



October 17, 2014

City Council Alderpersons
City of Stoughton
381 East Main Street
Stoughton, WI 53589

RE: Additional Supplemental Information for Economic Impact Analysis

This letter outlines a list of items that would be reviewed, gathered or assessed in response to questions that were raised at the City Council meeting on Tuesday, October 14th regarding the economic impact analysis.

This letter and attached proposal document discuss the following items that were raised in the meeting:

- 1) Additional information required about the Kettle Park West-Phase I development in order to have a better understanding of the types of stores that would be located there for those components that have not yet been identified.
- 2) Additional information/clarification regarding the potential impact or use of local labor to complete the development and then subsequent employment impacts of the opening and operation of new facilities.
- 3) Additional information requested from the City regarding the potential impacts and/or additional costs to City staff and/or city operations due to the development and operation of the Kettle Park West-Phase I project.
- 4) Request for additional analysis regarding the potential impacts to local businesses through interviews and/or surveys of local businesses that may be impacted by the development of KPW either positively or negatively.

Regarding Item 1:

Questions were raised regarding the additional information that is needed from the developer to be able to effectively analyze the potential impacts to the community of the establishments that would be located in Phase I. We will request from the developer, at a minimum, a clarification of the types of businesses that are currently undisclosed (industry and size, existing or relocation) to be able to make a reasonable estimate as to the potential impact that the unknown components may have on the

community. To the extent that this information is known and is provided to us, we will address this in the supplemental report.

Regarding Item 2:

The report identified the number of construction jobs and retail/office jobs that would be associated with the proposed development of Kettle Park West-Phase I. In addition, the potential economic impact from those positions to the community and community businesses was also identified. Not identified was the potential or likelihood for the construction contracts for building of the structures and the highway and other infrastructure improvements to be let/bid to local contractors. We will address this in the supplement as regards the potential for City or County businesses to obtain these contracts in a bid situation under regular bidding regulations of the local/county/or state jurisdiction.

Regarding Item 3:

In our original request for information to the City, Maxfield Research requested documentation of the potential costs and/or additions to staff (police, fire, EMS, building inspections, etc.) that would be necessary or would result from the development of Kettle Park West. It is our understanding that the City had conversations with department heads at the City to ask if they believed there would be additional costs associated with KPW-I development. We received a response that there would be not additional staff added or additional costs associated with its development.

If the Council chooses, we will personally interview department heads to determine if there would be required additional staff overtime or additional staff that would be required to support the development and ongoing operations of KPW-I.

We would propose to complete the interviews at an hourly rate for staff time of \$150/hour and estimate that it would require approximately three hours of time for a total cost of \$450.00

Regarding Item 4:

Request for additional analysis regarding the potential impacts to local businesses through interviews/surveys of those that may be impacted by KPW-I. This would include those that may be positively or negatively impacted by the proposed development.

In conducting the original economic analysis, Maxfield Research Inc. reviewed a substantial amount of research studies and literature regarding the opening of a Walmart store in various size communities. Our analysis addresses the information obtained from several of those reports regarding the impacts that have occurred to cities large and small in various states across the country.

In each case, these economic analyses and research studies relied on research data gathered from stores sales data provided through national data providers or State sales tax records. These studies did not compile data from personal interviews with businesses owners at the stores in each of the communities.

Undertaking that type of research would require a lengthy time period, substantial cost and would require contacting all businesses in the community that may have some type of impact, positive or negative or neutral in order to compile an accurate assessment. It is our professional opinion that the outcome of this type of research would not substantively change the results of the study.

The cost to complete this type of research depends on the number of businesses to be interviewed and the time to contact each business. This may require multiple calls in order to reach the business owner or manager and to obtain the necessary information. In the end, we would be asking them to provide their best estimate (in percent) of the potential impacts to their operations, either positive or negative of the opening of KPW. We estimate that this type of research would require at least three to four months to complete at an estimated cost of \$30 to \$40 per business interview. All businesses would need to be interviewed in order to assess the potential impacts from each type of business either public, private, commercial office, retail or industrial.

Except for Item 4, we propose to complete the additional supplement to the report by mid-November. The total additional cost to the City would be the \$450.00 for interviews with City staff, should the council desire to proceed with that proposal. All other items would be addressed at no additional charge.

If you have questions or need additional information, please let me know. Thank you for this opportunity to address these items.

Sincerely,

MAXFIELD RESEARCH INC.



Mary C. Bujold
President