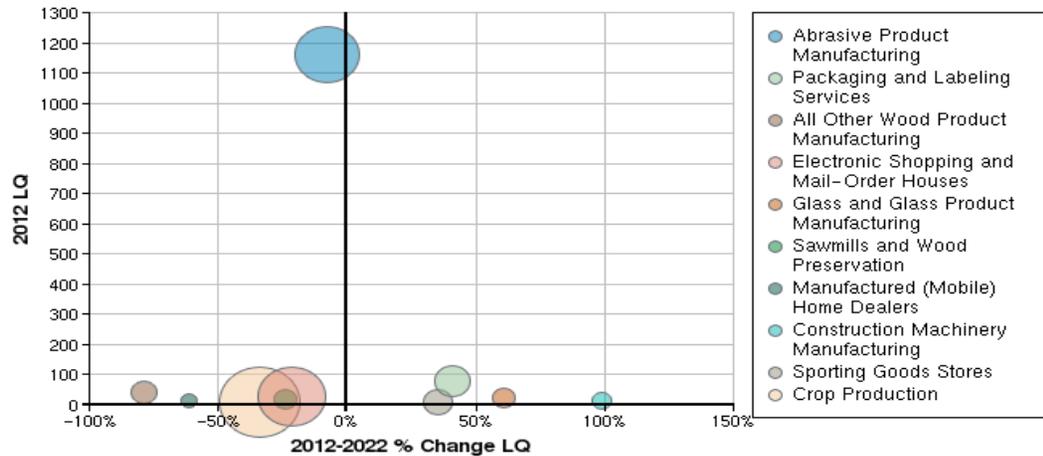
## Leakage/Surplus Factor by Industry Subsector



## Leakage/Surplus Factor by Industry Group



## Crawford County: Top Industry Location Quotients



NAICS Code	Description	2012 Jobs	2022 Jobs	% Change	2012 LQ	2022 LQ	% Change LQ	2012 Average Earnings	% of State
11100	Crop Production	966	532	(45%)	10.44	6.87	(34%)	\$13,293	48.20%
11200	Animal Production	263	324	23%	3.45	4.71	37%	\$17,970	82.20%
11321	Forest Nurseries and Gathering of Forest Products	<10	0	--	--	--	--	--	--
11331	Logging	62	70	13%	9.14	12.29	34%	\$15,812	54.30%
11411	Fishing	23	27	17%	4.44	6.29	42%	\$14,820	141.90%
11421	Hunting and Trapping	<10	<10	--	--	--	--	--	--
11511	Support Activities for Crop Production	76	101	33%	2.39	3.24	36%	\$9,509	42.50%
11521	Support Activities for Animal Production	25	24	(4%)	3.72	3.47	(7%)	\$74,767	187.70%
23817	Siding Contractors	11	15	36%	2.55	3.17	24%	\$14,211	50.60%
31151	Dairy Product (except Frozen) Manufacturing	22	32	45%	3.05	5.11	68%	\$34,239	61.30%
32111	Sawmills and Wood Preservation	100	64	(36%)	16.43	12.46	(24%)	\$45,244	122.70%
32191	Millwork	30	13	(57%)	4.69	3.01	(36%)	\$45,626	111.50%
32199	All Other Wood Product Manufacturing	154	16	(90%)	41.71	8.96	(79%)	\$45,966	118.20%
32311	Printing	68	102	50%	2.12	3.85	82%	\$63,674	120.10%
32619	Other Plastics Product Manufacturing	120	168	40%	6.65	12.54	89%	\$52,713	96.30%
32721	Glass and Glass Product Manufacturing	122	144	18%	22.46	36.17	61%	\$33,782	59.50%
32791	Abrasive Product Manufacturing	760	483	(36%)	1,158.99	1,067.28	(8%)	\$54,930	88.20%
33312	Construction Machinery Manufacturing	64	116	81%	13.25	26.38	99%	\$34,287	32.00%
33451	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	136	219	61%	5.07	9.46	87%	\$68,253	62.10%

33999	All Other Miscellaneous Manufacturing	49	69	41%	5.34	7.76	45%	\$28,705	53%
42331	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	48	76	58%	8.30	16.35	97%	\$37,859	77.40%
42381	Construction and Mining (except Oil Well) Machinery	21	<10	--	--	--	--	--	--
42391	Sporting and Recreational Goods and Supplies	22	22	0%	5.40	5.64	4%	\$37,552	64.50%
42452	Livestock Merchant Wholesalers	10	13	30%	7.82	12.71	63%	\$12,591	60.60%
42481	Beer and Ale Merchant Wholesalers	37	48	30%	5.69	7.12	25%	\$46,929	97.80%
42491	Farm Supplies Merchant Wholesalers	16	12	(25%)	2.15	1.57	(27%)	\$46,752	88.20%
44531	Beer, Wine, and Liquor Stores	26	40	54%	2.47	3.95	60%	\$7,399	29.90%
44711	Gasoline Stations with Convenience Stores	131	134	2%	2.69	3.12	16%	\$17,856	90%
44821	Shoe Stores	35	31	(11%)	2.71	2.64	(3%)	\$33,799	162%
45111	Sporting Goods Stores	206	316	53%	10.79	14.59	35%	\$22,245	96.60%
45211	Department Stores	278	180	(35%)	2.80	2.17	(23%)	\$62,894	281.50%
45393	Manufactured (Mobile) Home Dealers	16	<10	--	--	--	--	--	--
45411	Electronic Shopping and Mail-Order Houses	775	649	(16%)	28.96	22.66	(22%)	\$15,531	43.40%
48411	General Freight Trucking, Local	68	78	15%	2.40	2.87	20%	\$31,087	73.70%
48422	Specialized Freight (except Used Goods) Trucking, Airport Operations	33	26	(21%)	2.05	1.49	(27%)	\$29,175	60.20%
48811	Airport Operations	<10	<10	--	--	--	--	--	--
48832	Marine Cargo Handling	17	23	35%	5.65	7.53	33%	\$20,364	59.90%
48833	Navigational Services to Shipping	<10	11	--	--	--	--	--	--
51213	Motion Picture and Video Exhibition	22	<10	--	--	--	--	--	--
56179	Other Services to Buildings and Dwellings	55	83	51%	3.25	4.29	32%	\$27,660	143%
56191	Packaging and Labeling Services	315	417	32%	77.34	109.09	41%	\$28,914	89.50%
62311	Nursing Care Facilities	221	266	20%	2.05	2.49	21%	\$34,766	107.20%
62322	Residential Mental Health and Substance Abuse	130	185	42%	9.75	11.54	18%	\$25,600	84%
72111	Hotels (except Casino Hotels) and Motels	205	228	11%	2.09	2.39	14%	\$12,695	64.70%
72121	RV (Recreational Vehicle) Parks and Recreational Camps	20	23	15%	4.19	4.32	3%	\$31,914	134.70%
72233	Mobile Food Services	<10	11	--	--	--	--	--	--
72241	Drinking Places (Alcoholic Beverages)	123	160	30%	4.53	6.15	36%	\$18,289	127.60%
81141	Home and Garden Equipment and Appliance Repair	14	16	14%	2.75	3.56	29%	\$48,529	207.60%
81149	Other Personal and Household Goods Repair and Maintenance	43	50	16%	2.19	2.90	32%	\$10,500	80.60%
81231	Coin-Operated Laundries and Drycleaners	11	<10	--	--	--	--	--	--

Source: EMSI Complete Employment - 2012.3

## Advanced Manufacturing



A well-oiled machine. That's how some might describe the manufacturing environment in Missouri. Every link in Missouri's vast supply chain makes the state a better place to do business.

A large, skilled workforce means you can expect higher productivity, as well as a higher quality product. A top-ranked transportation network gets products to market quickly. A central location keeps shipping costs low. And low business and labor costs do even more to make the State of Missouri the perfect environment for your manufacturing business.



“Missouri is proud of its advanced manufacturing sector. Industry leaders like Emerson, Ford, and General Motors call the Show-Me State home. Missouri has the ninth best transportation network in the nation, excellent location within 600 miles of 52 percent of all U.S. manufacturing businesses, and the eighth lowest corporate income tax rate in the U.S. Those advantages, combined with my administration’s pro-growth, job-creation policies make Missouri the perfect location for advanced manufacturing innovation and prosperity.”

— Governor Jeremiah W. “Jay” Nixon

2



**Missouri’s pro-business rankings:**

3<sup>rd</sup> lowest business costs, including employee wages (*CNBC, 2011*)

8<sup>th</sup> most pro-business state (*Pollina Corporate Real Estate, 2011*)

**In the top 10 of the U.S. for tax rankings:**

Top 10 for property tax index

Top 10 for corporate income tax index

Top 10 for unemployment insurance tax index (*Tax Foundation, 2012*)



3



### Top Reasons to Locate in Missouri

Missouri has a robust manufacturing sector with the resources and supply chain to support many more companies.

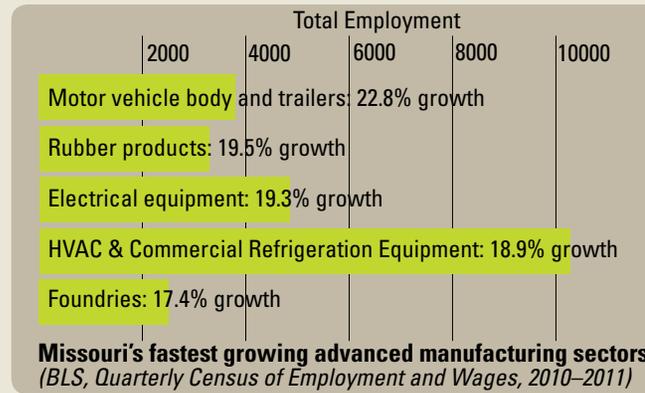
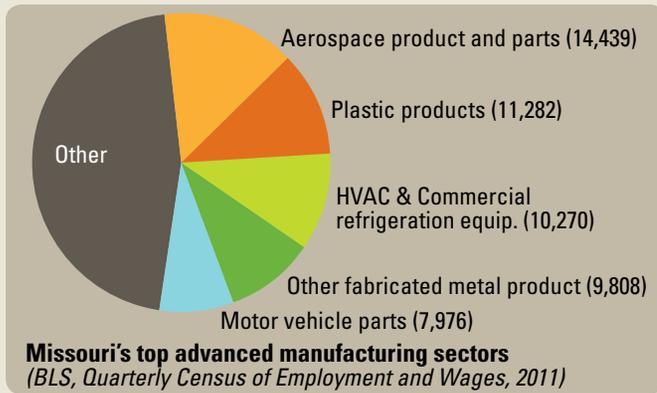
- Major advanced manufacturing companies including Boeing, Kawasaki, Harley-Davidson, Emerson Electric, Energizer, and Honeywell have operations in Missouri.
- Ford and GM both recently announced expansions of their Missouri assembly plants, a combined investment of **\$1.5 billion**.
- Missouri has **14** knowledge centers related to advanced manufacturing located at universities around the state.

Missouri has an abundant supply of highly educated, low-cost labor.

- More than **4,000** Engineering and Engineering Technology degrees are awarded each year in the state.
- Missouri's labor force is 3 million strong, exceeding the entire populations of **19** states, including neighboring Kansas, Arkansas, and Nebraska.
- Nearly **10%** of Missouri's workforce is currently employed in manufacturing.
- Missouri ranks **3rd** in the U.S. for low business costs including labor.

Missouri's central location is more efficient for access to major markets.

- Missouri's central location provides efficient access to both coasts. Missouri is within 600 miles of **50%** of U.S. households and **52%** of U.S. manufacturing establishments (*Census Bureau, 2010 Census and BLS, Quarterly Census of Employment and Wages, 2011*).
- Missouri is within 600 miles of the fastest growing major metros in the U.S.: San Antonio, Austin, Nashville, Atlanta, Dallas, and Houston.
- The population center of the U.S. is located in Texas County, Missouri (*Census Bureau, 2010*).
- Missouri is bordered by **8** states, tied with Tennessee for the most of any U.S. State.



#### A low-cost, pro-business environment helps companies prosper.

- Missouri had the **8th** lowest business energy costs overall in 2011 (*Small Business and Entrepreneurship Council*) and the **12th** lowest industrial electricity rates (*EIA*).
- Missouri is among the top **10** pro-business states according to Pollina Corporate Real Estate (*2011*).
- Missouri was one of only **8** states to receive an AAA rating by all three rating agencies—Standard & Poors, Moody's, and Fitch—in 2011. Missouri has maintained this rating longer than **45** other states.
- Missouri ranks in the top **10** for the best regulatory environment (*Forbes, 2011*).

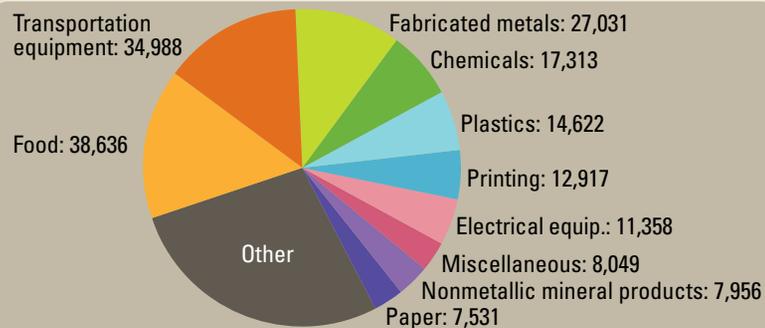
#### Missouri's top-ranked transportation network is a dependable delivery system for goods and services.

- Missouri has some of the best and least congested transportation infrastructure in the United States. It has the **7th** largest highway system, **2** of the largest rail terminals in the U.S., the northern-most, ice-free ports on the Mississippi river, and **2** major international airports: Kansas City International and Lambert St. Louis International.

#### Manufacturing Stats

- Advanced manufacturing wages in Missouri are 19 percent lower than the U.S. average.<sup>1</sup>
- Manufacturing contributed over \$30 billion toward Missouri's gross state product in 2010 (*BEA*).
- 112,293 Missourians are employed in the advanced manufacturing sector in 1,885 companies, accounting for 45.5 percent of the state's total manufacturing employment.<sup>1</sup>
- 73,930 Missourians are employed in aerospace and defense manufacturing at 1,253 establishments, accounting for 29.9 percent of the state's total manufacturing employment.<sup>1</sup>
- 53,335 Missourians are employed in transportation equipment manufacturing at 858 establishments, accounting for 21.6 percent of the state's total manufacturing employment.<sup>1</sup>
- Ten Missouri manufacturers were included in the Fortune 1000 in 2011: Emerson Electric, Monsanto, Leggett & Platt, Energizer Holdings, Solutia, Ralcorp Holdings, DST





**Missouri's top manufacturing employment sectors**  
(BLS, June 2011, preliminary)



Smith Electric Vehicles in Kansas City, MO

5



Systems, Sigma-Aldrich, Belden, MEMC Electronic Materials, and Brown Shoe Company.

- The top five manufacturing employers in Missouri are Boeing, Hallmark Cards, Inc., Ford Motor Company, Monsanto, and Alliant Techsystems.
- Missouri's manufacturing exports to the world exceeded \$14.1 billion in 2011. The top manufacturing export products were transportation equipment, chemicals, machinery, food products, and minerals/ores (*WiserTrade*).

<sup>1</sup>Source: Bureau of Labor Statistics, *Quarterly Census of Employment and Wages, 2011*

### Tax Abatements/Exemptions for Manufacturers

Manufacturers locating in Missouri enjoy numerous tax advantages, including:

- Sales/use tax exemption on machinery and equipment used to establish a new—or expand an existing—facility

- Property tax exemption for inventories
- State sales tax and local use tax exemption on energy purchases

### Missouri Technology Corporation

The Missouri Technology Corporation (MTC) is a private not-for-profit charged with attracting more research funding and technology companies within the life sciences, information technology and advanced manufacturing sectors. MTC's funding and grant programs promote job creation and support businesses through pre-seed capital stage financing, seed capital stage financing, venture capital stage financing, and expansion stage debt.

### Recent Projects for Advanced Manufacturers in Missouri

2012

#### American Performance Technologies:

(Kansas City) The manufacturer of motor scooters and other small-engine products under the Motovox brand announced a \$26

million expansion and plans to hire 250 at their Kansas City facility.

#### TG Missouri Corp.:

(HQ Perryville) TG Missouri announced a \$39 million expansion, with plans to add 200 jobs to their auto supply plant in Perryville over the next five years. The company is adding the production line as part of a new contract to supply chrome components to Toyota's plant in Princeton, Indiana. The components will be used for grills and rear details for the Toyota Highlander.

2011

**Emerald Automotive:** (St. Louis) The British company recently announced plans to build hybrid electric vans and add 580 jobs at a new \$175 million plant in Hazelwood.

**Exergonix:** (Kansas City) The battery storage system manufacturer announced it had selected Lee's Summit for its headquarters and manufacturing operations, expected to create a minimum of 150 new jobs.



**Flex-N-Gate:** (Kansas City) The General Motors supplier announced it will add 300 positions during the next five years.

**Ford:** (Kansas City) Ford's Kansas City Assembly Plant, one of the largest manufacturing facilities in the world, began production in 1957. In 2011, Ford announced a \$1.1 billion investment in the facility, adding a second manufacturing line for the F-150 pickup truck in 2012 and bringing in a new product, the Transit commercial van, in 2013. The investment will create 1,600 new jobs.

**General Motors:** (St. Louis) General Motors' Wentzville plant produces the Chevy Express & GMC Savana vans. In September of 2011, General Motors announced a \$380 million investment into its Wentzville plant, adding 1,850 jobs and a new line for the Chevy Colorado.

**Paul Mueller:** (Springfield) The company, a manufacturer of stainless steel tanks, processing systems and equipment for the food, dairy, beverage, chemical, biofuels,

pharmaceutical, biotechnology, and pure water industries, recently announced that it would add up to 289 jobs to its Springfield operations to meet a backlog of demand for its products.

### Other Major Advanced Manufacturers in Missouri

**Boeing Defense, Space and Security Unit:** (HQ St. Louis) Boeing's Defense, Space & Security unit includes military aircraft as well as missiles, airborne lasers, and Unmanned Combat Air Vehicles (UCAVs). The unit is also NASA's prime contractor for the International Space Station, supports the Space Shuttle program (a joint venture with Lockheed Martin), and makes information and communications satellite systems.

**Dow/Kokam:** (Lee's Summit) Dow Kokam's new global battery research and development center aims to bring next-generation lithium-ion battery solutions to the market faster, increase battery performance and reduce their overall cost.



The GMC Savana, manufactured in Wentzville, MO

**EaglePicher Technologies:** (Joplin)

EaglePicher Technologies manufactures a diverse array of specialty energy storage technologies, including alternative energy storage systems for utility grid enhancement, as well as batteries for missiles, submunitions, mines, sonobuoys, fuzes, and aerospace power backups. EaglePicher is the only manufacturer of nickel hydrogen batteries, used to power satellites, in the United States.

**Emerson Electric Co.:** (HQ St. Louis) Emerson makes a host of electrical, electromechanical, and electronic products, many of which are used to control gases, liquids, and electricity. The company gathers its 60-plus business units and divisions under eight Emerson Brands. It has more than 250 manufacturing locations, with about 165 locations outside of the U.S.

**Energizer:** (HQ St. Louis) Energizer Holdings manufactures and markets dry cell batteries, flashlights, personal care, and hygiene products. The company makes lithium, alkaline and carbon zinc batteries, miniature



EnerSys Energy Products in Warrensburg, MO

batteries, specialty photo lithium batteries, rechargeable batteries and flashlights and other lighting products through its Energizer, Inc. subsidiary.

**EnerSys Energy Products:** (Warrensburg)

EnerSys manufactures and distributes power, reserve power, aerospace/defense, and specialty batteries. The company operates as a subsidiary of EnerSys.

**GKN Aerospace North America:** (St. Louis)

GKN Aerospace North America is a first-tier supplier of structures, components, assemblies and engineering services to aircraft and aero engine manufacturers.

**Harley-Davidson:** (Kansas City) The

358,000-square-foot Harley-Davidson Vehicle and Powertrain Operations in Kansas City, Mo. was built in 1998. Kansas City employees produce the Sportster, Dyna and VRSC families of motorcycles from fabrication and finishing through final assembly.

**Hayes Lemmerz International Inc.:** (Sedalia)

Hayes Lemmerz International is the world's

#1 manufacturer of fabricated steel and cast aluminum wheels for passenger cars and light trucks, and steel wheels for commercial trucks and trailers. Their Sedalia plant employs over 500 Missourians.

**Honeywell Federal Manufacturing & Technologies LLC:** (Kansas City)

Honeywell's Kansas City Plant is a National Nuclear Security Administration facility. In 2009, the plant was honored with the Malcolm Baldrige National Quality Award based in part on the 99.9 percent combined product quality and reliability performance level for traditional customers during the past three years.

**Kawasaki:** (Maryville) In 1989, the Maryville Kawasaki Plant was opened for production of general purpose engines. The Maryville facility has grown to over 700,000 square feet on 113.7 acres of land employing over 600 people.

**Lear Operations:** (Wentzville) Lear is a leading global supplier of automotive seating systems and electrical power management systems.

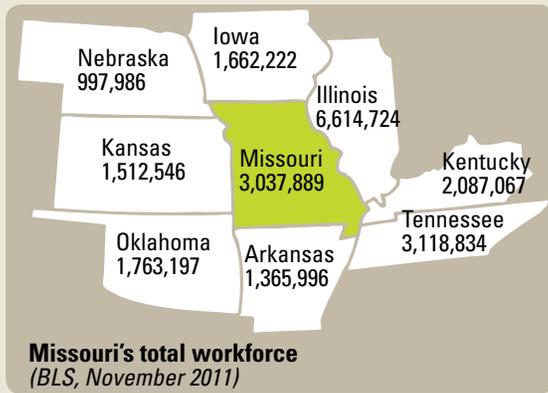
**Leggett & Platt, Inc.:** (HQ Carthage) Leggett & Platt, which pioneered sleep technology when it introduced its bedspring more than 125 years ago, is an S&P 500 diversified manufacturer. Serving a broad suite of customers, Leggett & Platt conceives, designs, and produces an array of products that can be found in most homes, offices, and vehicles.

**LMI Aerospace:** (HQ St. Louis) LMI Aerospace makes key airplane structures such as door and cockpit window frames, wing leading-edge skins, fuselage skins, and interior components.

**MEMC Electronic Materials:** (HQ St. Louis) MEMC designs, manufactures, and sells silicon wafers for the semiconductor industry worldwide. The company's products are used as the starting material in the manufacture of various semiconductor devices, including microprocessor, memory, logic, and power devices, as well as solar cells.

**Peterson Manufacturing Company:** (HQ Kansas City) Peterson Manufacturing is





download map

primarily a maker of automotive and trailer lighting products for such companies as Harley-Davidson, Caterpillar, and O'Reilly Automotive. The company also makes automotive mirrors.

**Smith Electric Vehicles:** (HQ Kansas City) Smith Electric Vehicles (SEV) began production of their Newton electric truck at their new assembly facility in Kansas City in October 2009. The Kansas City plant is currently SEV's only North American plant.

**SRG Global:** (Farmington and Portageville) SRG Global manufactures plastic and metal components for the global automotive industry. The company operates two Missouri manufacturing facilities, supplying grilles, bodyside moldings, nameplates, and other trim products to manufacturers.

**Westar Aerospace & Defense:** (St. Louis and Ft. Leonard Wood) Westar Aerospace and Defense Group, a subsidiary of QinetiQ North America, is a leading systems engineering contractor delivering engineering, software

solutions, logistics information management and IT technical support services to the U.S. Department of Defense, allied governments and select commercial customers.

**Zoltek:** (HQ St. Louis) Zoltek engages in the development, manufacture, and marketing of carbon fibers for various applications, including automotive.

### Workforce Facts

Access to skilled labor means higher productivity, higher quality of product, and higher profits. With a workforce of more than 3 million, Missouri counts its people among its greatest resources.

- Education and training enhance our worker profile with 138 institutions of higher education statewide.
- Missouri's labor force exceeds the entire populations of 19 states, including neighboring Kansas, Arkansas, and Nebraska.

- Missouri ranks third in the nation for low business costs, including cost of labor (*CNBC, 2011*).

- Manufacturing employs 255,600 Missourians in over 6,800 companies, making up 9.6 percent of the state's total employment (*BLS, November 2011 Preliminary Numbers*).

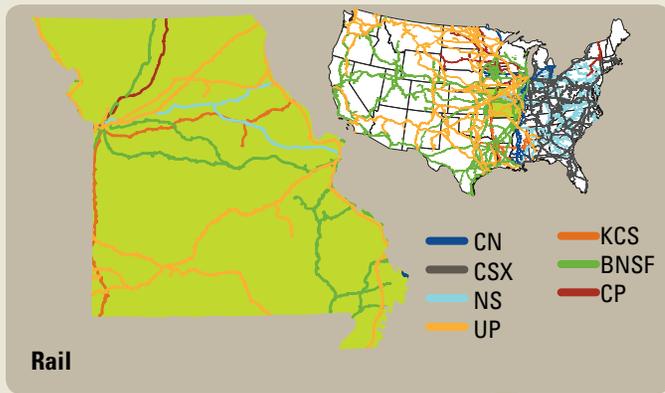
### Transportation Infrastructure

- CNBC ranked Missouri's transportation system ninth best in the nation in 2011.
- Missouri ranks fourth in the nation for rail and highway accessibility (*Area Development, September 2010*).

### Airports

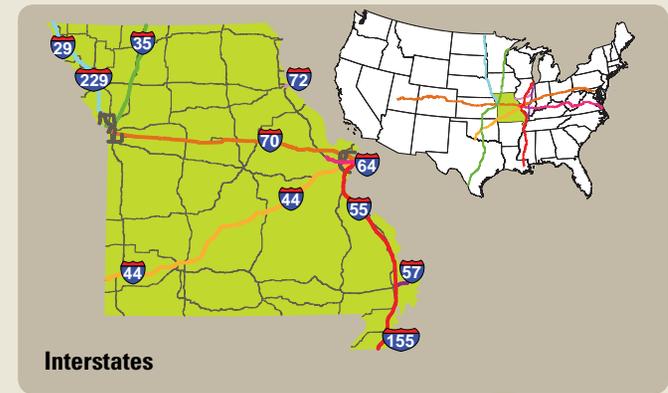
Missouri travelers can reach most cities in the United States and Canada in less than three hours by air. Whether you're flying cargo from New York or making a quick trip to offices in San Francisco, your destination is within reach.





Rail

download map



Interstates

download map

- The airport system in Missouri consists of approximately 140 public airports, ranked eleventh in the U.S., with two airports supporting major commercial passenger traffic: Lambert-St. Louis International and Kansas City International.
- Springfield, Branson, Joplin, Columbia, Cape Girardeau, Kirksville and Waynesville (Fort Leonard Wood) also have commercial service.

### Foreign Trade Zones

Missouri has 3 foreign trade zones: Kansas City, St. Louis, and Springfield.

- The FTZ at Lambert-St. Louis International Airport was recently expanded to include all of St. Louis and St. Louis county.
- The KCI Intermodal BusinessCentre includes 8,000 acres of multi-use land for development on the airfield designated FTZ and enhanced enterprise zone.

### Rail

Missouri provides efficient, low cost shipping via all class-one carriers: Burlington Northern Santa Fe (BNSF), Kansas City Southern (KCS), Norfolk Southern (NS), Union Pacific (UP), CSX, Canadian National Railway (CN) and Canadian Pacific (CP).

- Missouri is ranked tenth in the U.S. for railroad mileage (*Bureau of Transportation Statistics*).
- Missouri is ranked fourth in tons and third in rail carloads carried by state (*Association of American Railroads*).
- The 1,340 acre CenterPoint KCS Intermodal includes an industrial park located adjacent to the Kansas City Southern Intermodal Facility. These sites are build-ready for facilities up to 1+ million sq. ft. KCS will offer direct rail service to CIC-KC from the deepwater Port of Lazaro Cardenas, Mexico.

### Roads

With major interstates including I-64, I-44, I-70, I-55, I-35, and I-29, Missouri boasts one of the largest and least congested highways in the county.

- Missouri has the seventh largest highway system in the U.S. with 33,677 miles (*Reason Foundation, 2011*). Missouri also has 1,181 interstate miles.
- I-70, which bisects Missouri, is 2,000 miles long, and passes through 10 states. I-25 and I-35 are within the NAFTA corridor, providing easy access to Canada and Mexico.
- U.S. Hwy 71, located between Kansas City and Joplin, will become an extension of I-49 when a \$65 million upgrade is completed in 2012.
- Missouri received \$922 million in Federal highway funding in 2010 (*State Rankings, Federal Highway Administration*).
- There are 99,000+ commercial trailers registered in Missouri.





download map

10



## Waterways

With the confluence of the two largest river systems in North America, Missouri provides efficient channels for trade and distribution.

- Missouri's 1,000 miles of navigable waterways—ranked tenth for inland waterway mileage—move an average of \$4.1 billion in cargo annually.
- Twenty-nine industrial centers, with a combined population of 90 million, can be reached from St. Louis by barge. St. Louis is the northern-most point on the Mississippi River that normally remains ice-free and open throughout the year. The city is also the location of the southernmost lock and dam on the Mississippi.
- Missouri has 13 public port authorities and one regional port commission (*Missouri Port Authorities*).
- Almost 2,000 acres is available for development adjacent to Missouri's port authorities.

## Knowledge Centers for Manufacturing

### Aerospace Research & Education Center

**(AeREC):** A consortium of Washington University, Saint Louis University, University of Missouri-Columbia, and Missouri University of Science & Technology focused on design optimization, materials, manufacturing, structures, and control systems. AeREC provides education through innovation, research, technology development, and transfer. AeREC also partners with the aerospace industry and government.

**Alliance for Collaborative Research in Alternative Fuels Technology (All-Craft):** A partnership of the University of Missouri-Columbia (lead institution), MRIGlobal in Kansas City, and others to develop low-pressure, high-capacity storage technologies for natural gas (NG, methane) and hydrogen as alternative fuels for advanced transportation.

**Missouri Industrial Assessment Center at the University of Missouri-Columbia:** Offers

energy audit and productivity assessment to qualified small-to-medium sized manufacturing companies.

### Missouri Southern State University Missouri Center for Advanced Systems Research

**(MOCAP):** A cooperative effort out of Missouri Southern State University that includes Missouri University of Science & Technology, Missouri State University, University of Missouri-Columbia, and EaglePicher Technologies. MOCAP develops educational curriculum and facilities for advanced power systems.

**Missouri State University Center for Applied Science and Engineering (CASE):** Develops and supports advanced materials research in carbon based electronics and devices, materials research and characterization, various MEMS sensors, and systems fabrication.

**St. Louis Community College Emerson Center for Engineering Manufacturing:** Opened in 2004, this 31,000-square-foot facility features state-of-the-art tooling and equipment. The



Center has laboratories for manufacturing, materials, quality assurance, civil engineering, electrical/electronic, CAD & design, and skilled trades.

**Washington University Center for Materials Innovation:** Focused on magnetic, biological, biomedical, and amorphous materials, as well as nanostructured materials synthesis.

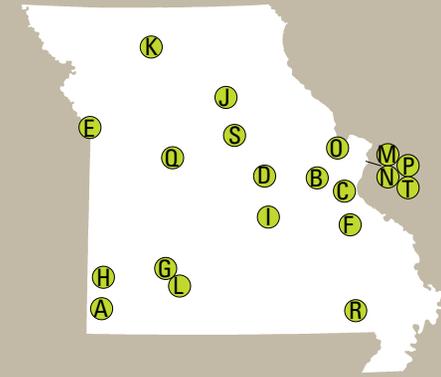
**Centers at Missouri University of Science & Technology (Missouri S&T):**

**Center for Aerospace Manufacturing Technologies (CAMT):** A U.S. center of excellence for the development and transition of innovative advanced technologies for the aerospace manufacturing supply chain.

**Center for Intelligent Maintenance Systems:** A collaboration between Missouri S&T researchers and industrial partners for development of technology necessary to bridge gaps in monitoring/diagnostic/prognostic (M/D/P) tools for industrial applications. Industrial partners include Caterpillar, Chevron, Honeywell, and Boeing.

- |   |                                      |
|---|--------------------------------------|
| A Crowder College*                              | N Saint Louis University             |
| B East Central College*                         | O St. Charles Community College*     |
| C Jefferson College*                            | P St. Louis Community College*       |
| D Linn State Technical College*                 | Q State Fair Community College*      |
| E Metropolitan Community College*               | R Three Rivers Community College*    |
| F Mineral Area College*                         | S University of Missouri-Columbia    |
| G Missouri State University                     | T Washington University in St. Louis |
| H Missouri Southern State University*           |                                      |
| I Missouri University of Science and Technology | *offers Precision Production courses |
| J Moberly Area Community College*               |                                      |
| K North Central Community College*              |                                      |
| L Ozarks Technical Community College*           |                                      |
| M Ranken Technical College*                     |                                      |

#### Missouri colleges and universities relevant to advanced manufacturing



**EcoCar Challenge:** A collegiate vehicle technology competition sponsored by the U.S. Department of Energy (DOE), General Motors (GM), and Natural Resources Canada, EcoCAR challenges engineering students from universities across North America to re-engineer a GM vehicle, minimizing energy consumption, emissions, and greenhouse gases while maintaining the vehicle's utility, safety, and performance. Missouri S&T's vehicle is a Hydrogen Fuel Cell Plug-in Hybrid Electric Vehicle (FC-PHEV).

**Electronic Materials Applied Research Center (EMARC):** Combines research in ceramic, chemical, electrical, mechanical and aerospace, and metallurgical engineering as well as chemistry and engineering mechanics. EMARC actively seeks industry input to identify specific technology needs for its research programming.

**Intelligent Systems Center (ISC):** Performs basic and applied research to develop intelligent systems for manufacturing and energy.

**Materials Research Center:** Researches fundamental science and applied engineering, including the development, evaluation, application, and understanding of metals, polymers, biomaterials, electronic materials and composites.

**Design Engineering Center:** Works to enhance American industrial productivity through engineering research in key areas of mechanical, manufacturing, and management engineering.



Code	Occupation Title	Employment	Median Hourly Wage			
			Missouri	Kansas	Illinois	U.S.
00-0000	All Occupations	2,588,450	\$14.78	\$14.71	\$16.87	\$16.27
51-0000	Production Occupations	183,440	\$14.17	\$14.44	\$14.77	\$14.58
51-1011	First-Line Supervisors of Production and Operating Workers	11,210	\$23.82	\$24.62	\$27.43	\$25.53
51-2023	Electromechanical Equipment Assemblers	450	\$14.79	\$16.23	\$16.29	\$15.21
51-2041	Structural Metal Fabricators and Fitters	1,480	\$16.62	\$17.69	\$16.45	\$16.60
51-2091	Fiberglass Laminators and Fabricators	280	\$12.14	\$13.41	\$12.18	\$13.75
51-2092	Team Assemblers	26,680	\$12.54	\$13.07	\$12.73	\$13.07
51-2099	Assemblers and Fabricators, All Other	6,190	\$14.83	\$24.22	\$12.36	\$13.00
51-4011	Computer-Controlled Machine Tool Operators, Metal and Plastic	3,690	\$14.06	\$15.14	\$16.98	\$16.70
51-4012	Computer Numerically Controlled Machine Tool Programmers, Metal and Plastic	460	\$20.95	\$24.21	\$18.39	\$22.07
51-4021	Extruding and Drawing Machine Setters, Operators, and Tenders, Metal and Plastic	1,190	\$14.82	\$14.36	\$15.57	\$15.26
51-4022	Forging Machine Setters, Operators, and Tenders, Metal and Plastic	440	\$16.66	\$14.36	\$18.42	\$16.13
51-4032	Drilling and Boring Machine Tool Setters, Operators, and Tenders, Metal and Plastic	350	\$14.27	\$16.26	\$15.27	\$15.56
51-4034	Lathe and Turning Machine Tool Setters, Operators, and Tenders, Metal and Plastic	830	\$14.82	\$14.65	\$18.26	\$16.66
51-4035	Milling and Planing Machine Setters, Operators, and Tenders, Metal and Plastic	280	\$17.21	\$14.53	\$18.72	\$17.47
51-4041	Machinists	5,580	\$17.81	\$17.25	\$17.98	\$18.52
51-4061	Model Makers, Metal and Plastic	120	\$17.37	\$17.95	\$20.95	\$20.55
51-4071	Foundry Mold and Coremakers	230	\$12.52	\$12.20	\$14.04	\$14.66
51-4072	Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	3,460	\$14.26	\$12.29	\$15.02	\$13.54
51-4081	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	1,840	\$14.66	\$16.33	\$14.31	\$15.30
51-4111	Tool and Die Makers	1,380	\$24.41	\$24.56	\$24.22	\$22.56
51-4121	Welders, Cutters, Solderers, and Brazers	7,450	\$15.35	\$15.89	\$16.40	\$17.04
51-4122	Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders	900	\$14.62	\$15.58	\$16.28	\$16.26
51-4191	Heat Treating Equipment Setters, Operators, and Tenders, Metal and Plastic	210	\$13.68	\$16.50	\$14.21	\$15.86
51-4199	Metal Workers and Plastic Workers, All Other	110	\$13.53	\$14.30	\$15.65	\$14.83
51-9022	Grinding and Polishing Workers, Hand	370	\$13.78	\$11.89	\$14.44	\$13.16
51-9195	Molders, Shapers, and Casters, Except Metal and Plastic	1,020	\$13.14	\$11.24	\$15.11	\$13.86
51-9399	Production Workers, All Other	6,890	\$13.64	\$11.24	\$14.13	\$13.42

Source: BLS, May 2010, Occupational Employment & Wage Estimates



Missouri's targeted industry clusters



Advanced manufacturing



Biosciences



Energy solutions



Financial and professional services



Health sciences and services



Information technology



Transportation and logistics

For more information, please contact:

Missouri Partnership  
120 South Central Avenue, Suite 1150  
St. Louis, Missouri 63105  
+1.314.725.0949  
[www.missouripartnership.com](http://www.missouripartnership.com)



# HEALTH CARE IN NASHVILLE

## HEALTH CARE ADVANTAGES

Nashville is widely recognized as a health care industry capital and global health care industry leader. With a reputation for nurturing dynamic, innovative health care companies, the Nashville region has a rich tradition of entrepreneurship and strong industry management talent. Nashville has helped shape the nation's health care landscape for the past four decades and continues to improve the delivery of patient care across the globe.

The health care industry contributes an overall economic benefit of nearly \$30 billion and more than 200,000 jobs to the local economy annually.

More than 250 health care companies are located in Middle Tennessee, making it the region's largest industry. Sixteen publicly traded health care companies are headquartered in the region, with combined employment

of nearly 400,000 and \$70 billion in global revenue. The industry has also developed one of the most robust network of service providers who specialize in health care industry support in the nation – including legal, accounting, venture capital, and real estate services. The health care industry is also the region's largest and fastest-growing employer, directly employing 110,000.

## LEADING HEALTH CARE COMPANIES

Source: Nashville Business Journal & ReferenceUSA, 2012

COMPANY	LOCATION	# OF EMPLOYEES LOCALLY
Vanderbilt University Medical Center	Nashville	21,398
HCA Inc.	Nashville	7,000
St. Thomas Health Services	Nashville	6,500
Community Health Systems	Franklin	2,153
National HealthCare Corp.	Murfreesboro	2,060
Emdeon	Nashville	1,000
HealthSpring Inc. (Cigna)	Franklin	1,000
Healthways	Franklin	900
MedSolutions	Franklin	550
Healthcare Management Systems	Franklin	500
DaVita	Brentwood	450
LifePoint Hospitals	Brentwood	400
Windsor Health Group	Franklin	300
HealthStream Inc	Nashville	300
M*Modal	Franklin	275
Healthcare Realty Trust	Nashville	229
American Home Patient	Brentwood	220
Brookdale Senior Living	Brentwood	200
Vanguard Health Systems	Nashville	200
AmSurg	Nashville	200

*Why is Nashville the Silicon Valley of health care? I might ask you, why wouldn't it be? I don't think there's any other choice. It has the right people at the right time at the right place to solve the needs of health care in our ever-changing world."*

Dr. Thomas F. Frist, Jr.  
Co-Founder and  
Chairman Emeritus, HCA

# ADVANTAGES OF DOING BUSINESS IN MIDDLE TENNESSEE

## FAVORABLE GEOGRAPHIC LOCATION

Nashville is centrally located, allowing businesses to reach U.S. and international locations with ease and affordability.

## SKILLED WORKFORCE

The area is home to more than 100,000 students who attend the region's 21 higher education institutions, with 60 percent choosing to stay in the area.

## LOW COST OF DOING BUSINESS

Tennessee has one of the nation's lowest overall tax burdens. The U.S. Chamber of Commerce's Entprising States report named Tennessee the top state for low business taxes and regulations.

## HIGH QUALITY OF LIFE

Nashville's celebrated arts and music scene is part of the fabric of our community. The city routinely places at the top of livability rankings.

## DIVERSE MIX OF INDUSTRIES

Five major industries drive Middle Tennessee's economy: health care, corporate operations, advanced manufacturing, supply chain management, and music and entertainment.

## HEALTH CARE AVERAGE WAGES

Source: US Department of Labor, 2012

OCCUPATION	MEDIAN HOURLY WAGE	MEAN HOURLY WAGE	ANNUAL MEAN WAGE
File clerk	\$12.80	\$14.08	\$29,280
Health educators	\$17.82	\$19.53	\$40,610
Healthcare practitioners and technical occupations	\$24.83	\$31.33	\$65,160
Healthcare social workers	\$20.76	\$21.28	\$44,260
Home health aids	\$9.32	\$9.40	\$19,550
LPN	\$18.32	\$18.81	\$39,120
Medical assistants	\$14.25	\$14.73	\$30,650
Medical and clinical laboratory technicians	\$15.46	\$16.27	\$33,850
Medical and health services managers	\$39.40	\$45.15	\$93,900
Occupational health and safety specialists	\$28.60	\$28.93	\$60,180
Purchasing managers	\$35.13	\$37.25	\$77,470
Receptionists and information clerks	\$12.28	\$12.64	\$26,290
Registered nurse	\$28.88	\$30.99	\$64,460
Surgical technologists	\$18.61	\$19.87	\$41,330

For more information on the Nashville region, contact:  
**Janet Miller**  
 Chief economic diversity officer  
 615-743-3029  
[jmiller@nashvillechamber.com](mailto:jmiller@nashvillechamber.com)





**Supply  
Chain  
Solutions  
Here**

## **Rock County Offers The Solutions You Need**

*Look inside to see how Rock County, WI  
can optimize your network and offer supply chain solutions  
to increase your company's bottom line.*

# CONSIDER THIS

ROCK COUNTY, WI: JUST-IN-TIME CONNECTIONS



*As the anchor of the I-39 Logistics Corridor, ROCK COUNTY'S advanced transportation network — complete with air and rail services — provides timely domestic and international marketplace access as well as exposure.*



## ROCK COUNTY, WI: JUST-IN-TIME CONNECTIONS

*Rock County has the connectivity to position your products for domestic, as well as international, market access and exposure.*

**WISCONSIN** ranks 1st nationally in the amount of outbound trade, with nearly 80 million tons annually.

**WISCONSIN** ranks 1st nationally in the amount of inbound trade, with nearly 100 million tons annually.

**ROCK COUNTY** ranks 6th in Wisconsin with 152 transportation and warehousing companies, and provides jobs for 2,281 people.

**WISCONSIN** ranks 8th nationally in Class I railroads.

**WISCONSIN** ranks 8th nationally in the number of trucking companies.

**WISCONSIN** ranks 9th nationally in truck transportation employment.

**WISCONSIN** ranks 12th in total public road mileage within 114,142 miles.

**ROCK COUNTY**'s Southern Wisconsin Regional Airport offers air cargo, charter and corporate aviation services 24/7, 365 days a year by providing precision instrument approach systems and an FAA-operated control tower.

**ROCK COUNTY** is served by three railroads: Union Pacific Railroad, Wisconsin & Southern Co., and Canadian Pacific Railway.

**ROCK COUNTY** is within a 90-minute drive of Madison, Milwaukee, Rockford, and Chicago.

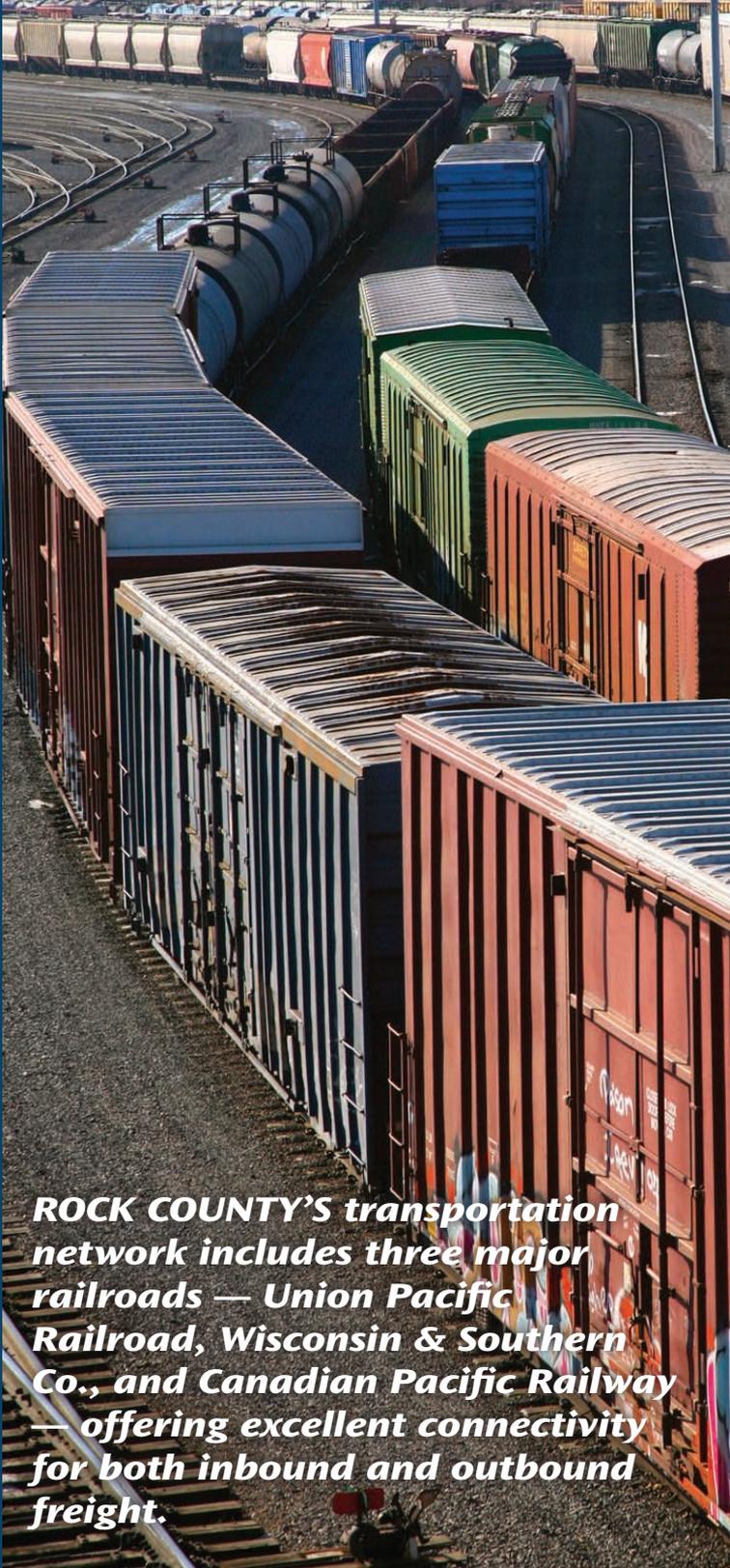
**ROCK COUNTY** has 6 million people within 100 miles.

**ROCK COUNTY** has 25 million people within 250 miles.

**ROCK COUNTY** has 70 million people — nearly a quarter of the entire US — within 500 miles.

# CONSIDER THIS

ROCK COUNTY, WI: TIMELY FREIGHT MOVEMENTS



***ROCK COUNTY'S transportation network includes three major railroads — Union Pacific Railroad, Wisconsin & Southern Co., and Canadian Pacific Railway — offering excellent connectivity for both inbound and outbound freight.***



## ROCK COUNTY, WI: TIMELY FREIGHT MOVEMENTS

**WISCONSIN** is a national leader in logistics with extensive interconnections for both domestic and international commerce and offers a substantial competitive advantage to manufacturers and distributors.

**WISCONSIN** offers close proximity to the major markets of the Midwest and Canada with its strategic Upper Midwest location.

**WISCONSIN** does NOT have toll roads!

**WISCONSIN** is within 500 miles of 31% of all manufacturing operations in the United States.

**WISCONSIN**'s I-39/I-90 corridor is one of the most connected stretches of interstate in the country, connecting both the northern and southern interstate clusters.

**WISCONSIN**'s I-39/I-90 corridor, on a daily basis, is responsible for moving freight valued at \$600 to \$800 million dollars. An estimated 1.25 billion tons travels throughout this corridor annually.

**WISCONSIN** has seen a 160% increase in the demand for freight tonnage.

**WISCONSIN** has nearly 250,000 people employed in transportation and transportation-related industries.

**WISCONSIN** has more than 3,600 miles of freight rail network, as well as a state and federal highway network of more than 12,000 miles that carries nearly 75% of commercial traffic in the state.

**WISCONSIN**'s University of Wisconsin-Madison offers one of the top supply chain management programs in the nation.



# MOVEMENT

## LONG LIST OF FULFILLMENT, 3PL AND FROM A ROCK COUNTY, WI LOCATION



tyalliance.com

05338 from the Economic Development Administration (EDA), U.S. Department of Commerce.  
and do not necessarily reflect the views of the EDA or the U.S. Department of Commerce."



that was easy:

# CONSIDER THIS

ROCK COUNTY, WI: TRANSPORTATION FOCUSED

***WISCONSIN is within 500 miles of 31% of all manufacturing operations in the United States.***





ROCK COUNTY, WI: TRANSPORTATION FOCUSED

## Why Are Companies Choosing to Locate in Rock County, WI?

**KAISER TRANSPORT, INC.** is just one example of the many companies on the growing list of fulfillment, 3PL and distribution firms that are choosing to locate in Rock County, WI. An LTL, step-deck trucking company, Kaiser specializes in hauling machines and equipment along with other step-deck, flatbed and double-drop freight with terminals in Los Angeles, CA and Janesville, WI.

Kaiser chose Rock County specifically for its transportation and logistics efficiencies. The county's business/industrial parks are within five minutes of an interstate interchange and the congestion levels are considerably lower than other regions throughout the United States. These two factors enable transportation providers to access a 24-hour in-and-out-bound shipment window without compromising the CSA 2010 mileage regulations.



**KAISER**  
Transport, Inc.

*Kaiser Transport provides transportation services throughout the continental United States, as well as the Canadian provinces of Ontario and Quebec.*

[www.rockcountyalliance.com](http://www.rockcountyalliance.com)

# CONSIDER THIS

ROCK COUNTY, WI: OPTIMIZE YOUR NETWORK



*A variety of excellent private and public post-secondary educational institutions ensure an available and qualified workforce. WISCONSIN's University of Wisconsin-Madison offers one of the top supply chain management programs in the nation.*



## OPTIMIZE YOUR NETWORK

- Located at the I-90/39 & I-43 Corridor.
- Close proximity to larger markets such as Madison, Milwaukee, Minneapolis, Rockford and Chicago.
- Multidirectional rail systems exist throughout the region, providing direct access to intermodal and port facilities.
- Regional airport featuring three multi-directional runways.
- Population density of 20 million people within a five-hour radius.
- Diversified real estate portfolio – ranging from available build-to-suit sites to existing buildings.
- Sustainable construction, management and processing is an area focus.
- Permitting in as few as 30 days.
- Competitively priced, reliable and right-sized utility infrastructure.
- Excellent workforce with specialized skills and technological capabilities.
- Generous business incentives and training grants.

### FOR MORE INFORMATION, PLEASE CONTACT:

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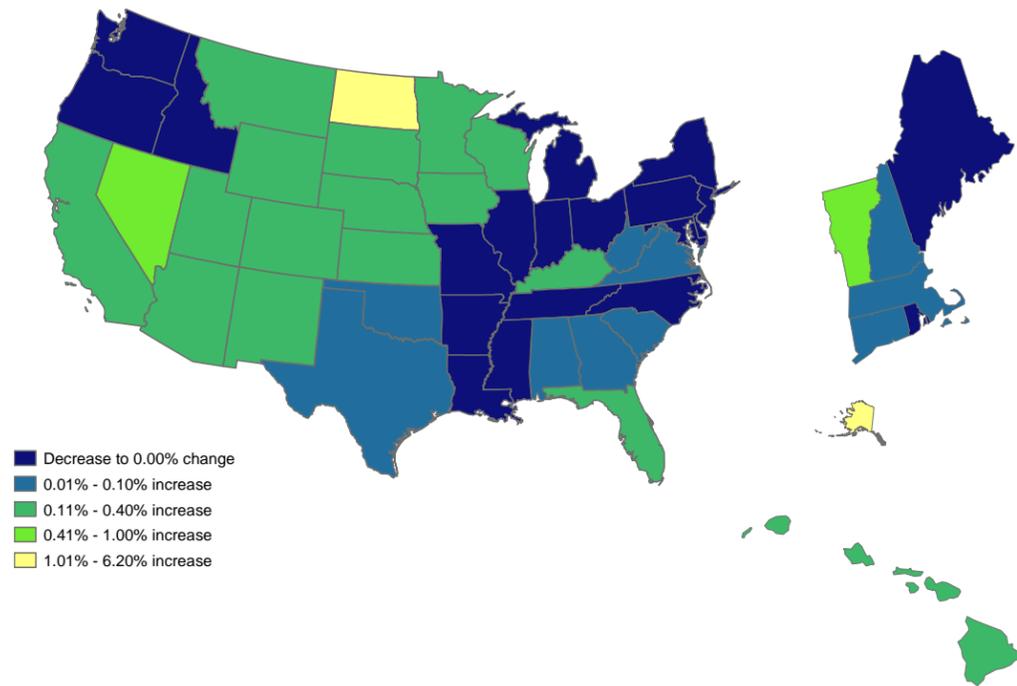
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# Construction Materials Industry Cluster Profile

Construction Materials Percent Change in Employment 1994 to 2004 by State



# Prosperity Eastern Iowa Region



*Cedar, Clinton, Delaware, Dubuque, Jackson, and Jones Counties*

*May 2006*

*In partnership with*



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 Fax: 515-281-8195  
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 www.iowaworkforce.org

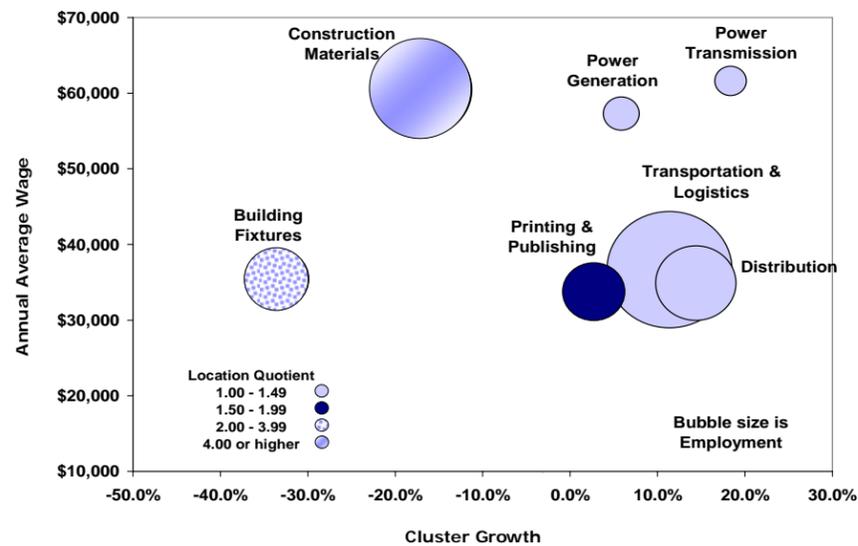
*Equal opportunity employer/program.*

*Auxiliary aids and services are available upon request to individuals with disabilities.*

TTY 515-281-4748;  
 1-800-831-1399



Key Clusters in Prosperity Eastern Iowa



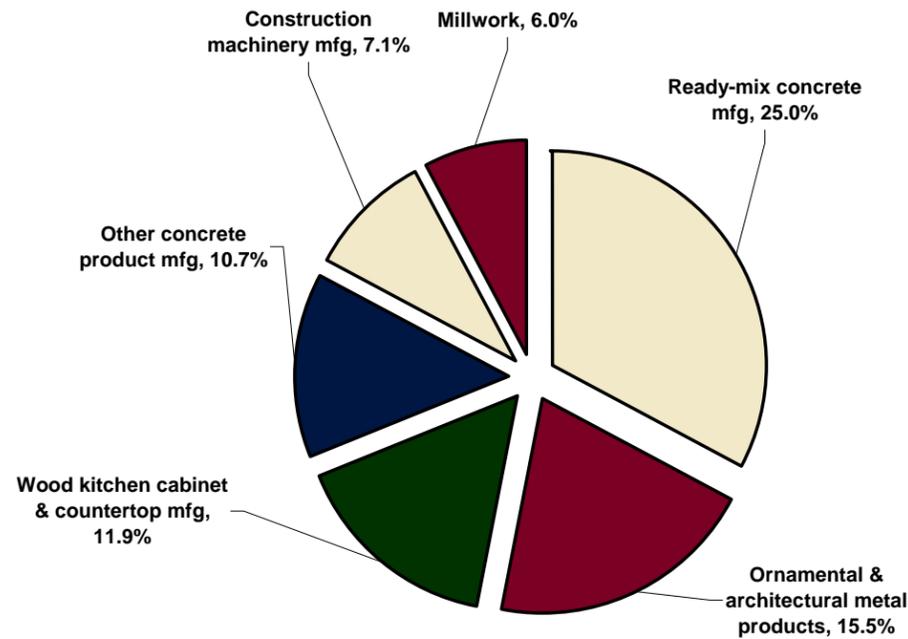
### Executive Summary

Construction Materials employs 5,308 people in the Prosperity Eastern Iowa Region and 32,430 statewide. The cluster has an average four-quarter wage of \$60,448, which is in excess of the regional average wage for all industries of \$32,604 and the state average wage for all industries of \$34,628.

Employment in Construction Materials has decreased by 905 jobs over the 4-year study period. Nationally, employment in this cluster has shown a downward trend since 2000. The employment location quotient, which measures the local area's share of employment as compared to the nation, stood at 4.53. The higher a location quotient is above 1.0 the greater the employment concentration in the Construction Materials cluster in the Prosperity Eastern Iowa Region when compared to the nation.

Construction Materials comprises establishments primarily engaged in manufacturing paving and roofing materials, asphalt, millwork, plastic pipe fittings, clay and glass building material, concrete ready-mix, construction machinery, cabinets and countertops.

Analysis shows that the ornamental and architectural metal products industry, millwork, construction machinery, and ready-mix concrete comprise 76.6 percent of the employment in the region.



Largest industries in the Construction Materials Cluster by percent of cluster employment

### Employers

There are 83 employers in the Construction Materials clusters, which represented 13.3 percent of the total employers in the region. This compares to 715 employers in the cluster statewide with 0.8 percent of the total employers. Twelve employers in this cluster have employment of more than 100. Due to the manufacturing processes, this cluster has a higher employee-to-employer ratio than non-manufacturing-based clusters.

Rank	Name of Company	Industry	Location
1	John Deere Construction Equipment	Construction machinery manufacturing	Dubuque
2	Eagle Window & Door	Wood window and door manufacturing	Dubuque
3	Guardian Industries	Flat glass manufacturing	DeWitt
4	Modernfold Inc	Ornamental and architectural metal work	Dyersville
5	All American Homes of Iowa	Prefabricated wood building manufacturing	Dyersville
6	ATI Global Inc	Construction machinery manufacturing	Delhi
7	Lumber Specialties	Truss Manufacturing	Dyersville
8	Henderson Mfg Inc	Construction machinery manufacturing	Manchester
9	Orbis Corp	Plastics product manufacturing	Monticello
10	Klauer Manufacturing	Sheet metal work manufacturing	Dubuque

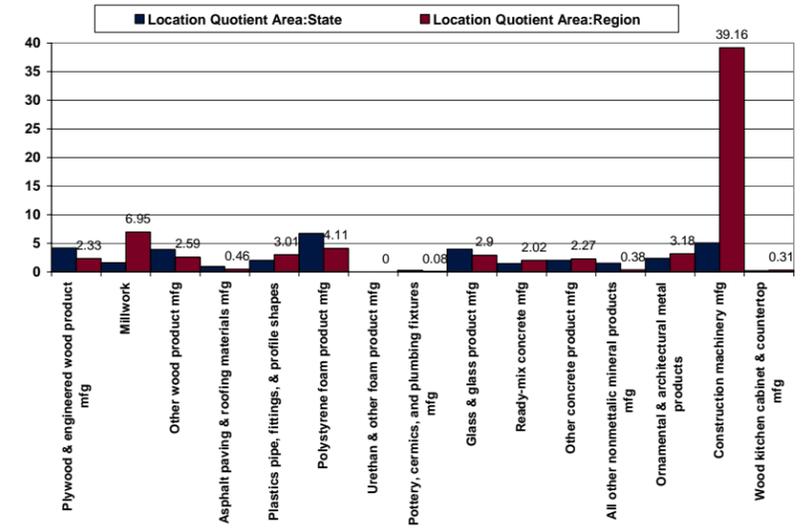
Largest employers in the Construction Materials cluster

### What is a location quotient?

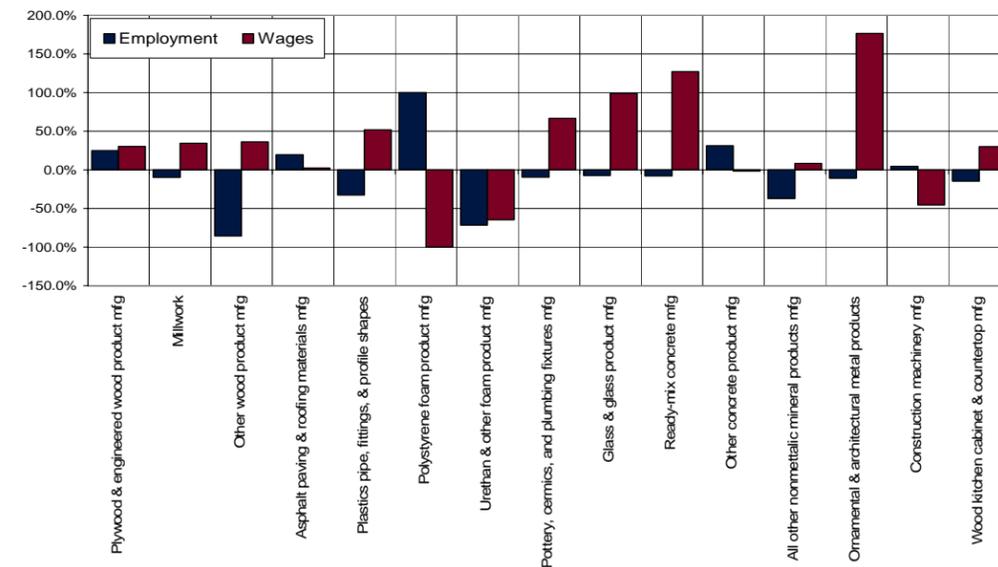
A location quotient measures an area's "share" of an activity when compared to a larger area. In industry cluster analysis, the location quotient measures the employment in a cluster as a ratio of total regional employment when compared to the national cluster.

A location quotient of less than 1.0 indicates that the PEI has a lower ratio of cluster employment when compared to the nation. A location quotient of 1.0 means that PEI has the same ratio as the nation. A location quotient greater than 1.0 indicates that PEI has a larger "share" or ratio of employment. In the context of cluster analysis, the higher the location quotient, generally the stronger the cluster.

For example, Printing and Publishing cluster had a location quotient of 1.69, indicating a high level of employment in this cluster when compared to the nation.



Location quotients for industries in the Construction Materials cluster



Percent change in employment and wages for industries in the Construction Materials cluster

### Local Employment Dynamics

Percent of Employment in the Construction Materials Cluster									
	14-99	14-18	19-21	22-24	25-34	35-44	45-54	55-64	65-99
<b>Total</b>	100.0%	0.7%	4.7%	4.8%	21.4%	28.1%	26.6%	11.3%	1.6%
<b>Male</b>	73.9%	0.6%	3.7%	3.9%	16.6%	20.6%	18.1%	8.5%	1.1%
<b>Female</b>	26.1%	0.0%	0.8%	0.8%	4.7%	7.4%	8.4%	2.5%	0.2%

\*Sum of male/female may not equal total due to rounding

## Hospital ReUse Scenarios

City	Hospital Size	New Use	Cost
Brighton, CO	75,000 hospital & 22,000 office building on 7.6 acres	Learning & Resource Campus (Tech College, School, Head Start, Family Health Clinic)	\$7m
Two Rivers, CO		39 Senior Apartments & 99 nursing home beds	\$5m
Hamilton, OH	10-acre property	Original Plan: Social Services & Community Resource Center/Offices (Ultimately, hospital was demolished and redeveloped as mixed-use center after 3 years of indecision)	\$12m offices, \$17m for community center - Grants (awarded either for reuse or redevelopment) including Health Services Resource Administration (\$500k), Brownfields, \$700k TEA-21, \$200k from state

### Hospital ReUse Study Results (UC Berkeley 2008)

- Majority uses for health care related purposes
- Non-medical uses based on value of land.
- Former hospitals in Chicago and Denver inner neighborhoods demolished and redeveloped as mixed-use centers.

### Survey of Former Hospital ReUse Scenarios (State in parenthesis)

Medical Uses	Non-Health Care Uses
Rural Health Center (CA)	Multi-Use Senior Center (CA)
Dialysis Center (CA)	Administrative Offices for Former Hospital (CA)
Outpatient Center (CA)	Education Center (CO)
Medical Offices/Community Fitness (CA)	Mixed - Senior Housing (CO)
Assisted Living Facility (CA)	Apartments (OH)
New Hospital Ownership (CA)	
Substance Abuse Treatment (IL)	
Prison Hospital (KS)	
HMO Primary Care (MD)	
Outpatient Center (NY)	
Diagnostic Treatment Center (NY)	
Diagnostic Treatment Center (OH)	
Physician Offices (NY)	
Methadone Treatment Center (NY)	
Primary Care Clinics (NY)	
Mental Health & Substance Abuse Center (NY)	
Diagnostic & Dialysis Center (NY)	
Urgent Care (NY)	
Diagnostic Center (OH)	
Ambulatory Services (NJ)	
Rehabilitation Center (NJ)	