
Economic Development Action Plan 2011-2015

City of Stoughton
September 2010



vierbicher
planners | engineers | advisors



Table of Contents

Mayor's Message	
Acknowledgments	
Introduction	1
1) Core Economic Development Strategies	
a. Overview	3
b. 25 Core Strategy Descriptions & Evaluation.....	4
2) Business Recruitment: Business Park	
a. Situation & Programming Overview.....	8
b. Implementation Resources.....	10
c. Milestones & Responsibilities	11
3) Business Retention & Expansion (BRE)	
a. Situation & Programming Overview.....	16
b. Implementation Resources.....	18
c. Milestones & Responsibilities	19
4) New Business Formation: Incubator	
a. Situation & Programming Overview.....	20
b. Implementation Resources.....	22
c. Milestones & Responsibilities	23
5) Quality of Life Enhancements	
a. Situation & Programming Overview.....	24
b. Implementation Resources.....	26
c. Milestones & Responsibilities	27

A Message from the Mayor of Stoughton:

Economic development is the key to Stoughton's future. A strong and diverse business community provides jobs for Stoughton residents while inviting new employees to make Stoughton their home. Supporting the efforts of existing business as they grow is a large part of economic development. Additional and expanding businesses bring new jobs, more families to Stoughton requiring housing, more students to our schools and all of the ancillary services and retail needs associated with managed community growth.

This initiative will help us define the process to obtain additional land for business, industrial or technical park development and obtain options for future purchases. The economy will change and Stoughton needs to be ready to meet the needs of new businesses and local business expansion. Tax Increment Financing (TIF) funding is one of the tools that can help us prepare for the future.

Quality of life is another major element required to provide a good economic base for our community. Quality of life is why businesses and families chose to locate in a community. Stoughton has many wonderful amenities such as quality educational programs in our schools, the Opera House, Senior Center, Youth Center, recreational programs and much, much more.

The City will work closely with the Chamber of Commerce, Economic Development Committee, Community members and regional partners to plan for managed growth through the expansion of our existing businesses and supports the formation of new enterprises and recruitment of new business to strengthen our schools and our community.

Economic development brings opportunities for both personal and community growth. It also increases the number of options available to all of us for how we live our lives. This initiative will bring business and community leaders together to share, identify common needs & identify ways to work together and enhance the success of all in our community.

Serving Together, We Make a Difference

Donna L Olson, Mayor
City of Stoughton
381 E Main Street
Stoughton WI 53589
Office 608 873-6459
dolson@ci.stoughton.wi.us

Acknowledgments

We would like to acknowledge the following individuals and groups, without which this effort would not have been possible.

Stoughton Economic Development Committee

Donna Olson, Mayor

Tim Carter, Council President

Liz Menzer, Stoughton School Board President

Randy McLaury, TRICOR Insurance

Dan Kittleson, RDA, President, Oak Bank

Dan McGlynn, Business Owner, McGlynn Pharmacy

Dan Matson, Retired, Economic Development Specialist

Ken Wahlin, Business Owner, Stoughton Trailers

Terry Brenny, CEO, Stoughton Hospital

Dave Phillips, Administrator, Stoughton Chamber

Laurie Sullivan, Director of Finance & Economic Development, City of Stoughton

Rodney Scheel, Director of Planning & Development, City of Stoughton

Bob Kardasz, Utilities Director, City of Stoughton

Vierbicher Associates

Gary Becker, Project Manager

Errin Welty, Economic Analyst

Ben Zellers, Project Planner

All individuals who contributed their time and energy to the economic visioning sessions

A special thanks to Bill Rizzo, PhD, Community Resource Development Educator, Dane County UW-Extension who facilitated the economic development visioning sessions.

Introduction

The following action plan is built upon a set of core economic development strategies agreed upon by Stoughton's Economic Development Committee. The purpose of the action plan is to further distill the top four priority strategies into goals, programming elements and tasks. As an added tool, matrices for each strategy provide a current situation overview, identify opportunities, challenges and key resources available as well as recommended indices for measuring future success. These four core strategies, designed to strengthen the economy and quality of life within the City, include:

- Targeted Business Recruitment: Business Park
- Business Retention and Expansion (BRE)
- New Business Formation: Business Incubator
- Quality of Life Enhancements

Programming recommendations for these strategies include a four-year implementation timeline with a phased approach, resulting in a fully developed program in 2015. In addition, the recommendations detail key positions required to successfully implement each strategy, including both existing and future staff positions and hours of work necessary to successfully conduct the program as detailed.

The production of this document represents a continuation of activities stemming from the original Economic Development Visioning Initiative facilitated by Bill Rizzo, Community Resource Development Educator with the Dane County UW-Extension in September of 2009. This original session resulted in an overall vision and set of objectives agreed upon by the committee. The six identified vision themes were:

- Asset Preservation & Development
- Business Recruitment
- Marketing Plan & Priorities
- Business Development
- Collaborative Structure & Process
- Housing Plan & Priorities

Subsequent discussion identified existing conditions within the community including existing capacity and available resources to implement individual strategies. These existing conditions were used to evaluate the likely short-term and long-term success for each of the 25 core economic development strategies available to communities.

Based on the results of this filter, the top four strategies were identified as priorities for Stoughton. In addition to the agreed upon four priority initiatives, the committee also elected to include quality of life in the set of primary strategies, due to its importance in attracting a skilled workforce and making Stoughton the place of choice for residential location decisions. The committee felt that this strategy was essential in order to achieve the best results long-term, and that the enhancement of quality of life factors could also boost the success of the four initial strategies in the short-term.

Economic Development Committee Overview

Stoughton's Economic Development Committee is a body established by both the City of Stoughton and the Stoughton Chamber of Commerce to coordinate and move forward economic development initiatives. The Committee is advisory to the Chamber Board of Directors as well as to the Stoughton City Council. This Action Plan anticipates the Economic Development Committee being the body to oversee implementation and hold accountable those responsible for implementation of the Plan. The Economic Development Committee may evolve over time to incorporate as an economic development organization to serve a more formal role in funding and directing economic development efforts in the Community.



Core Economic Development Strategies

The Committee was presented with a set of 25 common core economic development strategies. These strategies were evaluated based on the following factors:

- Consistency with the stated vision and objectives for Stoughton.
- Capacity of the Community to implement the strategy.
- Assets of the area to support the strategy.

The result of this filter was to divide the initial list of strategies into those that represented appropriate short and long-term goals for Stoughton, as well as those strategies that may not be appropriate for the community at the current time, or not desirable based on the community vision. Committee members each identified the top four strategies based on perceived impact in order of priority, resulting in an overall ranking. From this prioritized list, the committee developed an overall list of the top four strategies to serve as initial areas of focus.

A description of each economic development strategy and associated pros and cons for each given existing capacity are identified in the following section.

25 Core Economic Development Strategies

	Economic Development Strategies	Description	Capacity Pros & Cons - Stoughton	
Capacity exists for successful implementation in the short term	1	Business Retention & Expansion	Prevent the loss of, and facilitate growth in, jobs and payroll by establishing a relationship with individual businesses to determine their needs and identify barriers to growth.	Previously completed study to work from; would require local commitment of staff time or volunteer time from Chamber/business owners. Thrive acquiring retention management software (Synchronist).
	2	Business Cultivation	Create jobs and bring more outside dollars into the community by actively assisting businesses to increase sales by providing information resources and coaching.	Library Services, Thrive, SBDC investigating economic gardening resources in region. Will require dedicated time from someone with business consulting experience.
	3	Energy Development	Keep energy dollars from leaving the community and attract new investment in energy-related companies. Create/promote new power sources such as solar and wind. Promote energy efficiency and assist in efficiency upgrades in concert with utility company. Help companies become more profitable via reducing energy costs.	WPPI and Stoughton Utilities is a resource. Electric vehicle company, Focus on Energy, Office of Energy Independence. Develop programming, incentives, partners, and resources.
	4	Cultural Tourism	Attract dollars from outside the community by promoting unique cultural background and activities to a local and regional audience.	Existing Chamber efforts, visitor services, Sons of Norway, Friends of Norwegian Culture; additional capacity needed to take to next level. Need more hospitality services.
	5	Local/Regional Tourism	Attract outside dollars into the community by promoting unique features of the City (such as the historic Downtown) to a local and regional audience.	Existing Chamber efforts, visitor services, Opera House; some awareness of historic Downtown already in southern WI. Continue to build on existing efforts. Need more hospitality services.

Note: Blue shading indicates strategies identified during the previous Economic Development visioning sessions.

Economic Development Strategies		Description	Capacity Pros & Cons - Stoughton	
	6	Downtown Development	Capture a greater share of local and regional retail trade by fostering a strong Downtown business community; invest in infrastructure; special events to promote Downtown.	City and Chamber existing committees with commitment to maintaining strong Downtown and strengthening surrounding areas, such as RDA.
	7	Attracting Retirees	Import transfer payments into the community to circulate locally. Create a variety of senior housing and desirable activities for seniors; make the community affordable for people on fixed incomes.	Existing senior center and services, seniors in need committee and commission on aging; existing senior population base in Stoughton. Further develop services and marketing. Retirees can support other strategies, such as entrepreneurial development; too large of a proportion can create other community issues.
Capacity can be developed over the short-to-mid term for success in long term	8	Business Recruitment	Attract new investment jobs and payroll by promoting Stoughton to targeted companies that match Stoughton's location assets; provide location incentives.	Need appropriate locations; need up-to-date targeted industry and marketing plan.
	9	Entrepreneurial Development	Attract outside dollars into the community and create long-term jobs by assisting individuals with establishing a business.	RDA and Chamber activities; recently completed Business Incubator Study. Need to develop program and bring in partners.
	10	Telecommunications Businesses	Attract and/or grow businesses in the telecom industry, such as back office operations, call centers, etc.	Telecommunications capacity. Appropriate locations and workforce characteristics.
	11	Value-Added Agriculture	Keep food dollars from leaving the region and attract new investment in food-related industries. Attract and/or grow businesses in the food processing industry that add value to locally produced fruits, vegetables, and animal products.	Dane County institutional food distribution network. Farmers' markets. Yahara River Cooperative.

	Economic Development Strategies	Description	Capacity Pros & Cons - Stoughton	
	12	Destination Tourism	Attract and/or promote development of things like amusement parks, arts facilities, and regional sports facilities.	Stoughton Opera House provides modest destination, SWAC. Need destination with greater pull and more hospitality services (lodging, restaurants).
	13	Education Development	Attract outside dollars into the community by becoming a regional center for training and education.	Good quality school district, metal arts academy. Madison provides tough competition.
	14	Health Care	Become a regional center for health care services.	Stoughton Hospital, two clinics. Madison provides tough competition.
	15	Quality of Life	Promote community quality of life and easy commuting to bring more residents who spend income at local retail and service establishments.	Census 2000: almost as many Stoughton residents work in Madison (2,136) as Stoughton (2,276); good quality of life and amenities. Highway/road traffic will continue to worsen in and around Madison.
	16	Infrastructure Development	Attract new investment to the community by creating location advantages through new infrastructure, such as fiber optics, highways, airports, etc., to provide the conditions for development.	DOT studying improvements to USH 51 and STH 138. Existing active rail line.
	17	Attracting Lone Eagles	Attract entrepreneurs and freelancers who are not tied to a specific location for their job.	Natural amenities. Quality of life.
Strategy may not be desirable or appropriate due to local context	18	Environmental Restoration	Create new opportunities for investment by cleaning up environmentally contaminated sites, such as mines and major brownfields.	No major environmental contamination sites in Stoughton.
	19	Transportation Distribution Center	Attract new investment, jobs, and payroll by becoming a hub for warehousing, wholesaling, and product distribution.	Highway capacity upgrades needed. Stoughton is not on the Interstate.



Economic Development Strategies		Description	Capacity Pros & Cons - Stoughton
20	Value-Added Forest Products	Attract and/or grow businesses in the paper, cardboard, lumber, etc., industries.	Sites available closer to natural resources; industry is shrinking nationally.
21	Value-Added Fisheries	Attract and/or grow businesses that farm and process fish.	Other locations better suited to this industry and have capacity built up.
22	Value-Added Mining	Attract and/or grow businesses that mine and process natural resources.	Sites available closer to natural resources.
23	Pass-Through Visitor Services	Attract outside dollars by catering to travelers who are passing through or adjacent to the City with things like restaurants, gas stations, and roadside attractions.	Interstate is 5 miles away and attracts majority of regional/national pass-through traffic; remaining capacity already largely addressed along Main street/Hwy 51.
24	Attracting Government Jobs	Attract regional government offices that support regional or statewide activities.	Competing with larger surrounding municipalities and/or locations with better transportation infrastructure.
25	Attracting Government Funding	Solicit money for grants and/or earmarks from federal, state, or county sources for research, economic development, or infrastructure.	City lacks existing assets that would attract federal/state investment; attracting significant earmarks is difficult, especially in hard budget times; City comparably well-off when compared to state/national poverty/distress.

Business Recruitment: Business Park

Business recruitment received the highest priority ranking by members of the committee. Business recruitment was broken down into components with business park development as the first strategy. The business park initiative is tailored to provide a new and attractive environment for businesses seeking an opportunity to grow or expand within the region. The vision statement for business recruitment states:

Vision: *Stoughton welcomes and supports businesses of all sizes. Our employers offer rewarding, prosperous and stable careers for their owner and employees. They further enrich our community through local investments and city involvement.*

Goal: Increase the Number of Business Establishments Located in Stoughton

Strategy: Business Recruitment (Business Park)

<p>Situation</p> <p>In 2000, 72% of all employed Stoughton residents left Stoughton for employment - primarily to Madison and other Dane County communities. Stoughton residents are fortunate to have a variety of employment opportunities available to them within a short drive.</p> <p>In the same year, 6,442 Stoughton residents were employed and there were only 5,704 jobs located in Stoughton. 40% of those jobs are filled by Stoughton residents. While Stoughton residents tended to commute to Madison for higher paying jobs, Stoughton jobs tend to be taken by residents of smaller communities and rural areas of Dane and Rock counties.</p> <p>The existing business park is virtually full, and there is no industrially zoned land of any size currently available for development. The site proposed for the new park has desirable access, and Stoughton's comparatively low mill rate makes the city an attractive destination.</p>		<p>Programming</p> <p>The goal of business park development is to provide shovel-ready sites to potential businesses looking to expand or relocate into an area. Business park environments are appealing to corporate tenants as they project a consistent professional image, offer the added benefit of business clustering and ensure compatibility of adjacent uses.</p> <p>Various types of business parks exist, offering differing cost structures and tailored to specific types of uses to enhance the benefits of business clustering. The presence of a nearby rail spur near the site lends itself to manufacturing development. Often, a streamlined development process for construction within the park is offered as an added incentive for companies to locate in the development. In some cases the availability of additional job creation or investment tax benefits are available as a recruiting tool.</p> <p>The tangible nature of a business park lends itself to a concerted marketing effort to a pre-determined set of targeted industry sectors. The ability to produce marketing materials and conceptual site plans and pricing for varying facility configurations allows brokers and the City to convey site benefits more credibly, and also allows corporations to sell the site to employees or finance partners.</p>
<p>Short-Term Tasks:</p> <ul style="list-style-type: none"> - Finalize option on land parcel - Conduct target industry study including supply chain analysis of existing businesses - Identify site constraints - Draft master site plan - Annex land into City of Stoughton - Create TIF district - Identify key development thresholds for beginning of infrastructure improvements, addition of rail spur, etc) - Identify additional funding sources or select JV development partner - Develop marketing plan and marketing materials - Conduct marketing outreach activities 	<p>Longer-Term Objectives:</p> <ul style="list-style-type: none"> - Begin infrastructure improvements - Addition of rail spur into business park - Encourage/aid rail capacity improvements - Addition of monument park signage <p>Measuring Success:</p> <ul style="list-style-type: none"> - Number of parcels sold /market share of land sales for region - Sale price of parcels (as discount to ask & compared to competition) - Recruitment of new businesses to Stoughton - Growth in target industry sector employment 	<p>By the numbers:</p> <ul style="list-style-type: none"> 200 Size of the intended development in acres 59 Number of large (50+ emp) employers in 10-mile radius 401 Number of major (200+ emp) employers in 4 county trade area 5 Number of competing WI Southern served parks offering parcels 5 acres or larger \$16,250 Average price/acre of rail-served parks 2.247 Acres remaining in Business Park North \$23,500 Price per acre of lots in existing Business Park North \$55-\$65 Price per square foot of existing Stoughton industrial Properties for sale \$65-\$100 Cost of new industrial construction (per SF)



Implementation Resources (Business Park)

		People							
		Positions	Skills & Training	Information	Organization	Funding	Marketing	Regional Connections	Land, Building, Equip
	Business Recruitment (Business Park)	Economic Development Manger - oversee planning/zoning and TIF creation process. Serve as point of contact for developers/corp orations interested in park location.	Economic development finance, real estate transaction experience, communication, customer service, organization, sales skills	Information on land development, construction pricing, site constraints, timing of improvements. Knowledge of competition & pricing.	Activities monitored by EDC. Likely a City employee works in conjunction with planning and/or economic development department. Coordinated efforts with infrastructure providers & Chamber	City staff team members funded by their City salary.	Targeted industry analysis, marketing plan including brochures, website mention, internet marketing, presence in site selection & business park directories, road show to broker and developer community. On-site event as kick-off to project.	Wisconsin Southern provides linkages between business customers and parks. Thrive, Dane County & WI Dept. of Commerce help coordinate business retention efforts.	Phone & Email to conduct marketing/ receive leads.

Implementation Milestones and Schedule (Business Park)

	Milestones	Date	Responsibilities
New Business Recruitment (Business Park)	Finalize Option on Land	12/31/2010	City
	Conduct Target Industry Study	7/1/2011	EDC
	Identify Site Constraints	7/1/2011	City
	Draft Master Site Plan	10/1/2011	City
	Annex Land	12/31/2011	City
	Create TIF District	3/31/2012	City
	ID Key Thresholds (Rail Spur, Infrastructure)	3/31/2012	City
	Identify Additional Funding or JV Partner	7/1/2012	City
	Marketing Plan/Materials	7/1/2012	City/JV Partner
	Marketing Outreach	8/1/2012	City/JV Partner
	Begin Infrastructure Improvements	1/1/2013	JV Partner/Private Developer/City
	Addition of Rail Spur	1/1/2014	JV Partner/City
	Encourage/Aid Rail Capacity Improvements	1/1/2014	City
Addition of Monument Signage	1/1/2014	City	



Business Retention & Expansion

Business retention and expansion was identified as the number two priority by the committee. The overall business retention and expansion strategy is tailored toward identifying issues facing existing businesses and working as a collaborative partner in order to improve the overall business climate in the City and the success of individual businesses. The accompanying vision and objective for business development is as follows:

Vision: *Economic development success is achieved through a balanced set of economic development strategies that includes business recruitment, business retention and business development.*

Objective: *Make it easier for businesses to operate and expand in Stoughton.*

Goal: Retain, Strengthen and Support Existing Businesses
Strategy: Business Retention & Expansion (BRE)

<p>Situation</p> <p>Stoughton has a strong and diversified economic base comprised of approximately 200 establishments employing 3,000 people. Those businesses generate \$81,000,000 in annual payroll on sales of \$560,000,000 (2007 data).</p> <p>Manufacturing is the foundation of the community's economy, accounting for over half of all employment and over two-thirds of local payroll.</p> <p>The community wants to ensure that these enterprises are able to not only continue to create value in Stoughton, but to adapt, grow and thrive.</p>	<p>Programming</p> <p>A BRE program is a coordinated set of activities targeted at existing businesses in the community. The objectives of a BRE program are to build trust between the business and the community, identify issues impacting the business, and respond effectively and quickly to those issues thereby preventing or resolving problems that could impact the number of establishments, jobs or sales.</p> <p>Typically relationships are established through personal visits and trust is built over time by establishing confidentiality and effective timely response to issues. Information is usually managed through specialized software developed for this function.</p> <p>Visits are made by teams of two and are usually comprised of trained staff/officials/volunteers, at least one of which is a recognized community leader. A coordinator is needed to schedule appointments, organize information, and ensure timely follow-up. Regional networks of service providers are tapped to help respond to specific issues that arise during the visit.</p>	
<p>Short-Term Tasks:</p> <ul style="list-style-type: none"> - Identify BRE Team - Review outcomes of previous BRE survey - Team Leader Training (Synchronist) - Coordinator Training on Synchronist - Develop list of businesses and input into Synchronist - Prepare postcard to mail to business prior to scheduling visit focused on benefit to business of more responsive city service provision, increased connection to potential services/industry contacts - Prepare schedule of visits - Prepare BRE protocols - Research business/industry prior to site visit - Make visits, collect info - Input info into Synchronist - Prompt follow-up with businesses on issues - at least a thank you/summary of visit 	<p>Longer-Term Objectives:</p> <p>Evolve BRE program to one providing greater business consulting & referral services to help Stoughton businesses become more efficient, adapt to changing conditions, and generate greater sales (Business Cultivation strategy)</p>	<p>By the numbers:</p> <ul style="list-style-type: none"> 200 Establishments 2 Hours per visit 2 People per visit 3 Teams to conduct visits 2 Visits per team per work day 6 Businesses visited per work day 33 Work days needed per year 3 Half-day work days per month 144 Hours per year commitment for each team member 2 Hours of pre/post visit coordination 400 Hours per year of coordination (20% of a full-time position)
	<p>Measuring Success:</p> <ul style="list-style-type: none"> - Increased satisfaction from employers in city performance in subsequent visits - Increased customer service scores - Limited/no loss of existing businesses for competitive reasons - Greater than market share of employment growth 	

Note: Synchronist is a web-based tool utilized by communities to track industry and company information. The program provides a standard set of questions and data points that flag responses indicating significant growth or downsizing risk. The program also provides quantitative information on business issues and satisfaction for benchmarking purposes.



Implementation Resources (BRE)

		People							
		Positions	Skills & Training	Information	Organization	Funding	Marketing	Regional Connections	Land, Building, Equip
	Business Retention & Expansion	Retention Team - 3 teams of 2; each team comprised of a City official and a non-competing private sector leader; ~ 144 hours per year commitment per team member, ~ 3 half days per month	Communication, listening, interviewing, Synchronist, customer service	Background information on business - structure of industry, supply chain, nature of business; information developed from pre-visit research & focused interview questions	BRE Team reports back to Economic Development Committee.	City staff team members funded by their City salary.	Press release; postcard to businesses prior to scheduling a visit; description of BRE program on Econ Dev portion of City's & Chamber's website including FAQ & information section. Partner with local service clubs. Market success of program with achieved programs & customer satisfaction increases.	Thrive manages a regional BRE program using the Synchronist software coordinated with local BRE efforts. Funding support comes from Alliant Energy, MG&E and Thrive	Need small work space with computer & phone for coordinator.
		BRE Coordinator - schedule site visits, team coordination, pre-visit research, data entry, track follow-up responses; 20% time ~ 400 hrs per year	Organized, communication, computer, Synchronist	Use Synchronist to organize information about a business and its industry.	Coordination position provided by Chamber.	Basic access to Synchronist is free, advanced functionality requires payment of fee.			

Implementation Milestones and Schedule (BRE)

	Milestones	Date	Responsibilities
Business Retention & Expansion	Establish BRE Team	10/1/2010	EDC
	BRE Training	10/30/2010	BRE Team
	Review of Prior BRE Survey Results	10/30/2010	BRE Team
	Synchronist Training	9/30/2010	BRE Team; Coordinator
	Acquire list of businesses	10/15/2010	Chamber
	Develop BRE Protocols	10/15/2010	EDC, BRE Team, Coordinator
	Test Protocols & Refine	11/30/2010	3 Volunteer Businesses, BRE Team
	Populate Synchronist w/ Business Info	11/30/2010	Coordinator
	Press Release Announcing BRE Program	12/1/2010	Mayor, Chamber Director
	Postcard to First Set of Businesses	12/1/2010	Coordinator
	Develop & Coordinate Schedule for First Set of Site Visits	12/15/2010	Coordinator
	First Site Visit & Follow-up	1/15/2011	BRE Team
	Visit top ten employers	2/28/2011	BRE Team



New Business Formation: Incubator

The Committee selected two strategies for growing the number of business enterprises in the community; recruitment and new business formation. Support for entrepreneurial development was ranked third among economic development priorities. The incubator initiative is designed to achieve the following vision and objective by encouraging the growth and enhancing the success of small businesses starting up in Stoughton by improving the overall climate and support available to these firms.

Vision: *Economic development success is achieved through a balanced set of economic development strategies that includes business recruitment, business retention and business development.*

Objective: *Make it easier for businesses to operate and expand in Stoughton.*

Goal: Increase the Number of Business Establishments Located in Stoughton
Strategy: New Business Formation (Incubator)

<p>Situation</p> <p>Entrepreneurs and small business activity are critical drivers of economic growth. In 2004, small firms employed 51% of private sector employees and produced 51% of private GDP.</p> <p>51% of businesses fail within the first five years of opening. Increasing the percentage of small business success and encouraging increased entrepreneurship is a good way to increase employment and industry base from within a community.</p> <p>According to the Business Incubator Feasibility Study, several existing area industry sectors related to low & medium technology manufacturing and services have a strong base in the Stoughton trade area both in existing employment and export activity, as well as a low barrier to entry. Combined, these factors suggest an opportunity to bring new dollars into the community through the expansion of this industry base.</p>	<p>Programming</p> <p>A business incubator is an economic development tool intended to foster successful start-up ventures by eliminating hurdles faced by new businesses with the goal of reducing the 51% average failure rate for new businesses.</p> <p>Incubator programs take numerous forms, but consistently provide one or more of the following elements: reduced rate commercial space, shared equipment, business mentorship and coordinated business services.</p> <p>The heart of a successful incubation program is the service and support provided to those with an idea for a new business. Physical space is of secondary importance and is often the second stage in a long-term program.</p> <p>In their simplest form, incubators provide a one-stop shop for new and start-up businesses and entrepreneurs. Information and resources on topics ranging from business planning, finance, legal, marketing, technical assistance and mentorship are made available in an easy to access fashion, often with a scheduled series of events or seminars.</p> <p>Second stage incubator programs provide a shared space environment for start-ups ready to move into more formal settings but lacking funds for market-rate leasing. These situations allow for shared expertise, shared equipment and collaboration among tenant businesses.</p>	
<p>Short-Term Tasks:</p> <ul style="list-style-type: none"> - Form Incubator Committee - Determine appropriate legal entity & governance structure - Generate database/directory of existing entrepreneur support services & programs - Tour existing incubators and survey businesses - Establish relationships with existing support network to provide services to businesses - Develop marketing materials & marketing plan - Build awareness of program in existing community, both to existing residents & businesses. - Develop list of new business entities in the community & system of tracking progress 	<p>Longer-Term Objectives:</p> <ul style="list-style-type: none"> - Develop budget and operating pro-forma for incubator space - Fundraise necessary capital to lease/purchase and build out incubator facility - Identify and negotiate lease/purchase of facility 	<p>By the numbers:</p> <ul style="list-style-type: none"> 20 Number of incubation prospects annually 6 New businesses in incubator program/year 1 Meeting/quarter per participating business 8 Hours/month education/training 1 Hour/week tracking business progress 8 Hours/month marketing/outreach activities 2 Hours/week coordination/scheduling 372 Annual Work Hours 46.5 Annual Work Days 7 Work Hours/Week (-.2 FTE) <p>Stage 2: Facility</p> <ul style="list-style-type: none"> 15,000-20,000 Square feet of space for initial facility \$5 Estimated rental rate/SF (manufacturing focus) \$87,500 Total Annual NNN Rent \$40,000 Tenant Improvements (\$2/SF) 50% Potential fundraising requirement \$127,500 Estimated fundraising goal (minimum)
<p>Measuring Success:</p> <ul style="list-style-type: none"> - Increased success rate of new businesses - Rise in number of establishments in target industry sectors - Rise in export activity 		

Implementation Resources (New Business Formation – Incubator)

		People							
		Positions	Skills & Training	Information	Organization	Funding	Marketing	Regional Connections	Land, Building, Equip
	New Business Formation (Incubator)	Services Facilitator - coordinate service providers & training, compile resources database/guide, track progress & status of incubator companies ~20% time	Business startup experience, organized, communication, computer, training experience, networking skills	Knowledge of startup resources, regional industries & key players, ability to connect resources with participants.	Reports to organization board. Should be employed by legal incubator entity.	City or Chamber employee funded by existing salary.	Press release, posting in city and chamber publications, marketing collateral in existing business service offices.	National Business Incubation Association (NBIA), Wisconsin Business Incubation Association (WBIA) sponsors comprehensive incubator surveys and conferences/seminars for incubator managers & tenants. WI SBDC also provides entrepreneur resources.	Eventually housed within incubator. Interim facilitator needs computer & phone.
		Tenant Coordinator (potential expansion of Services Facilitator role) - screen potential businesses for incubator tenancy, track business progress, ensure compliance with incubator rules, promote tenant interaction	Real Estate, manufacturing processes	Ability to process legal or real estate contracts, knowledge of manufacturing process & setup of facilities, some property management experience	Not necessary until incubator is located in physical facility. Reports to organization board.	Funding fully or partially from incubator tenant rent.			

Implementation Milestones and Schedule (New Business Formation – Incubator)

	Milestones	Date	Responsibilities
New Business Formation (Incubator)	Form Incubator Committee	9/1/2010	EDC
	Legal/Governance Structure Decision	11/1/2010	Incubator Committee
	Identify Existing Resources	12/1/2010	Services Coordinator
	Tour Incubators	12/1/2010	Incubator Committee
	Establish Relationship with Support Services	3/1/2011	Services Coordinator
	Develop Marketing Plan/Materials	5/1/2011	Services Coordinator
	Build Awareness	7/1/2011	Incubator Committee
	Track New Business Formation & Progress	7/1/2011	Services Coordinator
	Develop Budget & Pro Forma	1/1/2014	Services/Tenant Coordinator
	Fundraise Capital	1/1/2015	Incubator Committee, Services/Tenant Coordinator
	Identify & Negotiate Facility Lease/Purchase	1/1/2015	Incubator Committee



Quality of Life Enhancements

Quality of life tied for third place as an economic development priority. As is evident from the vision statement above, the quality of life in a community is inherently tied to the ability to recruit and retain both employer and residents. As such, the committee elected to include quality of life among the initial priorities as a long-term strategy. The associated vision is related to the goal of asset preservation and development, which states:

Vision: We place a high priority on protecting and developing our community's many wonderful assets as a way to improve the livability of our community and the vitality of our economy. A short list of these assets includes a rich cultural and ethnic heritage; great schools; an historic Main Street and many historic homes; high quality natural resource assets such as Lake Kegonsa, the Yahara River and our many fine parks; developable land; multi-modal transportation options such as roads, rails and buses; a mix of housing options; excellent healthcare choices; and a collaborative spirit among organizations and institutions working to strengthen our local economy.

Goal: Increase the number of households choosing Stoughton as their preferred place to live within the region

Strategy: Quality of Life

<p>Situation</p> <p>In 2000, 72% of all employed Stoughton residents left Stoughton for employment - primarily to Madison and other Dane County communities. Stoughton residents are fortunate to have a variety of employment opportunities available to them within a short drive. However, in the same year, only 40% of Stoughton jobs were filled by Stoughton residents.</p> <p>Stoughton has experienced declining school enrollment, and more family households are needed to maintain school funding levels.</p> <p>While Stoughton residents tended to commute to Madison for higher paying jobs, Stoughton jobs tend to be taken by residents of smaller communities and rural areas of Dane and Rock counties.</p> <p>This mobility is a positive factor, because it will allow Stoughton to attract as residents the existing workforce, and demonstrates the willingness of Madison workers to live in area communities, opening up the pool of potential future residents.</p>	<p>Programming</p> <p>The goal of recognition as a livable community is important as a component of workforce development. Many companies looking for a new location are seeking a community where top execs can reside in close proximity to the business. Secondly, if the company is new, or opening a new location, they would prefer to hire employees from the target community. Therefore, successfully landing new businesses depends to some degree on the ability of a community to satisfy its workers housing needs as well.</p> <p>Measuring quality of life is not a straightforward quantitative measure, although national surveys that rank the 'best communities' often contain similar elements including education, affordability, parks, cultural amenities, retail environment, weather, and crime. Some of these elements are easily addressed while others are not. Focusing on those areas where Stoughton can impact significant change and marketing these changes is an important component of successfully becoming thought of as a desirable community.</p> <p>The initial approach should be focused information-gathering for target community populations, including realtors, home builders and relocation professionals as well as target demographic groups of existing residents. The opinions of industry experts are significant in shaping the perception of a community.</p> <p>Changing perceptions is a multi-year endeavor, although a marketing campaign including events that bring others into the community can accelerate the process.</p>	
<p>Short-Term Tasks:</p> <ul style="list-style-type: none"> - Conduct Quality of Life Study to update findings from 2002 Housing Study and capture qualitative data - Conduct Target Resident Study focused on specific demographic groups desired - Home Builder/Realtor focus group - Identify housing preferences for current Stoughton workers/non-residents - Identify large lot development opportunities - Upgrade parks/libraries/recreation amenities - Create marketing plan/materials & expand web presence 	<p>Longer-Term Objectives:</p> <ul style="list-style-type: none"> - Identify median income for target industry sectors and plan for housing tailored to these groups. - Determine funding for public projects - Addition of additional public amenities requested by residents/realtors/home builders 	<p>By the numbers:</p> <ul style="list-style-type: none"> 13,180 2009 Population \$59,456 2009 median income \$214,332 2009 median home value 3/1 Target home affordability index (ratio home price/HH income) 3.6/1 Stoughton home affordability index 280 Stoughton SF park space/ person 435 Midwest large city average SF parks/ person (Minneapolis, Chicago, Madison) 22.90% Percent above state average on reading test for 100 best places to live (<i>Money</i>) 23% Percent above state average on reading for Stoughton School District 22.90% Percent above state average on math test for 100 best places to live (<i>Money</i>) 12.00% Percent above state average on math test for Stoughton School District 0.28 Stoughton eating & drinking establishments per 100 persons 0.2 National average eating & drinking establishments per 100 persons
	<p>Measuring Success:</p> <ul style="list-style-type: none"> - Increase in % of family households with children in Stoughton - Decrease in percent of residents commuting outside the district to work - Increased market share of new home construction for region 	



Implementation Resources (Quality of Life)

		People							
		Positions	Skills & Training	Information	Organization	Funding	Marketing	Regional Connections	Land, Building, Equip
	Quality of Life	Relocation specialist - work with brokerage & home building community, serve as point of reference. Seek press opportunities.	Communication, customer service, organization, sales skills	Information on residential competitive advantages, competing communities, target markets.	Conducted as part of normal City/Chamber business.	City & Chamber staff team members funded by existing salary	Website relocation link, internet search presence, printed relocation package, broker/home builder education sessions, community events to draw visitors	Real Estate brokerage/relocation firm/home builders largely responsible for community marketing	Venue for conducting focus groups. Computer/printer /phone for surveying

Implementation Milestones and Schedule (Quality of Life)

	Milestones	Date	Responsibilities
Quality of Life	Quality of Life Study (qualitative)	3/1/2011	EDC
	Target Resident Survey	3/1/2011	EDC
	Home Builder/Realtor Focus Groups	3/1/2011	EDC
	Identify Housing Preferences for Current Non-Resident Commuters	3/1/2011	EDC
	Identify large lot development opportunities	6/30/2011	City
	Upgrade Existing parks/libraries/recreation amenities	12/31/2012	City
	Create marketing plan/materials	12/31/2012	EDC
	Workforce housing plan based on target industries (update/extension of 2002 study)	12/31/2012	EDC
	Determine funding for public projects	12/31/2012	City
	Addition of public amenities	12/31/2014	City

