Stoughton
Wisconsin

Summary Of Findings

business districts, inc.

AYRES

STOUGHTON
Redevelopment Authority

TABLE OF CONTENTS

Introduction 3

Project Study Area 4

Public Input Meeting Summary of Findings

- Values Board 6
- Visual Preference Survey 7
- Vision Board 15
- Open Space Board 16
- Area Preference Map 21

Market Evaluation

- Demographics and Markets 23
- Market Trends in Downtown Uses 27
- Stakeholder Observations 29
- Current Real Estate Economics 32

Online Survey Summary of Findings

- Resident / Consumer Survey Results 35

Appendix

The City of Stoughton and the City's Redevelopment Authority are developing a Downtown Economic Strategy. The purpose of the project is to develop ideas and guidance for revitalizing the City's downtown through input by public stakeholders and the community, identification of opportunities and strategies that advance economic development, and updated planning for east of Main Street.

The project initiated with a kickoff meeting in July of 2019 with representatives of the City of Stoughton Downtown Revitalization Subcommittee. At the kickoff meeting, the project study area (see page 4) was defined and goals and outcomes of a successful project were identified. Participants at the kickoff meeting began by exploring the question, "What defines success for this project?"
Responses included:

- Real economic development strategies
- Implementable recommendations and practical strategies for short-term (visible) and long-term improvements
- Concrete improvements that illustrate progress
- Benchmarks for performance success with timeframes
- Recognition of what community members want and input from the general public
- A vision for the downtown aesthetics
- Improved parking
- Publicly accessible bathrooms
- Identification of what prevents, or interrupts use of downtown. (For example, pedestrian circulation in downtown is impacted by the hill downtown is built on and other businesses are an obstacle to downtown use.)
- Characterize the current atmosphere of downtown (For example, a recent number of store closings and some other possible closings have been negatively portrayed.)
- Capture downtown's morale issues and address where do we go from here
- An understanding of downtown thinking and future
- An organizational structure for downtown growth and revitalization
- A private sector lead to partner with the public sector

Following this, the participants were asked, "What is downtown Stoughton in one word or phrase?"
Responses included:

- Walkable
- Historic
- Small
- A variety of shopping of experiences
- Small shops / Independent businesses
- Changing
- Stability uncertainty
- Retirement of historic or older business owners is a problem.

A memo summarizing this meeting is included in the appendix of this report.

The pages that follow, summarize the project findings from work prepared following the kickoff meeting. This included stakeholder interviews; an evaluation of the downtown market conditions; a Public Input Meeting; business owner focus-group sessions; and development, distribution, and analysis of an online survey.

PROJECT STUDY AREA

Stoughton *Wisconsin*

PUBLIC INPUT MEETING SUMMARY OF FINDINGS

On October 1, 2019 the Downtown Revitalization Subcommittee of the RDA hosted an Open House at the Legeret in downtown Stoughton. Based on sign-in sheets, approximately 50 members of the community participated. There were several stations where the community gave feedback on items such as parking, downtown events, streetscape, business mix, etc. The following pages summarize the public input received at the meeting.

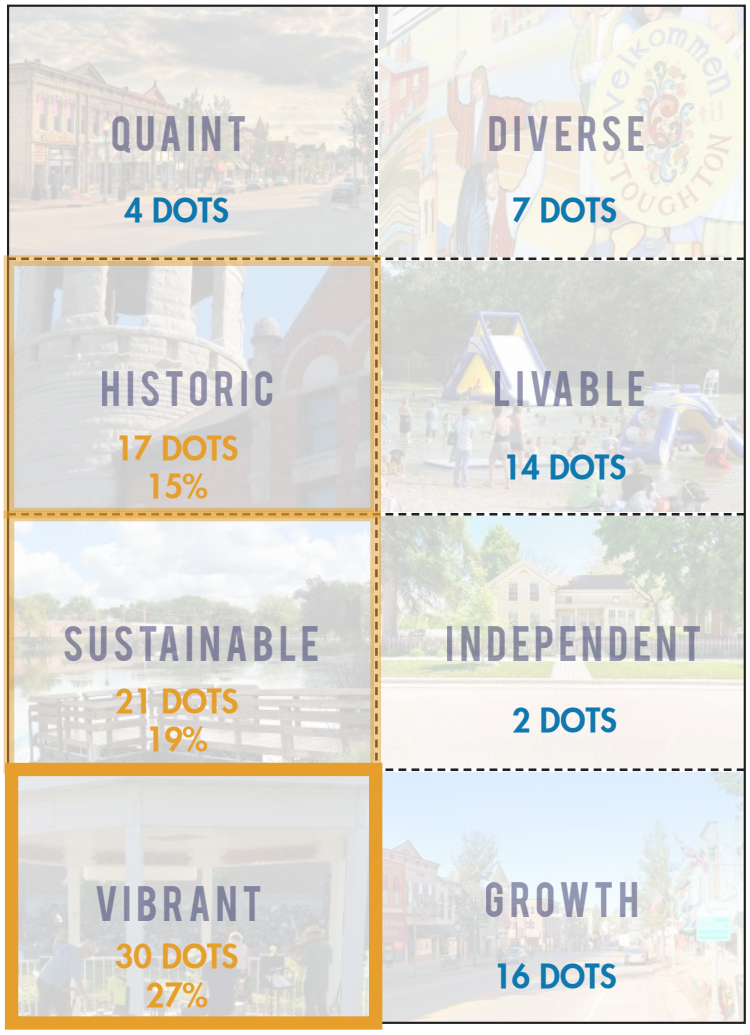
A resident reviews the station instruction sheet.

Community members discuss the contents of the vision boards.

Residents gather for the first public input meeting.

Values Board

The Values Board consisted of eight characteristics that describe the essence of Downtown Stoughton. Community members were given 2 green dots to place on terms they felt best represented downtown. There were 111 dots placed in total. The term Vibrant had the most selections with 27% (30 dots), followed by Sustainable with 19% (21 dots) and Historic with 15% (17 dots). Growth was the next highest with 14% (16 dots).



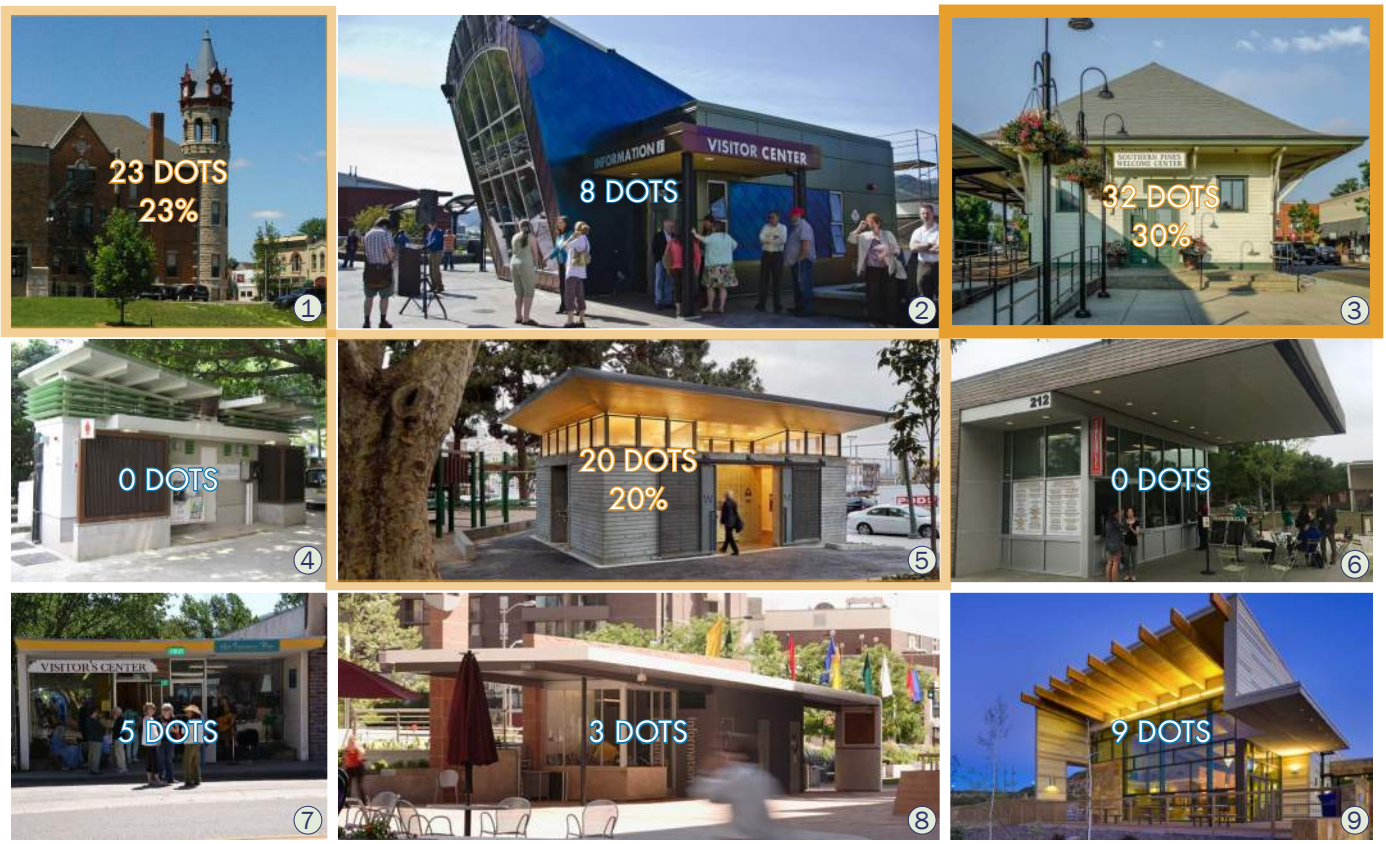
Participants were given an opportunity to provide additional comments on the board using post-it notes or directly on the board. Walkability and bikability were popular comments, and showed up under multiple categories. Under Livable, a resident commented "walkable and bikable," while under the Sustainable category, one comment was to "decrease car traffic in favor of being walkable and bikable." For the Growth category, one response was to "work with Internet providers to bring improved Internet for downtown businesses and community."

Visual Preference Survey

The Visual Preference Survey included eight themed image boards with precedent images of projects, places, and amenities that could be used as inspiration or talking points for the redevelopment plan in downtown. Community members were given 2 green dots per board. They were instructed to place dots on images they felt strongly represented what they would like to see in Downtown Stoughton. Below is a summary of each board, indicating the top three images chosen per board. The visual preference survey results include pages 7-14.

Welcome Center & Public Facilities

There were 100 total dots placed on this board. The images with the highest number of dots were image 3 (30%), image 1 (23%), and image 5 (20%). A note on image 7 described how the corner of main and 4th street should be used as a welcoming corner with signs and lights.



Analysis:

Image 3 represents a reuse of an iconic existing, historic structure. Pedestrian scale lighting, large signage, and universal access promote the welcoming character of the preferred image.

Streetscape / Artscape

There were 111 total dots placed on this board. The images with the highest number of dots were image 4 (35%), image 3 (28%), and image 6 (23%). Image 4 received the third highest overall number of dots compared to all other boards with 39. Comments described having a major welcoming avenue from 4th Street to the riverfront, and having a street of murals.

Analysis:

The style of art in image 4 is individual and unique, unlike painted cows or painted Bucky's. The intent is a consistent pattern of art but of eclectic expressions, where possible. Often these pieces are not readily apparent or visible.

Events

There were 109 total dots placed on this board. The images with the highest number of dots were image 9 (30%), image 4 (26%), and image 6 (16%). Comments included having well promoted events, more signature events, more kids events, incorporating businesses into events, and having a regular food truck space. A note was made on image 5 to provide free outdoor summer movies.

Analysis:

Image 9 is a representation of a densely spaced outdoor food truck area in a converted parking lot. Through the use of recycled industrial equipment, makeshift seating areas, and potted plants – along with the backdrop of colorful trucks – the space becomes inviting and visually interesting.

Signage & Wayfinding

There were 101 total dots placed on this board. The images with the highest number of dots were image 5 (32%), image 9 (18%), and image 4 (14%). There were two comments about incorporating the history of Stoughton into the signage or kiosks, including its historic buildings.

Analysis:

The downtown kiosk in image 5 utilizes color, history, and a mix of materials to create a dynamic, functional wayfinding signage pallet. The simple, contrasting colors used in the map are clear and precise, allowing users to quickly engage with the sign, and find their destination.

Business & Dining

There were 108 total dots placed on this board. The images with the highest number of dots were image 3 (38%), image 4 (22%), and image 5 (16%). Image 3 had the second highest overall number of dots compared to all other boards with 41. Comments included having more al fresco dining, a mix of businesses, the value of outside dining and Venice spaces, as well as having a hotel close to downtown. One community member wrote "Our downtown is unique and we should make sure it doesn't look like everywhere else. We should play up the river, opera house and existing buildings with all their personality."

Analysis:

Image 3 is an example of a warmly lit indoor/outdoor dining patio. The overhead festoon lighting helps enclose the space, while also drawing the sheltered portion to the outside. The addition of movable seating allows users to adjust the space as needed for group size and function, which helps create character.

Art & Gateway

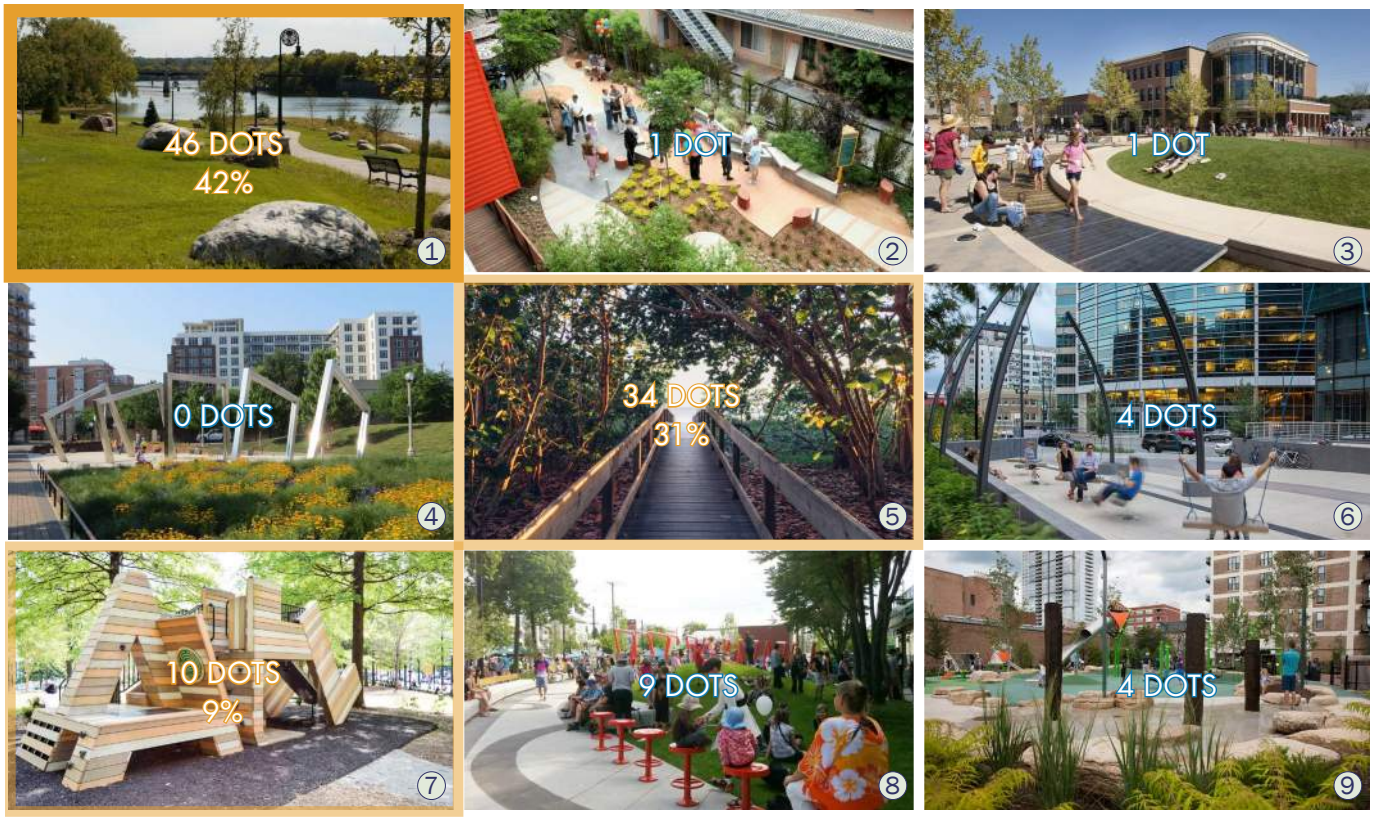
There were 103 total dots placed on this board. The images with the highest number of dots were image 2 (34%), image 6 (19%), and image 8 (14%). Comments included ensuring art installations were appropriate to the area, community and heritage. Additional comments discussed having gathering spaces with art installations, having more contemporary art, and having a bandstand near the river. One community member indicated they did not like anything on the board, but agreed with the need for more art.

Analysis:

The overhead downtown gateway sign in image 2 is an example of a design that is complemented by it's purpose and surrounding aesthetic. A sign highlighting a historic avenue should use clean and purposeful geometry that draws from the history of the area.

Parks & Open Spaces

There were 109 total dots placed on this board. The images with the highest number of dots were image 1 (42%), image 5 (31%), and image 7 (9%). Image 1 had the highest number of overall dots, 46, compared to all other boards. Comments included utilizing the riverway, more open gathering spaces, and dog friendly spaces.



Analysis:

Image 1 illustrates a riverfront open space that isn't overly designed and provides an equal mix of vegetation, natural features, and pedestrian amenities to provide interest throughout the space. The path follows the natural curvature of the river which is smooth and organic, instead of arbitrarily directing users on an unconventional route.

Parking

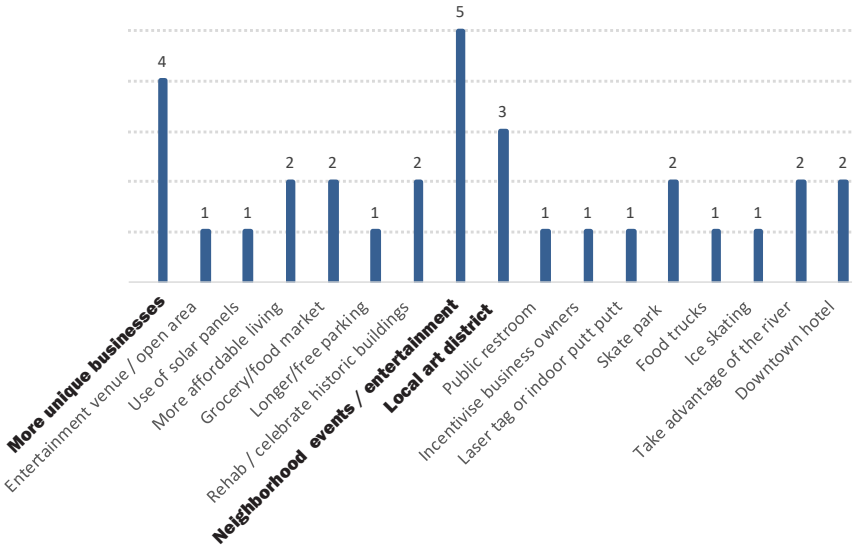
There were 75 total dots placed on this board. The images with the highest number of dots were image 7 (45%), image 9 (33%), and image 8 (20%). There were several comments about limiting parking tickets and providing more free and extended (2+ hour) parking. Other residents commented about adding more bicycle parking and electric vehicle charging. One respondent didn't see parking as a priority, rather making the downtown more walkable and connected with the regional bike path system.

Analysis:

The parking design in image 7 represents street side angled parking adjacent to a widened sidewalk for bigger groups and more leisurely movement. There is a nice vegetated barrier between the cars and the sidewalk which helps separate an undesirable element from the sidewalk and storefronts.

Vision Board

The Vision Board consisted of six themes that may be represented in the redevelopment plan. Residents were given 1 green dot to place on the theme they felt should be part of the downtown redevelopment. With 57 total dots, New Businesses recorded the most dots with 34 (60%), followed by Events with 11 dots (19%).



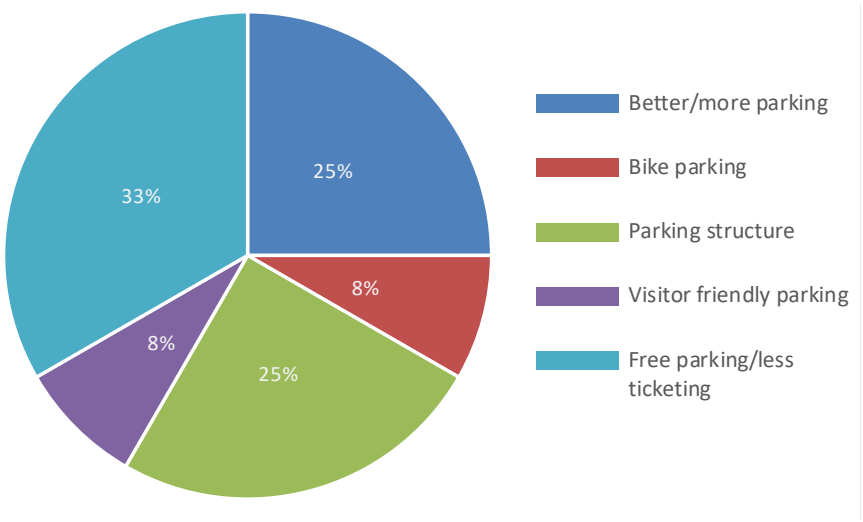
Several comments were recorded on this board. The most common suggestion was to have more neighborhood events to bring the community and surrounding area to downtown Stoughton. The next most common suggestion was attracting more businesses to the City such as coffee shops and book stores. Another common idea was to turn the area into a local art district, incentivizing business owners to rent space for art installations, or increasing the presence of murals, sculptures, and art live-work opportunities.

Open Space Board

The Open Space Board was an opportunity to write in comments about subjects or themes residents saw throughout the night, or that they felt were missed. There were eight categories for residents to place comments or ideas on the board. The following pages provide a summary of the comments received in each category.

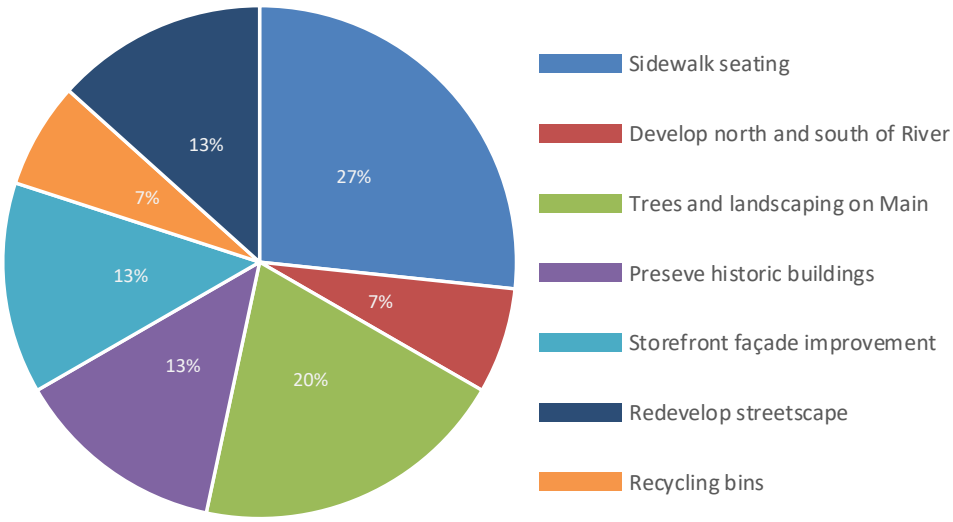
Parking

The comments for parking were specific to roughly 4 themes; free parking/less ticketing, better/more parking, more bike parking, and having a downtown parking structure. Free parking/ less ticketing was the most common idea with 4 notes, followed by better/more parking with 3 notes. However, though most comments centered on improving parking, a few residents disagreed with the need. One resident said "stop whining about parking," while another wrote, "I never have trouble parking. Is this really a priority? If we have events and businesses people want, they will come..."



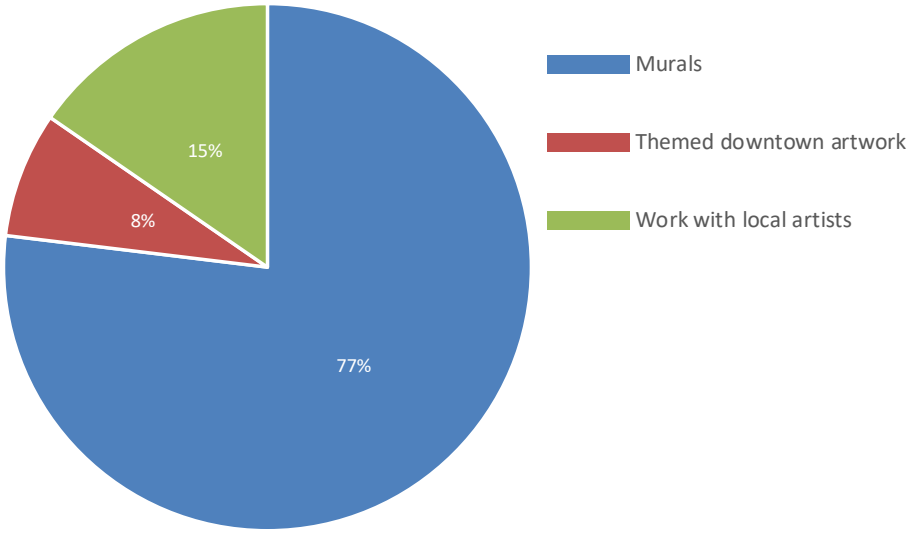
Streetscape

There were 7 distinct categories of comments received under streetscape: Having more sidewalk seating, developing north and south of river, more trees and landscaping on Main Street, preserve historic buildings, storefront façade improvement, re-develop the streetscape and provide recycling bins. Installing more trees and landscaping on Main Street was the most popular comment, followed by creating more sidewalk seating. One resident suggested widening sidewalks "...for more outdoor dining/drinking. We have such long winters, it's nice to be outside when weather is good."



Artscape

There were 3 categories of comments recorded in this section; murals, themed downtown artwork, and working with local artists. Comments regarding murals were the most common type with 10 out of 13 responses expressing the desire for more murals. Comments included placing murals on all buildings, working with local artists to commission artwork, and installing themed artwork for different times of the year.



New Businesses

Responses for new businesses were ranged and varied. A few themes did materialize, including bringing in food trucks, a new grocer/co-op, and encouraging existing businesses while making sure new businesses are unique, desired, and can compete in the internet age. One resident said, "give people what they can't get on Amazon; knowledge, experiences, and services." Another commented about the void the Co-op left, saying it, "makes Stoughton less livable. Would love to see a well curated general store/co-op so we don't have to drive to Willy Street." Others commented on the hours of operations asking, "Can we help businesses be open in the evening and on Sunday's?"

The "Wordle" shown here provides a subjective look at these open ended responses, based on the frequency of words as they appear in this theme.

Housing

Responses for housing centered on needing more lofts and condominiums, as well as providing more affordable and low income housing. One comment suggested "condos on the river with small businesses like coffee shops, bookstores, and small gift shops." Speaking about affordable housing, one community member asked for "resources for individuals and families for housing", while another said, "rent downtown needs to be more affordable."

The "Wordle" shown here provides a subjective look at these open ended responses, based on the frequency of words as they appear in this theme.

Events

Responses for events were varied, however a few themes emerged. Residents discussed the need for more festivals, using the gazebo at Rotary Park for a stage, and the surrounding downtown parks for event spaces. Another common response was the need for an events coordinator, as one resident said "we need an events coordinator that works with the City to keep the downtown active and alive." Other ideas that received multiple responses were to fill the vacant spaces and to continue expanding the farmers market. One community member described expanding the farmers market "so we can support local producers and be more sustainable."

The "Wordle" shown here provides a subjective look at these open ended responses, based on the frequency of words as they appear in this theme.

Parks and Open Spaces

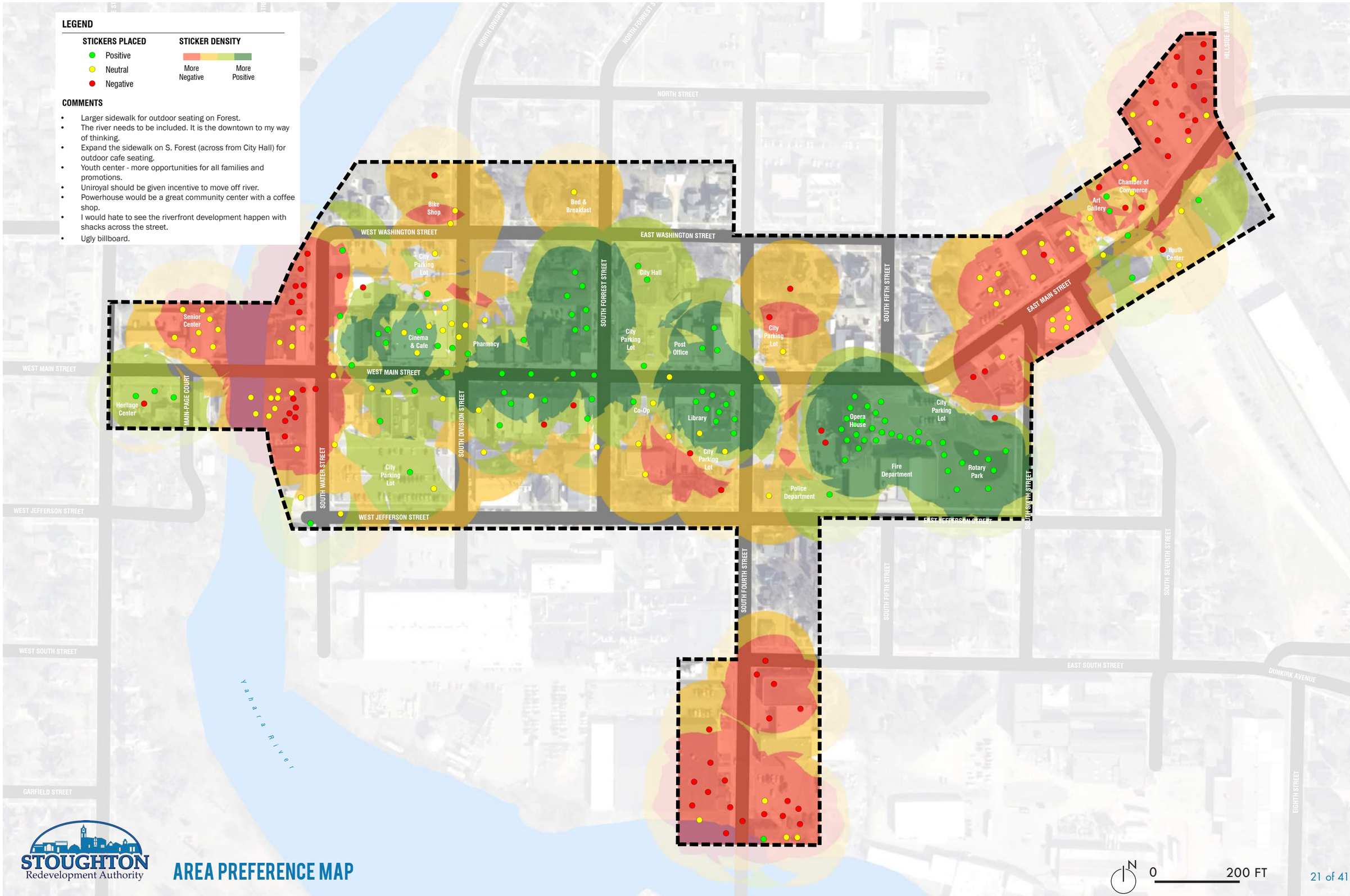
Many residents agreed taking advantage of the riverfront was a high priority for improving Stoughton's parks and open spaces. Some talked about providing a more dynamic experience along the river, utilizing businesses, gardens, and installations to make it more interactive. Another resident asked to "link the riverfront development to downtown."

The "Wordle" shown here provides a subjective look at these open ended responses, based on the frequency of words as they appear in this theme.

Signage

Signage received only 8 community comments, however almost all of the comments agreed that updated signage is needed in the downtown. Many said having kiosks would be beneficial and one resident mentioned having a kiosk "where people can hang notices and promote community events." Other suggestions were to have more "helpful signage" that would indicate where parking can be found and if parking were full. Another suggestion was to eliminate downtown billboards. One resident said signage can "create an emotional experience for people."

The "Wordle" shown here provides a subjective look at these open ended responses, based on the frequency of words as they appear in this theme.



STOUGHTON Redevelopment Authority

AREA PREFERENCE MAP

An evaluation of Stoughton's market strengths and opportunities was developed. The evaluation was composed of a review and summary of the Existing Demographics and Market, a review of Market Trends in Downtown Uses, Stakeholder Interviews and Focus-Group Observations, and an online Resident/Consumer Survey.

The outcomes of these studies is summarized in the following pages.

Downtown Stoughton has multiple assets, including regional arts institutions, unique businesses, and historic character. Among these assets are growing local markets. The following demographic data considers downtown Stoughton's primary markets. The markets include:

- .5-Mile, or Pedestrian, Market: This market includes nearby residents and employees who can easily walk to downtown Stoughton.
- 5-Minute, or Convenience Drive, Market: Located within a 5-minute drive or a 10-minute bike ride to downtown Stoughton, these residents and employees can readily access downtown's businesses. Like nearby residents, they frequently patronize downtown businesses.
- 30-Minute, or Destination, Market: This geography (see page 25) represents the destination market for downtown Stoughton. This market has increased in importance with the advent of online ordering and mobile phone use. For most consumers, 30-minutes represents the drive time for same day pick-up of an online purchase. 'Near Me' searches are also important for consumer restaurant selection and in determining whether to attend an event.
- Custom Market: Downtown's business owners described this geography as the market for most of their customers during stakeholder interviews. (A map of this market on page 25 follows the 30-minute drive time map.)
- City of Stoughton: The City's demographics are displayed for comparison purposes. Residents of any community identify with their downtown and represent an important component of downtown business revenues. For Stoughton, much of the City is located within 5-minutes of downtown.

The data and maps are followed by chart displaying downtown Stoughton's current business mix, based upon information provided by Stoughton's Redevelopment Authority (RDA).

Key for downtown's future will be adapting to the changing needs of regional consumers—whether Stoughton residents or consumers from throughout the Madison region. The strategic implications, concluding the data presentation, describe the importance of adapting to altered consumer behaviors and their implications for ground level uses in downtown Stoughton and nationally. Downtown Stoughton customers are not just people who like to shop or tourists. Expanding the definition of who is a downtown Stoughton's consumer will be important to downtown's economic future and to creating a downtown that is welcoming to all. This definition recognizes the importance of multiple downtown users--downtown's nearby employees to local business revenues, downtown residential growth opportunities, downtown's relevance to local families and their desire for engagement with their community, and downtown Stoughton's ability to attract more consumers from within a growing region.

Demographics and Markets

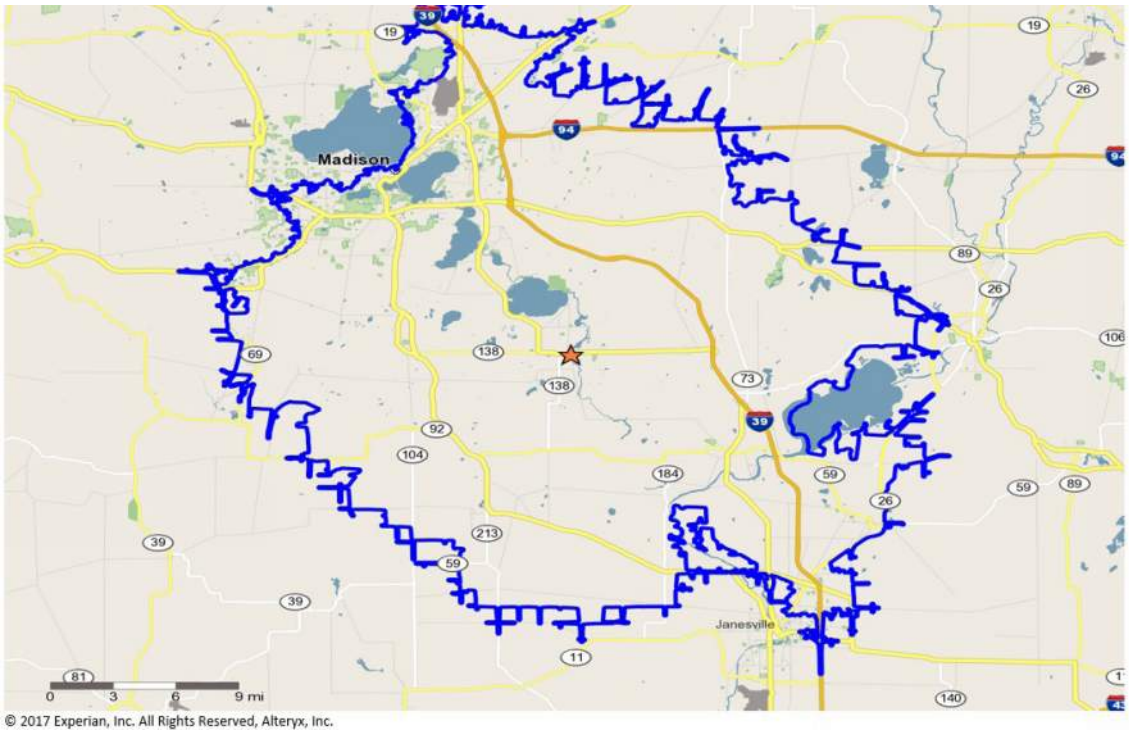
Downtown Stoughton Markets	.5 Mile Pedestrian	5 Minute Drive Convenience (or 10 Minute Bike Ride)	30 Minute 'Near Me' (Destination)	Custom Market	City of Stoughton
Total Population	2,938	12,047	350,366	230,711	13,518
Total Households	1,336	5,104	147,654	96,519	5,574
Average Household Size	2.20	2.36	2.37	2.39	2.43
Population Density (per Sq. Mi.)	3,732.74	2,458.94	472.75	509.19	2,638.73
Projected Population Change by 2023	0.7%	2.9%	5.1%	4.0%	2.9%
Median Age	39.7	40.7	35.0	34.1	40.6
Employees	1,772	4,905	233,728	147,066	4,816
Jobs Per Household	1.3	1.0	1.6	1.5	0.9
Average Household Income	$72,399	$77,054	$84,030	$90,861	$79,166
Median Household Income	$61,174	$66,707	$65,805	$68,003	$68,310
Per Capita Income	$33,238	$32,909	$35,698	$38,377	$32,875
Renter Occupied Housing Units	38.9%	35.4%	42.1%	44.1%	33.6%
Estimated Spending: Dining	$4,241,600	$17,147,552	$500,960,491	$301,082,334	$19,285,148

© 2017 Experian, Inc. All Rights Reserved, Alteryx, Inc.

Downtown Stoughton Markets: Race/Ethnicity	City of Stoughton	30 Minute 'Near Me' (Destination)	Custom Market
White	94.8%	82.9%	80.5%
Black	1.2%	5.8%	6.0%
American Indian or Alaska Native	0.2%	0.4%	0.4%
Asian/Native Hawaiian/Other Pacific Islander	1.7%	4.7%	6.7%
Some Other Race	0.4%	3.2%	3.6%
Two or More Races	1.7%	3.0%	2.9%
Hispanic Ethnicity	1.7%	7.5%	8.1%
Not Hispanic or Latino	98.3%	92.5%	91.9%

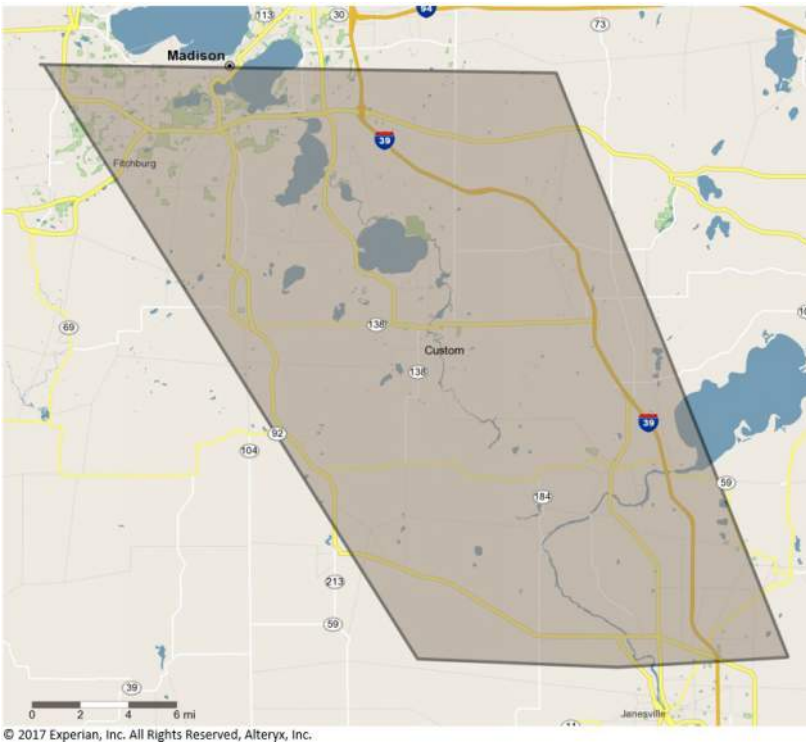
© 2017 Experian, Inc. All Rights Reserved, Alteryx, Inc.

Map: 30-Minute 'Near Me' Market



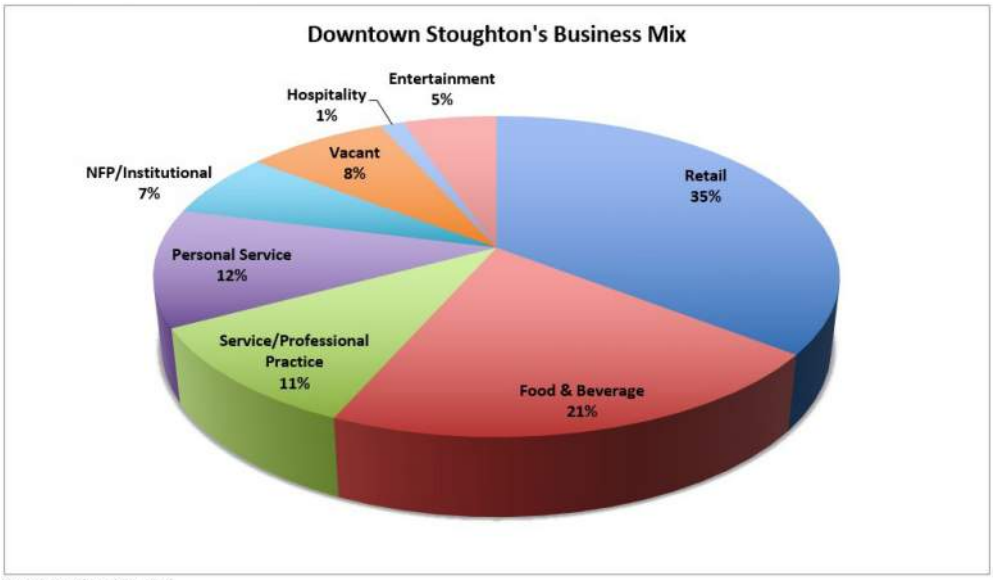
© 2017 Experian, Inc. All Rights Reserved, Alteryx, Inc.

Map: Custom Market



© 2017 Experian, Inc. All Rights Reserved, Alteryx, Inc.

Downtown's Current Business Mix



Source: Stoughton RDA, 2019.

Strategic Implications for Downtown Stoughton

- Overall, downtown Stoughton's markets are strong and growing, particularly the larger markets.
- Downtown's larger market geographies are younger (even excluding the university population), higher income, and growing in population. Estimated dining, or food away from home, spending, indicates overall household spending power. Given these market strengths, high performing downtown businesses can compete and capture additional sales from consumers within these larger markets. To effectively compete, downtown businesses will need to match and adapt their operations to changing consumer needs and behaviors, including how consumers use technology.
- According to Experian's psychographic data, 37.3% of Stoughton's households are described as 'Flourishing Families.' Increasing the emphasis on family-friendly activities will enable affinity for downtown as Stoughton's gathering place and for downtown's businesses. This also creates reasons for families from nearby towns or living in the region to visit Stoughton.
- These larger markets also exhibit greater racial and ethnic diversity than the City of Stoughton and the markets closer to downtown. This local trend resembles the national trend of increasing population diversity in all types of communities.
- Currently, the largest component of downtown's business mix by business unit is retail. This is an advantage to downtown Stoughton and another important downtown asset. Sustaining this component of the mix will require concerted efforts to support business growth (programs, expansion, and recruitment) by private and public sector interests. Retailers in downtowns and elsewhere now occupy smaller spaces, or store footprints, and operate fewer stores, given sector trends. Nationally and regionally, those business categories seeking lease space, opening, and succeeding in traditional downtowns include health, wellness and personal service businesses and food and beverage businesses, specifically restaurants, coffee shops, and specialty food businesses. These growing downtown uses (in some communities, small office users are growing) are also important by attracting additional and regular foot traffic to any downtown and its businesses.
- Adapting to changing markets, consumer behaviors, and the real estate requirements for current and emerging uses will serve as the foundation for downtown Stoughton's economic future.

The broader market trends affecting all sectors and uses have important implications for commercial districts, whether traditional downtowns, commercial corridors, or neighborhood business districts. In their own way, each major trend represents a seismic shift in how business is conducted, changing the nature of work, housing, and consumption. Altered consumer behaviors, technology, and lifestyle shifts will continue to influence the future success of businesses and uses in districts, like downtown Stoughton.

For ground level businesses in traditional downtowns, how they sell is now more important than what they sell. Ground level businesses, regardless of use or format, with strong operating characteristics, can succeed in any downtown commercial environment. The ability to respond to rapid market change will be critical for Stoughton's downtown business community and their major partners in revitalizing downtown.

For Stoughton, the relevant market and sector trends and their attributes are noted below:

- 'The Experience'
  - Welcoming to all
  - Gathering places—public and commercial
  - Unique special events
  - Creating excitement–temporary uses/spaces and emerging business types/formats
  - Residents AND visitors
- Importance of Local
  - It's not just produce anymore
  - Resident affinity for their downtown—their place
  - Local identity from each community's many local stories
  - 'Grow your own' local businesses and fostering entrepreneurship across all uses
- Technology, Technology, Technology
  - Internet resilient businesses
  - Technology as an integrated tool to improve the 'experience'
- Rapidly Changing Real Estate Needs
  - Smaller footprints
  - Fewer stores needed, given the extended consumer reach of 'Buy Online, Pick-up In Store' (BOPIS)
  - Shorter leases for shared, short-term, and seasonal uses
  - Changing work environments
  - Expansion: New definitions, such as businesses within businesses
- Retail Sector Trends
  - 'Goods to people' versus 'People to goods'
    - How they sell versus what they sell
    - Fostering a 'community' of customers
    - Purpose matters to consumers
  - 'Clicks and Mortar' and market position
  - Stores as showrooms, event spaces, and delivery mechanisms
  - Health, wellness, and beauty are growing
- Restaurant Sector Trends
  - Another downtown business growth category
  - Labor shortages and related costs, particularly for indies

- Off-premise sales—DoorDash, GrubHub, and UberEATS
- Non-traditional competition—'grocerauntes,' theater dining, and 'ghost' kitchens
- 'Guest facing' technologies
- 'Morphing' formats for concept testing

- Employment Sector Trends
  - Workforce diversity—age and race/ethnicity
  - 'Skills' gap and talent scarcity
  - Altered nature of work, and the new jobs of the future
  - Entrepreneurship and small business growth
  - The 'gig' economy and 'work from anywhere' benefit
  - Downtown amenities as an employer benefit
- Residential Sector Trends
  - 'Rent by choice' and affordability
  - Access to employment and family needs
  - Amenities are key
    - Smaller unit sizes
    - Higher end finishes
    - Package storage
    - Pets
  - Availability of housing types, such as 'missing middle,' multi-generational, or ADUs
  - 'Homecomers,' or young residents returning to their hometowns

Strategic Implications for Downtown Stoughton

- Business turnover remains a factor in all downtowns, even the most successful. Businesses close for many reasons. Though the perception created may be concerning, businesses are succeeding in downtown Stoughton. The opportunity to attract new and stronger businesses with new customers exists.
- Downtown Stoughton has multiple ground level businesses with strong operations, regardless of use. However, the current mix also includes hobby businesses, undercapitalized businesses, and businesses serving the owner lifestyle versus consumer needs.
- Developing a set of business support and growth resources to assist new and existing downtown businesses represents one aspect of addressing turnover. Among these business growth resources should be assistance with business succession planning to ensure that downtown's strong, established businesses can transition to new owners.
- Downtown's private sector, given the large percentage of owner-occupied buildings, can improve their buildings to enable downtown business, employment, and residential growth.
- Additional downtown (and nearby) employment represents 'bonus' spending power for downtown Stoughton's businesses. Increased employment from small office uses and shared workspaces throughout downtown Stoughton can also contribute to downtown's activity.
- Enhancing the quality of downtown's residential units can expand the City's available housing types and include possible lodging options–both enhancing downtown's customer base.

During this planning process, market-related observations were obtained through confidential interviews with downtown stakeholders (conducted on site on July 31, 2019 and by phone in August 2019) and in a stakeholder focus group held on August 1, 2019. Participants included downtown business and property owners, Stoughton residents, City officials, and representatives from Stoughton's major employers, local arts organizations, and downtown event organizers.

These interviewees and focus group participants recognize that sustained work will be required to improve downtown Stoughton's economy for the future. They also recognize that improvement will require time and investment by both the private and public sectors. Downtown Stoughton has multiple assets as a commercial district, but approaches and attitudes must change to address how downtown Stoughton will function in the future. Most important, all stakeholders want an economically vital downtown Stoughton that attracts more people, strong businesses, and local investment.

Downtown Stoughton: General Issues and Perceptions

- Recent vacancies have caused concern among downtown's business community. While these owners had individual reasons for their business closures, the combined effect creates negative perceptions for residents and visitors.
- In the past, Stoughton functioned as a distinct community with Norwegian roots. The City now serves as an economic component of a larger region and as a Madison suburb.
- Stoughton's downtown needs to become more welcoming to diverse populations. The City has become more diverse, as has the region. Stoughton's Norwegian story now represents one of many stories reflecting the City's history.
- Downtown Stoughton's private and public sector interests need a unified vision for a successful downtown future. The City and its downtown interests are perceived as resistant to change. Implementing any vision will require change. Potential investors also indicate that Stoughton needs to become more forward thinking and open to new ideas specific to downtown's future economic growth.

Downtown's Businesses and Uses

- Downtown's businesses need to recognize that national trends, particularly for retailers, apply to their present and future, and these businesses need to continuously adapt. This adaptation includes 'omni-channel' marketing and sales.
- Many downtown retailers close at 5 or 6PM and are not always open during their posted hours. Other participants indicated that this inhibits early evening purchasing by Stoughton residents who work in Madison or elsewhere. Downtown's retailers indicated that few customers patronize their stores after 5 and that closing earlier is important to their family lives.
- Too many hobby businesses and unsustainable businesses locate in downtown Stoughton. This negatively affects neighboring businesses and has contributed to recent business closings.
- Additional dining options are needed downtown to supplement the current restaurant cluster.
- Additional housing in or near downtown was cited as an opportunity to support downtown business growth.
- There is minimal collaboration among downtown's businesses, including strategic marketing efforts that could benefit multiple businesses. Related to the lack of collaboration is minimal communication among downtown's businesses.
- Temporary uses, such as food trucks, pop-ups, or AirBNB lodging, are emerging opportunities to activate downtown Stoughton. Local regulations may need updates to support emerging uses.

Downtown's Market Context

- With minor variations, downtown's businesses are generally attracting consumers from similar regional market geographies. (This is displayed in the Custom Market map included in the Demographics and Markets section on page 25.)
- Downtown Stoughton needs new ideas and fresh approaches to increase downtown business revenues and to improve downtown for the future. This will require greater collaboration among all downtown stakeholders.
- While new Stoughton residents are very committed to downtown and the City, both areas (downtown and the City) need to attract younger residents and families to the community.

Appearance and Design Issues

- Downtown needs to look better. This observation encompassed several aspects—cleanliness outside of storefronts, store window merchandising, certain building facades, and vacancies.
- Alleys, including rear-parking areas, were described as unkempt, poorly maintained, and dangerous in winter weather.
- The Main Street corridor needs more plantings and greenery to create a nicer overall experience.

Access and Circulation

- Parking enforcement during the day was cited as restrictive. The two (2) hour parking limit in most locations is insufficient if customers want to shop and dine.
- Parking is available but difficult for downtown customers to locate. More informational signage and better, consistent wayfinding would help manage any parking issues. This also applies to rear parking areas located behind Main Street buildings which also requires better signage.

Real Estate and Local Incentives

- Stoughton's downtown real estate includes a high percentage of owner occupants, or business owners who own their storefronts. Rents in leased storefronts are described as 'very high.'
- According to regional real estate professionals, the downtown real estate market is a good market. Prospective tenants considering downtown Stoughton lease space are primarily personal services and service-related.
- The range of ground level rents for downtown lease space is difficult to determine, given the high percentage of business owner-occupants. Stoughton's ground level rents are described as negotiable, but generally in the $8-$13 PSF range. Rents allocated (or paid) by owner-occupants to their buildings vary significantly by property ownership structure and owner tax status. These rents are typically below market rents. Asking rents per square foot (PSF) for vintage ground level lease in the south Madison area are generally $12-$15 PSF with varied add-ons. Asking rents for restaurant lease space is slightly higher PSF, typically $14-$20 PSF.
- Downtown's historic buildings suffer from deferred maintenance and disinvestment. For businesses owning their buildings, upper story residential rents are the economic driver for property ownership.
- Currently available local incentive programs need to be modified. These incentives do not match the needs of downtown's property owners.

Downtown Events and Activities

- Stoughton's arts and cultural institutions attract large numbers of visitors to Stoughton's downtown annually. As one example, the continued growth of the Opera House audience is important to the success of downtown's restaurants. The City has also received regional recognition for its arts programming.
- The major downtown festival, Syttende Mai, continues to attract nearly 20,000 each year, providing important exposure to downtown's businesses.
- A more recent event, the Stoughton Community Farmers Market continues to grow attendance and its community of customers through social media.
- The downtown has a complete, annual event calendar including new and established events. Some overlap exists among current events and targeted audiences. Also, there is no single information source (webpage or other media) with the complete downtown event schedule.

Organization and Partnerships

- The partnership between the City and downtown's private sector needs to be strengthened. Roles and responsibilities for the private and public sectors require definition. As one example, the private sector needs to better understand local regulatory processes, and the public sector needs to better educate the private sector about these processes.
- Downtown leadership, or a liaison function, is needed to enable collaboration among businesses. Multiple participants cited this need.
- Strong partnerships with multiple local interests will be important to downtown growth and any downtown leadership. As examples, partnerships with downtown's arts and cultural institutions would be beneficial for downtown's future. This could include multiple activities to enliven downtown in small ways. The City's major employers can provide access to expertise and potential customers.
- Engaging residents interested in seeing downtown succeed will be most important for downtown's future. This includes engaging parents and their young children in their downtown, building their affinity for their community.

Strategic Implications for Downtown Stoughton

- Becoming more welcoming will be key to a successful downtown future. This encompasses multiple efforts and actions—from welcoming diverse people and families to downtown, to permitting visitors and families to access restrooms, and to understanding what new downtown businesses need to succeed. Ultimately, being welcoming is the basis for all attraction efforts, whether for new residents, businesses, current residents or employees, and visitors.
- Collaboration will be required to ensure future success, particularly among private sector interests. A successful downtown means all interests, private and public, benefit from economic success. As one example, organizers of downtown events should be working together to eliminate any duplication and to ensure event publicity, success and organization.
- The private and public sector roles in downtown's improvement need greater definition. These defined roles will establish the context for collaboration. The City and Stoughton's RDA can examine their processes, regulations, and approvals to support this plan's implementation and downtown's economic success. The private sector needs to strengthen their operations, including customer attraction to their individual businesses and downtown, and to ensure quality improvements to their historic buildings to enable better appearance.

The following hypotheticals are 'back of the envelope' calculations indicative of downtown Stoughton's current real estate market. The assumptions used to develop these calculations are based on three (3) information sources– stakeholder interviews with regional real estate professionals, published sources about downtown real estate sales, and data from real estate listings for the south Madison area, including Stoughton.

On a fundamental level, commercial rents are a function of commercial activity in any district. Lots of commercial activity means more business revenues and higher rents, given business interest in locating in that district. Commercial districts, including traditional downtowns, with higher rents also generate higher sales per square foot in downtown's businesses. The resulting higher returns to business owners and property owners enable reinvestment.

Two (2) sets of hypotheticals are shown below. The first hypothetical describes a ground level business occupying 1,200 SF. A $300 in sales per square foot (PSF) figure is an accepted national average for retail sector sales. Ground level rents typically represent 5-8% of total sales for these businesses. For this 1,200 SF space, annual rents at 5% and 8% of total sales would be $18,000 and $28,800, respectively. These annual rents equate to $15 and $24 PSF, respectively.

The second hypothetical applies the same 5% and 8% average rent expenses to downtown Stoughton's current ground level rents. For this same 1,200 SF storefront, the estimated sales PSF for businesses paying $6 or $10 PSF ranges from $75 PSF to $200 PSF. These sales figures are significantly below the $300 average national sector sales PSF cited above.

Hypothetical Downtown Storefront: National Average Sales

Storefront SF	National Average Sales PSF	Annual Sales	Annual Rent @ 5% of Sales	Rent PSF @ 5%	Annual Rent @ 8% of Sales	Rent PSF @ 8%
1,200	$300	$360,000	$18,000	$15	$28,800	$24

Hypothetical Downtown Storefront: Stoughton Ground Level Rents

Storefront SF	Estimated Rent PSF	Annual Rent	Annual Sales (Rent as 5% of Sales)	Estimated Sales PSF	Annual Sales (Rent as 8% of Sales)	Estimated Sales PSF
1,200	$6	$7,200	$144,000	$120	$90,000	$75
1,200	$10	$12,000	$240,000	$200	$150,000	$125

The second hypothetical displays the rental income for a 2-story building in downtown Stoughton. This building includes one ground level commercial space and two (2) second floor apartments. Again, current market rents of $6 and $10 PSF are applied. The $6 PSF represents the rental rate for an owner-occupant, or a business owner who also owns their building. A ground level tenant pays the $10 PSF market rent rate. This hypothetical also assumes that the owner has a $165,000 mortgage on this property. This scenario supports two (2) points made in this plan's stakeholder interviews: (1) that residential rents are often supporting building debt service; and (2) that minimal cash flow is available for building improvement at these lower rents and sales PSF.

Hypothetical 2-Story Downtown Building				
	SF			
Ground level commercial	1,200			
Rental apartments (2)	1,200			
	Estimated Rent PSF*	Annual Rent	Estimated Rent PSF	Annual Rent
Ground level commercial	$6	$7,200	$10	$12,000
Rental apartments (2)	$12	$14,400	$12	$14,400
Building Rental Income		$21,600		$26,400
Expenses (20% of Rental Income)		$4,320		$5,280
Annual Real Estate Taxes		$4,000		$4,000
Net Income		$13,280		$17,120
Debt service (Assumes $165,000 mortgage at 4.5% with 25 year amortization)		$11,040		$11,040
Debt Service Coverage (Net Income/Debt service)		1.20		1.55

*Assumes allocated rent by an owner-occupant.

Strategic Implications for Downtown Stoughton

- Important opportunities exist to improve downtown business and real estate economics. While downtown's overall sales are currently challenged, improved operations by downtown businesses can support incremental growth and reinvestment.
- Initially, local incentives will need to be adapted to address the most needed improvements to downtown buildings. Improving downtown's storefronts in partnership with the private sector can begin to address three (3) issues: improve appearance and potential tenancies; communicate the local commitment to strengthening downtown; and indirectly support overall sales growth.

The Downtown Stoughton Resident/Consumer Survey was conducted from August 6, 2019 through October 8, 2019. This online survey consisted of 18 questions and received 1,110 responses. The purpose of this online survey was to identify respondent preferences specific to downtown Stoughton and to inform this plan's strategic recommendations. Respondents were not required to answer any individual survey question. The following is a summary of the overall survey results. Detailed survey results will be provided as an appendix to the overall marker analysis within this plan's final deliverables.

Fundamentally, these survey results identify what respondents think, not why they think the way they do. These results also identify respondent behaviors and attitudes about downtown Stoughton's shopping and dining options and about downtown Stoughton's overall experience. In addition, survey results provide guidance for downtown's future growth by identifying businesses or business categories that could affect additional purchasing in downtown Stoughton. Overall, survey respondents were very direct in their observations about their downtown Stoughton experience and the kinds of actions needed to improve downtown.

The demographics of the respondent pool are shown on the next two (2) pages, followed by selected survey results by question. In analyzing the 1,110 survey responses, three (3) sub-groups were identified for additional analysis. These sub-groups were:

- Respondents aged 25-44. This group represented 37.1% of all survey responses. Their preferences are particularly important to downtown's future, given their interest in events and experiences. This sub-group is also forming households, either starting or raising families, and spending higher proportions of their household incomes for both reasons.
- Residents of zip code 53589 (Stoughton residents). This respondent group represented 86.3% of all survey responses. Given this high percentage of responses, this sub-group's responses directly correlated with the results from all survey responses.
- Non-residents (other than zip code 53589). Any differences between non-residents' responses and all responses to survey questions are described in the analyses of individual questions below.

Respondent Demographics

Question 16: Please choose the category that matches your age.		
Answer Choices	Survey Responses	City of Stoughton
Under 20	0.9%	25.1%
20 to 24	3.1%	5.7%
25 to 34	15.2%	11.9%
35 to 44	21.9%	13.3%
45 to 54	17.8%	14.7%
55 to 64	21.1%	12.0%
65 to 74	16.4%	8.6%
75 or older	3.5%	8.7%

- The overall respondent pool skews older when compared with the City of Stoughton's population data. The non-residents sub-group responses actually skewed older than all responses.
- The percentage of aged 25-44 responses exceeded that of the City's percentage of population.

Question 15: Choose the answer that best describes your household.	
Answer Choices	Responses
I live alone	12.6%
We are a household composed of two (2) adults and no children	40.9%
We are a family or a household composed of three (3) or more adults over age 18	11.3%
We are a family with pre-school or school aged children living at home	29.4%
Other (please specify)	5.8%

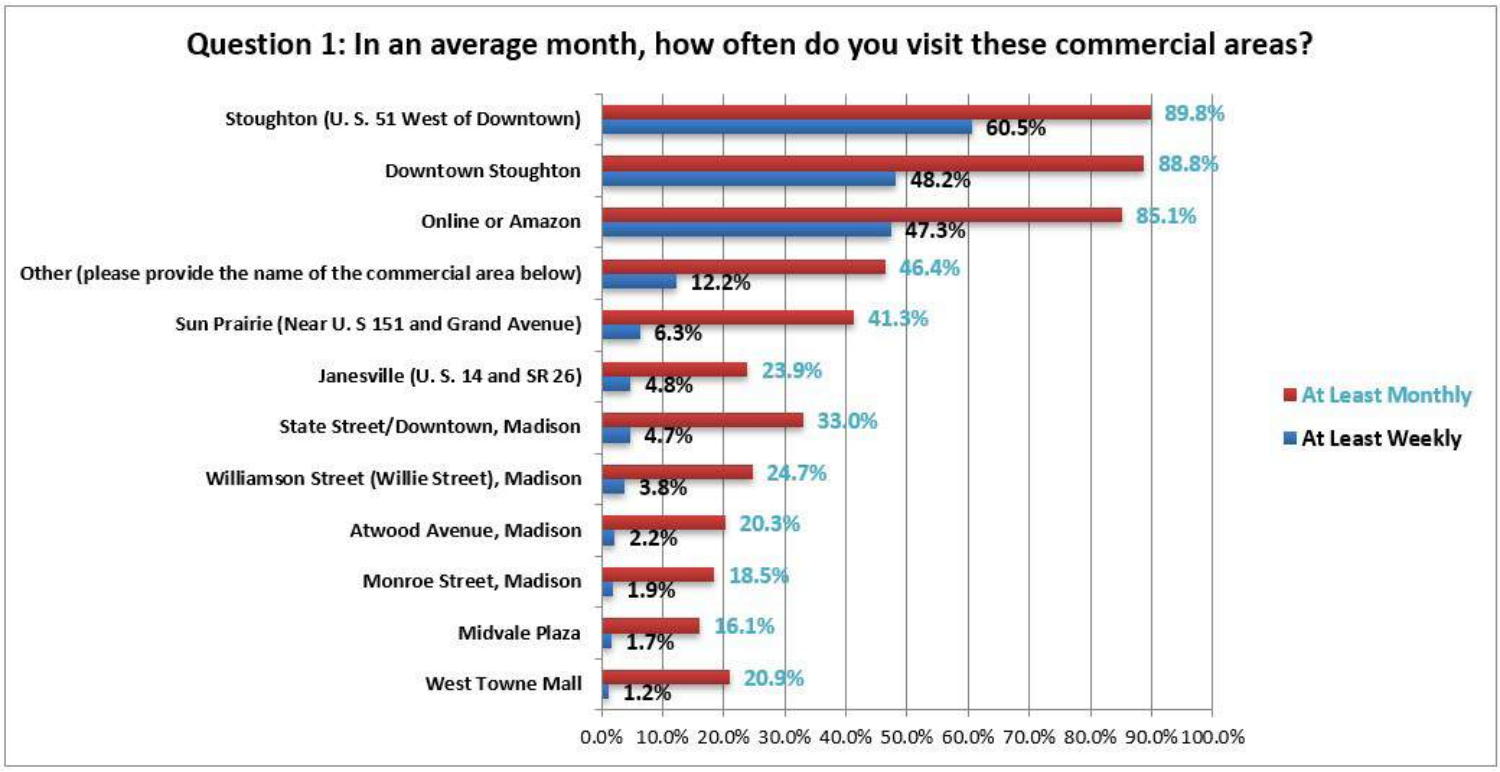
- All responses and non-residents' responses had higher percentages of 'I live alone' responses, generally reflecting their higher percentages of older respondents.
- 86.7% of the aged 25-44 sub-group reside in households with multiple people.
- The 'Other' responses fit into the categories provided with minimal changes to the overall percentages shown for all responses and sub-groups.

Question 13: In what ZIP code is your home located? (Top 3 Zip Codes)		
Zip Code	#	Town
53589	850	Stoughton
53575	22	Fitchburg
53534	11	Edgerton

Question 14: If you are employed, in what ZIP code is your place of employment located? (Top 3 Zip Codes)		
Zip Code	#	Town
Various	273	Madison
53589	270	Stoughton
53717	14	Middleton

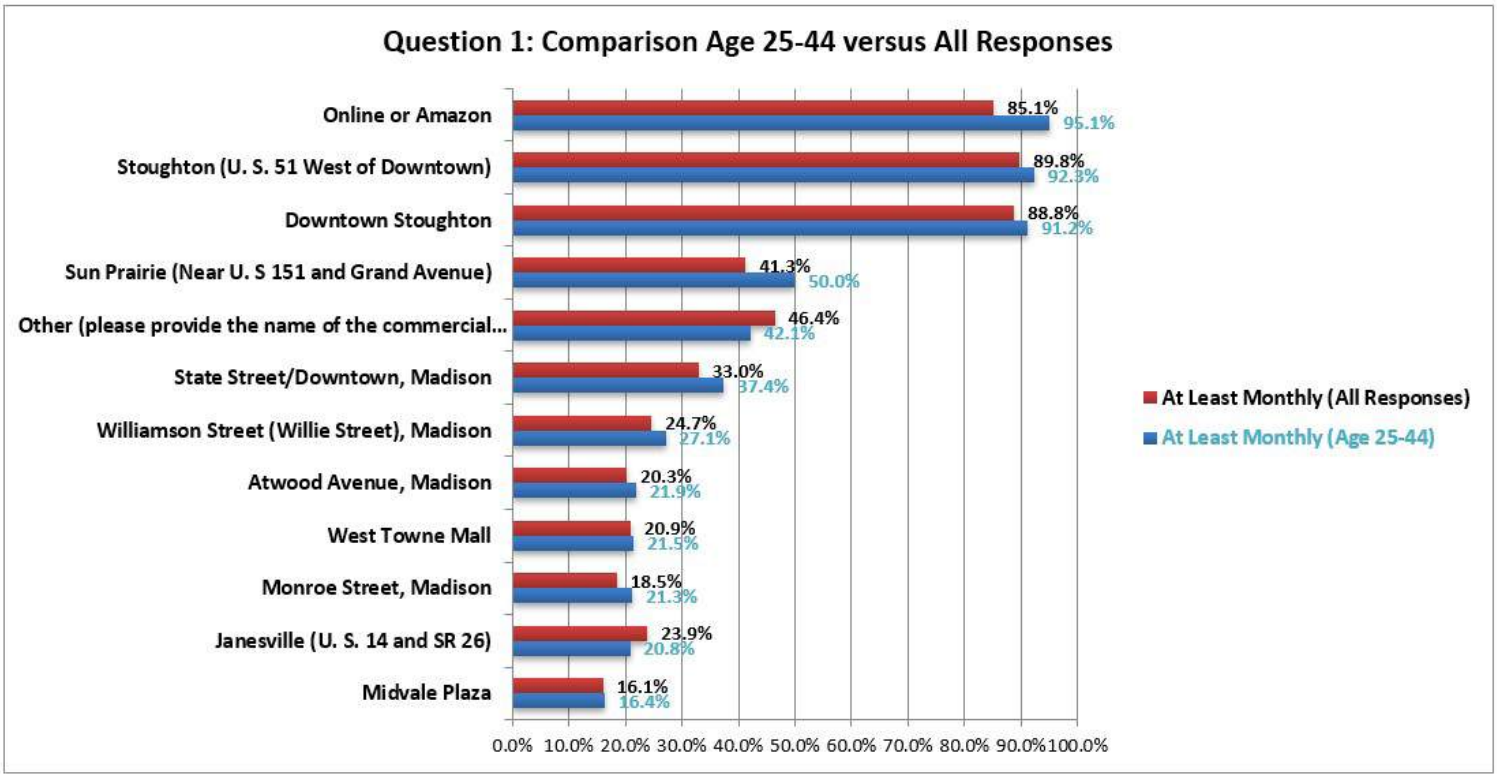
- Question 13 respondents resided in 49 different zip codes.
- Question 14 respondents worked in 72 different zip codes.
- For both Questions 13 and 14, most responses were from the Madison region. A small number of zip code responses to both questions were from out of state. These responses were from either visitors or local residents who telecommute.

Question 1: All Responses



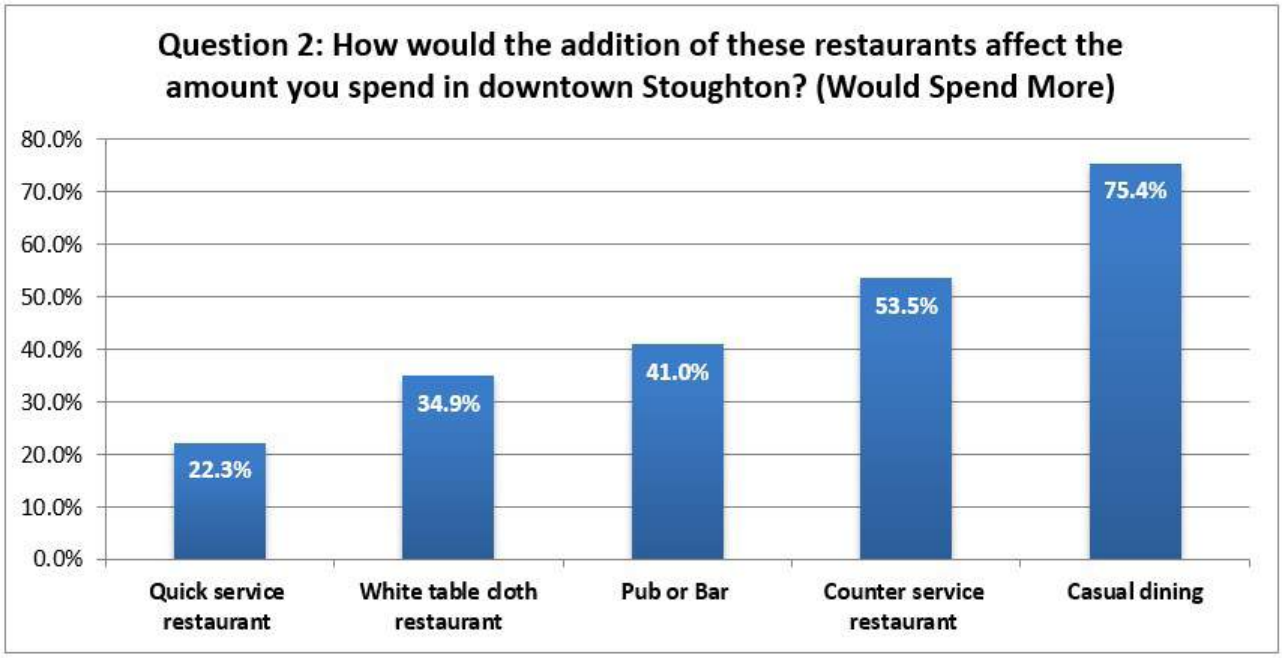
- Online shopping is reality. Over 85% of all respondents shop online at least monthly.
- Respondents are visiting a wide range of commercial locales, reflecting the wide range of accessible options in the Madison region.
- The 'Other' responses included East Towne, Costco/Greenway Station, Middleton, Hilldale, all surrounding downtowns, and major commercial strips in Monona and Sun Prairie. Certain individual destination stores or restaurants were also noted.

Question 1: At Least Monthly Comparing Aged 25-44 Responses with All Responses



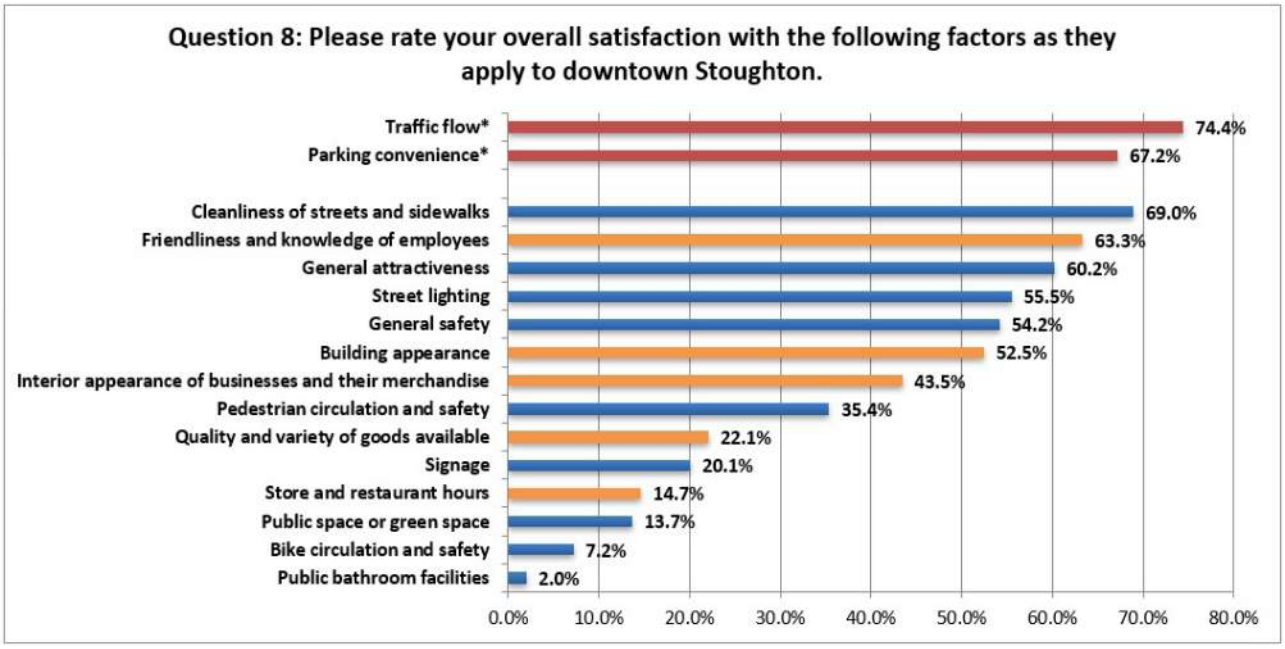
- This younger sub-group shops online even more frequently. 60% shop online at least weekly versus 47.3% of all respondents.
- This same sub-group also visits downtown Stoughton more frequently than all respondents.
- As noted with all responses, the aged 25-44 sub-group is visiting all of the region's commercial areas, in addition to their online activity.

Question 2: All Responses



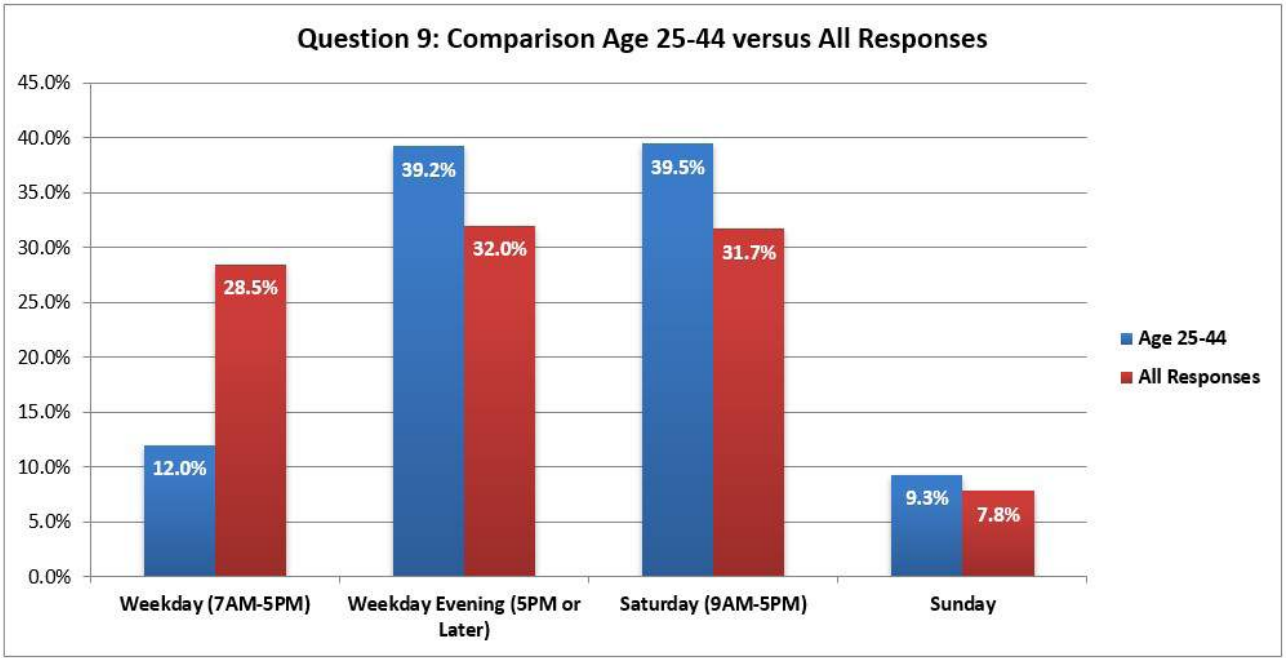
- This chart combines the responses for 'would spend a lot more' and 'would spend a little more' for each restaurant format.
- The aged 25-44 sub-group's responses generally tracked with all responses, but with much higher percentages for each format–for example, 87.4% would spend more for casual dining versus 75.4%.
- Question 3 (In the past month, how many times did you eat out at restaurants?) results are similar for all responses and the non-resident and aged 25-44 sub-groups.
- 1,103 of the 1,110 respondents answered Questions 2 and 3. Roughly 1/3 of all respondents are dining out weekly, and nearly 39% are dining out 7 or more times per month.
- These dining-related responses present a solid opportunity for strong Stoughton and regional food and beverage operators to either expand or consider a downtown Stoughton location, assuming available ground level spaces suitable for restaurant build-outs.

Question 8: All Responses



- The following should be noted in considering the above responses:
  - The percentages displayed in blue and orange combine the Excellent and Above Average ratings for each factor.
  - The percentage for Traffic Flow and Parking combine the Excellent, Above Average, and Average rating for each factor. For any community, being the 'Cadillac' of parking is cost prohibitive at best. Parking signage and online maps were noted within the survey comments as suggestions to address traffic and parking concerns. For traffic flow, many issues associated with Main Street's traffic flow are simply outside of the City's control, given U. S. 51 is a federal highway. Overall, both ratings are very good.
  - The percentages displayed in orange are factors controlled by the private sector, and the percentages shown in blue are factors controlled by the public sector. Downtown store and restaurant hours were frequently mentioned in the survey comments, including in the responses to this question.
  - The aged 25-44 sub-group contributed most of this question's respondent comments (51 of 158). These comments, similar to those of other respondents, focused on four (4) areas: bike access (lanes, racks and trail connections in downtown Stoughton); outdoor dining options; the need for entertainment and entertainment venues; and business hours.

Question 9: When is it convenient for you to shop? (Comparison between Aged 25-44 Responses and All Responses)



- This question required respondents to select their most convenient shopping timeframe. Multiple comments noted Saturdays and Sundays as equally convenient.
- The survey's older respondents generally identified weekday hours as most convenient for shopping.
- Of the aged 25-44 sub-group, 98 of the 367 respondents identified early evening hours as most convenient.
- Overall, these results indicate that downtown's businesses interested in sales growth should consider extended hours. Collaboration and ongoing communication about any changes to operating hours will be required. Creating consumer awareness of changes to business hours takes time. Downtown's businesses also need to remain open for their posted hours.

Other Survey Highlights:

- Respondents, whether all respondents or a sub-group, want downtown gathering places—whether coffee shops, outdoor dining options, or public places for events. Younger respondents are particularly interested in children's activities and events and in experiential uses, such as food trucks, pop-ups, and temporary uses.
- Additional casual dining options were a high priority for all respondents. Respondents described multiple unique business categories as opportunities for downtown Stoughton in survey comments. Downtown's cultural and arts activities were also cited as significant opportunities for growth and attraction.
- The Syttende Mai Festival remains popular will all survey respondents. The aged 25-44 respondents attend the Farmers Market, Small Business Saturday, and other retail promotions in higher percentages than all respondents do.
- While 20.3% of the all respondents are retired, only 3.3% of the aged 25-44 sub-group is not working. Also, 17.2% of the aged 25-44 sub-group works from home at least one day per week. Recognizing the importance

of this sub-group's spending power to downtown's economic future will be fundamental to the district's long-term success.

- Most survey respondents (68.1%) visit downtown Stoughton for 30 minutes to 2 hours. This is a positive characteristic. Extending the time spent downtown by residents and visitors will also remain important to sustained business success.

Strategic Implications for Downtown Stoughton

- Stoughton residents and visitors are regularly patronizing downtown's businesses. Cultivating the kinds of experiences to capture their loyalty and spending will remain important to future growth.
- Understanding how to meet the needs of new and potential downtown customers will be critical to growing the downtown economy.
- Improving downtown's appearance will require joint public and private sector efforts. Determining what actions and programs, including updated incentives, represent the best investment options by both sectors will require evaluation and collaboration.
- Downtown is perceived as having multiple opportunities and assets, as a traditional, historic commercial district. For downtown's business owners, improving operations represents one opportunity to immediately impact downtown's economy.

Memorandum - July 10, 2019

To: City of Stoughton Downtown Revitalization Subcommittee Phil Caravello, Joe Crubaugh, Denise Duranczyk, Sharon Mason-Boersma, Peter McMasters, Jamae Ramsden, Alan Sheets, Lukas Trow

Business Districts Inc Diane Williams

From: **Ayres Associates** J Blue

Date: July 10, 2019

Re: July 2, 2019 Project Kickoff Meeting

Attending: **City of Stoughton Downtown Revitalization Subcommittee (DRS)** Phil Caravello, Joe Crubaugh, Denise Duranczyk, Sharon Mason-Boersma, Peter McMasters, Jamae Ramsden, Alan Sheets, Lukas Trow

Business Districts Inc (BDI) Diane Williams
Ayres Associates (AA) J Blue

Action Items:

- Diane and Denise to coordinate stakeholder interviews; Complete interviews set for 7/31 to 8/1.
- DRS to coordinate with downtown business groups for Business Owner Focus Group meetings. Ongoing.
- Diane and Lukas to coordinate regarding phone interviews with area real estate brokers and the RDA's downtown business list; Completed, 7/9/2019.
- AA to update project study area mapping, extend mapping area, include project boundary, update buildings on drawings. Ongoing.
- AA to establish PIM 1 date with DRS. Ongoing.
- AA to request TIF mapping and Art & Entertainment Dist Mapping from City Engineering; Requested, 7/10/2019.
- AA to request City Parking Report from City Engineering; Requested, 7/10/2019.
- BDI to share a link to the draft survey; Completed, 7/5/2019.

Meeting Summary:

Agenda of the Meeting was as follows:

1. Introductions
2. Identify planning and design goals or objectives
3. Review and discuss the Public Input Meetings
   a. There are two planned for this project
   b. Strategies for collecting public input
      i. Review Draft Survey
4. Identify project stakeholders
5. Review available base information

a. Review Preliminary Demographics
b. Review base mapping

6. Define the project study area
7. Establish a project schedule

The team began by exploring the question, What defines success for this project?
Response included:

- Real economic development strategies
- Recommendations that can be implemented and practical strategies for short-term (visible) and long-term improvements
- Concrete improvements that illustrate progress
- Benchmarks for performance success with timeframes
- Recognition of what community members want
- How downtown looks is important
- Input from the general public
- Better parking
- Publicly accessible bathrooms
- Identification of what prevents, or interrupts use of downtown, for example circulation of users is impacted by the hill downtown is built on and other businesses are there are an obstacle for DT
- Characterize the current atmosphere of downtown for example a recent number of store closing and some other possible closings have been negatively portrayed; capture morale issues and address where do we go from here
- Understanding of downtown thinking and future
- An organizational structure for downtown growth and revitalization is needed
- Need a private sector lead to partner with public sector

Next the team examined the question, What is downtown Stoughton in one word or phrase?
Responses included: Walkable; historic, small, a variety of shopping of experiences, small shops, independent businesses, changing, has stability concern s; retirement of historic or older business owners is a problem.

Scheduling the First Public Input Meeting (PIM 1)
The Team reviewed possible City events that might pair well with the first public input meeting (PIM); Most felt the Gazebo Musikk series (held every two weeks through the summer) the Stoughton Coffee Break Festival (Sat. Aug 17), the Farmer's Market (Friday's from 7-1 from May through October), or Art Walk Stoughton (Sat., Sept 28) would be suitable days.

The group reviewed the type of content prepared for the PIM 1. It was felt the following tools would be helpful in collecting public input:

1. Value Board
2. Dot-mocracy of places within the project study area
3. Public response form hard copy and digital form

It was discussed if a plan view drawing of the study area should be used or a series of building elevations.

Ayres will explore how to best convey the site information to the public and develop a board for review. The project boundary defined in this meeting, see below, makes elevations of all the streets within the project study area confusing. We suggest Ayres develop a drawing for review by the DRS.

Planned Main St Improvement Projects
The group discussed the City's plan to execute a series of spot improvement projects to Main Street in 2020. The work is part of the closure of the downtown TIF district and must be completed by 2012. Plans for the improvements are presently underway with the City's engineering consultant. AA requested copies of the proposed plans for incorporation into the base mapping for this project and to ensure we accommodate expected improvements.

Project Study Area
The group reviewed the projects study area and determined this project will be focused on Main St and surrounding downtown businesses and streets from Page St to Hillside Ave, and half a block north of Washington south to Jefferson St, including Uniroyal and extending the south on 4th south to the proposed redevelopment project at the river.

Business Owner Focus Group
The Team discussed the BOFG's. The DRS had determined the desired groups were as follows:
Downtown Retail
- Downtown Service
- Downtown Restaurant and Entertainment
- Riverfront Redevelopment Master Planner
- Local officials
- Major Downtown Employers (Uniroyal, City, School District, Stoughton Trailer, and Hospital)
- Event Organizers
- Representatives of the Arts

The DRS members were going to reach out to individuals in these groups to solicit their participation in a focus group.

Other discussion
The group reviewed information to complete the draft resident/consumer survey and discussed possible circulation options.

The team briefly discussed that the Visitor's Bureau is currently housed in the Chamber Offices but expressed there might be a better location as a result of this plan.

The team also discussed if there was a dedicated downtown broker for spaces and noted that there were realtors who focus more on downtown than others, but that there was not currently a downtown broker.

Finally, the team briefly discussed the vacancy of the Opera House and the opportunities that might afford for Main Street.