

# City of Hillsboro

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### Introduction

The City of Hillsboro, in reaction to local, regional, national, and global economic trends, and in anticipation of future changes, has taken it upon itself to make a plan for revitalization for its downtown. The goals of such a planning process are to stop the economic and physical decline of downtown, reverse it when possible, and to adapt to the market-determined "new normal" that small rural downtown must now face in America. The plan is intended to provide Hillsboro with a coordinated and efficient system for addressing Hillsboro's specific issues and developing a sense of place for the City's downtown.

Hillsboro is a community of over 1400 residents, located on the West Branch Baraboo River nestled among abundant hills of the non-glacial Driftless Region of West-Central Wisconsin, the City of Hillsboro is a small, attractive rural community in Eastern Vernon County at the bisecting of State Highways 33/80/82. The surrounding area maintains a strong agricultural base and there are several dairy-based industries in the Hillsboro area. Activities in the area include recreation on the Kickapoo and Baraboo Rivers, the Hillsboro State Bike Trail that connects to the historic "400" State Trail and the Elroy-Sparta Trail, Wildcat Mountain State Park, Vernon County Round Barns, world-class trout fishing, motorcycling routes, and Amish settlements. Hillsboro is known as the "Czech Capital of Wisconsin," which is celebrated at the annual Cesky Den festival. There are at least 120 more additional business in Hillsboro. This document is part of a project designed to move Hillsboro's economic development effort forward.

# **Planning Process**

Hillsboro undertook a 6-month planning process to create this downtown redevelopment plan. The City partnered with planning consulting firm Vierbicher from Madison, Wisconsin to create the plan. The planning process was divided into three main planning elements through a four step process. The primary planning areas were a market analysis, identification of redevelopment opportunities, and an implementation and funding plan. These steps are described in more detail below.

A market analysis was preformed to define the current economic opportunities and challenges in Hillsboro. Data collection focused on identifying a trade area for downtown retail tenants, labor force and visitor spending, and identification of local preferences regarding future redevelopment and business mix.

The redevelopment opportunities phase assessed the existing real estate market, including rents, vacancy, absorption and individual property characteristics. Using information from the market analysis phase, uses were matched with buildings or areas which best match site or location needs. Options for community facilities were also evaluated as part of this element.

The goal of the implementation and funding plan element was to develop a step by step 5-year implementation plan for the downtown revitalization program. The plan includes action items associated with real estate reuse and redevelopment planning, marketing and program initiatives, and funding strategies. While the plan focuses on downtown, some recommendations may be associated with programs or initiatives which have a community-wide reach, including marketing or other City activities.

# Review of Existing & Previous Reports & Programs

Over the past several years the City of Hillsboro has initiated a number of projects to facilitate economic growth within the community. The City of Hillsboro feels strongly it can provide the resources and stability a business expansion or development would require. From TID incentives to employee relocation / housing placement assistance, land purchase agreements to utility subsidies, the City of Hillsboro is ready and willing to assist in any expansion of your business.

The City has entered into an agreement to assist in the development of a new hospital for St. Joseph's Health Services – Gundersen Lutheran. It is very necessary that on-going open communication is maintained between the City of Hillsboro and Gundersen Health. Relocating the Hospital on Highway 82/33 outside of Hillsboro will have a significant negative impact on downtown.

TIF assistance and other incentives have resulted in positive outcomes for the City with Whitehall Specialties, Alcam Creamery (Hillsboro Riverview Dairy), Hotel Hillsboro, Milestone Senior Living, and METCO.

The Hillsboro Community Development Authority (HCDA) was created to stabilize, protect, improve and support the industrial and commercial base within the City of Hillsboro and preserve the quality of life for all residents of the City. The HCDA provides funding and programs for decent affordable housing, redevelopment and revitalization efforts and economic development activities. Appointed by the Mayor of Hillsboro, the seven commissioners of the HCDA are selected based on their ability and experience in the fields of urban renewal and community / economic development and charged with promoting community and economic development. The active Community Development Authority has assisted in the start-up of several small businesses in recent years through several progressive programs.

The HCDA Economic Development Incentive Program provides assistance to a new business to locate within the commercial district in the City of Hillsboro to enhance the overall business environment and vibrancy of the district. Eligible business expenses include, but are not limited to, labor and material costs for the improvement of the building facade and interior; purchase or rental of fixtures, equipment, or supplies; and purchase of inventory.

The HCDA Facade Improvement Program assists new and existing businesses located within the downtown commercial district with the upgrade and renewal of the exterior facades, signs and architectural features of existing commercial buildings. The improvements may focus on the front, side or rear of the building, but must be sufficient in scope to produce visible and improved changes to the building facades. All new or existing commercial business that has identified its current building as in need of repair, dilapidated, non-conforming to design standards in the district, outdated, or blighted are eligible for the award, with a maximum award amount of \$5,000.

The HCDA Signage Grant assists new or existing businesses located within the downtown commercial district of the City of Hillsboro with the upgrade and renewal of exterior signage. Any new or existing commercial business located within the commercial

zoning district (C1) is eligible for the award. Upgrade, repair, or replacement of exterior business signage, including sign installation are all eligible activities able to be funded by the award., with a maximum grant amount of \$500.

The City of Hillsboro maintains and active Community Development Block Grant (CDBG) program, the purpose of which is to further economic development that involves the creation of new jobs and income, or the retention of existing jobs and income in the City of Hillsboro. The main tool the City uses to utilize CDBG funding is a revolving loan fund (RLF), which is a gap financing measure primarily used for development and expansion of small businesses. The RLF is a self-replenishing pool of money, utilizing interest and principal payments on old loans to issue new ones. Often the RLF is a bridge between the amount the borrower can obtain on the private market and the amount needed to start or sustain a business. The Hillsboro RLF interest rate is slightly below market, and with flexible terms, the RLF provides access to new financing sources for the borrower, while lowering overall risk for participating institutional lenders. Loans used for working capital may be paid back over seven years, while loans for equipment have terms up to 10 years, and real estate loans may have 10-20 year terms. Loan amounts vary from small (\$5,000 to \$30,000) to mid-sized (\$30,000 to \$100,000), with larger (\$100,000 and up) amounts available depending on the project, collateral, and other lending sources. Because the RLF takes on projects with above average risk, borrowers are held to standard financial requirements in loan security. Before a loan is issued, a business or prospective business must provide the City a business plan, management information, financial statements, sufficient collateral, other guarantees on the project; and cash flow projections. As a public investment instrument, the RLF is expected to result in public good - namely projects contributing to economic growth and community revitalization. Therefore, borrowers must address performance measures, such as jobs creation or retention and identifiable benefits to low and moderate-income citizens. Eligible uses for RLF loans include operating capital, acquisition of land, buildings, machinery, and equipment, site preparation, building renovation, and payments of assessments for public utilities. Because of the importance of the dairy industry to the area economy, borrowers may even use RLF loans to purchase of dairy cows to increase milk production capacity.

Hillsboro also maintains Downtown Business District Design Standards that are intended to guide the design of construction, development, and renovation downtown to ensure new and altered structures are physically and visually compatible with other buildings downtown. The adopted standards apply to pedestrian accessibility, compatibility, materials, facades, colors, roofs, windows, lighting, signage, sidewalks and streetscapes, waste, and storage. The standards are an important part of maintaining the character and function of downtown and provide the City with a means to enforce appropriate downtown development as needed, and should continue to be used. Strategies for enhanced enforcement of the standards and additional downtown protections should be explored. However, this plan recommends that the standards be used to guide development and redevelopment in an attempt to avoid future issues. Care should be taken to not be too restrictive in enforcement as to not restrict needed investment.

Some years ago, E.L. Wendland & Associates, a business planning consultant provided Hillsboro with a downtown plan. This plan is generally out of date, but does offer some strategies that continue to be relevant.

# **Market Analysis**

This market analysis identifies market opportunities associated with the residential, retail, and real estate market sectors, as well as the City's workforce and comparisons with similar communities. These opportunities represent business recruitment, business expansion and new development potential, and also include marketing and programming opportunities which can help existing businesses and property owners capitalize on Hillsboro's market position and draw. A summary of findings within each sector are highlighted on the following pages. The market analysis also provides an overview of the current and emerging demographic and real estate trends associated with Hillsboro's retail, housing, and commercial markets. Opportunities for growth within each of these markets are also identified to help focus future initiatives to align with anticipated market demand. In addition to gathering market information, interviews were conducted with a variety of local businesses and finance, real estate and economic development professionals with knowledge of the community. These individuals provided feedback on local business issues, potential market opportunities, and perceptions of the City in the marketplace.

In order to appropriately define local market opportunities, projections of key economic and demographic variables are included in this analysis. These projections form the basis for decision with respect to future demand and supply within each of the analysis areas. Specific variables which utilize projected data include population, households and median family income. These projections are developed based on census data, historic trend data, data and projections provided by Esri, one of the leading demographic information firms. Other data sources include the U.S. Economic Census, the Census' American Community Survey, 2015 Applied Geographic Solutions estimates, and the UW Extension Center for Community and Economic Development. These data and projections are based on nationwide demographic trends for similar environments, and calculations made by Vierbicher and informed by local observations. These assumptions and calculations are used to project demand for the City and for the larger Trade Area, which is defined in the following chapter. Projections associated with sales are based on the existing commercial mix and trade area capture, and can be significantly influenced by the addition of new retail or consumers to City, as well as by the departure of existing merchants, or increased competition from nearby trade centers. After this initial analysis of data, will go into a more in-depth analysis of the sections covered in the executive summary. It will first discuss trends in the City and trade area's demographic and income trends. It will then analyze the market profile of the households residing within the City and the trade area, using this information to extrapolate the potential market spending in the area over a number of business sectors. After identifying the market potential and current sales, we are able to identify those sectors in which Hillsboro area businesses are not meeting the needs of the market trade area: areas in which the City can work to establish, attract, or grow firms taking advantage of those market supply gaps. The market analysis will then continue on to investigate the trends of the area housing market and the resultant needs of the future, as well as the trends and space needs for commercial office, retail, and industrial real estate. An analysis of the characteristics of the area workforce has also been undertaken. Finally, the document analyzes Hillsboro's competitive position amongst nearby communities in the context of taxes and utilities.

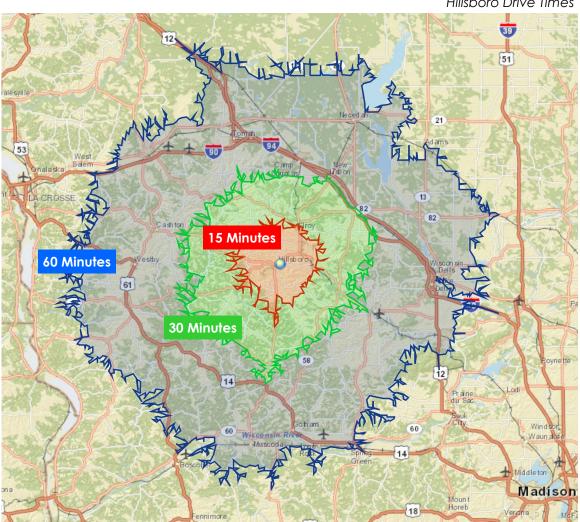
### **Location & Access**

Hillsboro is located on the far western edge of Vernon County in southwest Wisconsin. Located on the West Branch of the Baraboo River in the Driftless Region, Hillsboro is served by three state highways, STH-33, STH-80, and STH-82. Joshua Sanford Field, which will soon be closed to make room for adjacent development, is located just northeast of downtown and owned by the City of Hillsboro. The La Crosse Regional Airport and Dane County Regional Airport provided commercial service and both are located within a 90 minute drive from Hillsboro. There is currently no rail access to Hillsboro; the nearest communities served by rail are Reedsburg and New Lisbon. The nearest Amtrak stations are in Wisconsin Dells and Tomah. For cyclists, the Hillsboro State Trail connects Hillsboro to the 400 State Trail in Union Center, which in turn connects to the Elroy-Sparta State Trail.

Distance to Ma	ijor Markets
LaCrosse	54 miles
Madison	88 miles
Dubuque	97 miles
Milwaukee	151 miles
Green Bay	157 miles
Minneapolis	207 miles
Chicago	223 miles

Source: Google Maps

#### Hillsboro Drive Times



### Trade Area & Laborshed

The demand for local housing, goods, services and employment are derived from an area larger than the City of Hillsboro: its trade area. A trade area is defined as the region from which a majority of this demand is generated. The Primary Trade Area represents the area from which the bulk of consumer demand is generated, or from which at least 50 percent of all consumers within the boundary are most likely to travel to Hillsboro to shop. The Primary Trade Area is only intended to represent the area in which residents will shop in Hillsboro for their regular retail needs; larger or specialty items will usually be purchased in larger or more specialized trade centers with trade areas that overlap Hillsboro for those types of goods or services.

The Hillsboro Trade Area is heavily influenced by the market forces of the Mauston, Reedsburg, Richland Center, Tomah, and Viroqua trade centers, that surround Hillsboro. The trade area is also influenced by other nearby competing communities, including Princeton and Markesan.

The estimated 2015 population for the Hillsboro trade area is 3,454, slightly up from the 2010 Census count of 3,384. The five-year projection for the population in the trade area is 3,531 representing a change of 0.44% annually from 2015 to 2020. The household count in the Hillsboro trade area has changed from 1,242 in 2010 to 1,266 in 2015. The five-year projection of households is 1,293, an annual change of 0.42%. Average household size is currently 2.72 and projected to remain the same in 2020.

The trade area's 2015 median household income is \$41,983, compared to \$52,076 for all U.S. households. Median household income is projected to be \$48,653 in five years, compared to \$59,599 for all U.S. households. The 2015 per capita income was \$20.531 in the trade area, compared to the U.S. per capita income of \$27,871. The trade area per capita income is projected to be \$23,386 in five years, compared to a U.S. average of \$32,168.

Comparison of Local Trade Centers

**Retail Sales** Retail Sales **Population** per Capita Hillsboro \$4,428,300 1,410 \$3,141 Elroy \$6,858,000 1,399 \$4,902 4,499 \$20,065 Mauston \$90,274,500 Reedsburg \$143,660,000 9,327 \$15,403 Richland Center \$155,390,000 5,186 \$29,963 9,221 \$23,949 Tomah \$220,831,000 \$131,806,700 4,343 \$30,349 Viroqua Wisconsin \$72,283,321,000 5,672,297 \$12,743

Source: U.S. Census; Differences from Esri data due to differences in methodologies and classification of businesses

Currently, 61.7% of the 1,474 housing units in the trade area are owner occupied; 24.2% are renter occupied; and 14.1% are vacant. This compares with 56.0% of the housing units in the U.S. being owner occupied; 32.4% renter occupied; and 11.6% vacant. The number of housing units has increased from 1,443 in 2010 and is expected to grow to

1,506 by 2020. Median

#### Trade Area & Laborshed

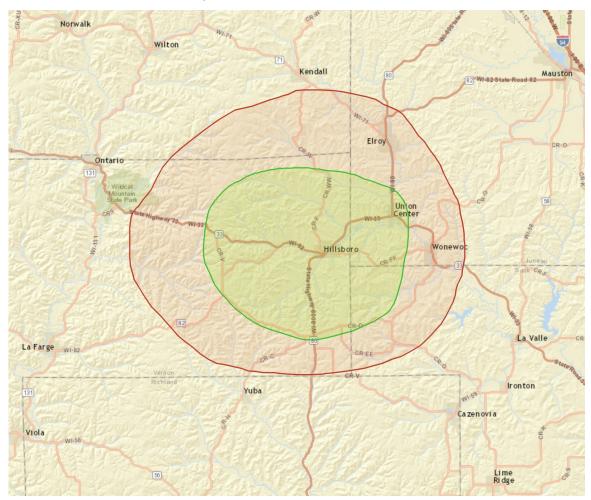
home value in the trade area is \$83,181, compared to a median home value of \$190,791 for the U.S. The median home value is projected to increase to \$92,703 by 2020.

#### Laborshed

A second relevant regional boundary referenced in this document is the distance from which Hillsboro companies draw employees. Commonly referred to as the laborshed, the size, demographics, education and occupation of individuals within this area are important factors in company decisions to locate or expand in a region based on the perceived ability to recruit qualified workers at competitive wages. Information from the 2010 Economic Census, 2015 Esri estimates, 2015 Applied Geographic Solutions estimates, and the UW Extension Center for Community and Economic Development is used to determine worker characteristics and flows within the region.

Employees working at jobs within the City come from a comparable, though slightly larger, region than the consumer population of the community. Because of the rural

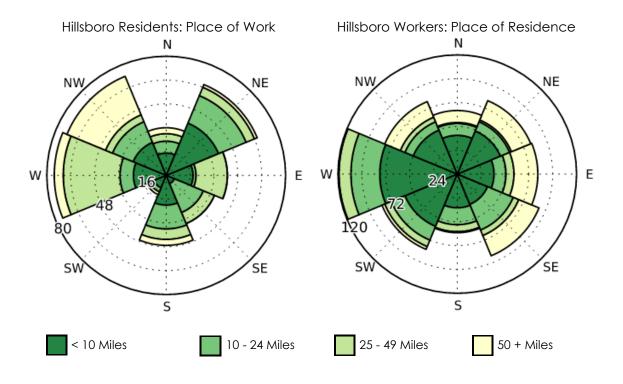
Hillsboro Primary Trade Area (green) & Laborshed (red)



character of the region, competition from neighboring larger communities, and the number of seasonal residents ringing Hillsboro, the area and population of the Hillsboro laborshed are smaller than the trade area. The map below illustrates the geographic reach of this laborshed.

The size and composition of an area's laborshed significantly influences the type of employers which may be attracted to Hillsboro based on a need for skilled labor. However, these daily commuters also represent a significant pool of potential customers for local retailers. On average, workers in rural communities spend approximately \$100 per week on trips associated with the work day (excluding online purchases and gas), including commuting, lunch hour dining and shopping and errands run en route to their place of employment. Of course, the availability of retail significantly influences these habits, with employees in downtowns with nearby retail spending more than employees with less access to retail amenities. Especially impacted is spending on dining, which drops significantly if restaurant options are not available as workers substitute lunch from home. Restaurants in areas with daytime populations typically depend on daytime spending for a large portion of total sales. The type of employment also changes the nature of spending, with shift workers less able to take advantage of lunch hour for spending, but with greater pre- or post-work timeframes to complete purchases.

The radial graphs to the left show the geographic commuting patterns for people commuting into and out of Hillsboro for work. The first graph shows the directions and distances for which workers in Hillsboro commute to the City for work. The second graph shows the directions and distances residents of Hillsboro who work outside the city travel for work.



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# **Demographic Profile**

#### Socioeconomic Market Segmentation

Demographics firm Esri's Tapestry Segmentation system divides geographic areas into 67 distinctive segments based on their socioeconomic and demographic composition, detailing the diversity of the American population and provide an accurate, detailed description of America's communities and neighborhoods. The populations within segments exhibit certain socioeconomic traits and similar demographic, education, and housing choice characteristics. By grouping and segmenting populations based on these characteristics, these segments can provide guidance for marketing, planning, and economic development by summarizing markets that share similar traits.

#### **Heartland Communities** (57.3% of households)

- Distribution of household types is comparable to the US, many married couples, more with no children, and a slightly higher proportion of singles that reflects the aging of the population.
- Residents own modest, single-family homes built before 1970.
- Retirees in this market depress the average labor force participation rate, but the unemployment rate is comparable to the US.
- More workers are white collar than blue collar; more skilled than unskilled.
- The rural economy of this market provides employment in the manufacturing, construction, and agriculture industries.
- These are budget savvy consumers; they stick to brands they grew up with and know the price of goods they purchase. Buying American is important.
- Daily life is busy, but routine. Working on the weekends is not uncommon.
- Skeptical about their financial future, they stick to community banks and low-risk investments. Traditional in their ways, residents of Heartland Communities choose to bank and pay their bills in person and purchase insurance from an agent.
- Most have high-speed Internet access at home or on their cell phone but aren't ready to go paperless.
- To support their local community, residents participate in public activities.
- Home remodeling is not a priority, but homeowners do tackle necessary
  maintenance work on their cherished homes. They have invested in riding lawn
  mowers to maintain their larger yards.
- Motorcycling, hunting, and fishing are popular; walking is the main form of exercise.
- They own one or two vehicles; commutes are short. To get around these semirural communities, residents prefer domestic trucks or SUVs.

#### **Prairie Living** (42.7% of households)

- About four-fifths of households are owner occupied.
- Dominant household type is married-couples with no children.
- Most are single-family homes built before 1980; a higher proportion were built before 1940.
- Higher percentage of vacant housing units is at 16%.
- Most households own 2 or 3 vehicles.
- Half have completed some college education or hold a degree.
- Labor force participation rate slightly higher at 66%. At 4.1%, the unemployment rate

#### Demographic Profile

- is less than half the US rate.
- Faith and religion are important to these residents. They contribute to religious organizations and belong to religious clubs.
- Tend to buy things when they need them, rather than when they want them or to be trendy. Creatures of habit when purchasing food items. Somewhat resistant to new technology.
- They favor banking in person, have noninterest checking accounts, invest in CDs (more than 6 months), and have term/whole life insurance.
- Leisure activities include fishing, hunting, boating, camping, and attending country music concerts.
- Walmart is a favorite shopping stop; Subway is a favorite eating spot.

#### **Population Trends**

Residential population growth is the simplest and often a main factor in contributing to economic development. An increase in population, either from migration into a community or natural increase from births creates the need for additional housing and expanded retail trade. New jobs are created to provide these needs for the growing community. Hillsboro's population is expected to grow moderately in the next 5 years. The Wisconsin DOA predicts Hillsboro will exceed 1600 residents by 2030.

One of the biggest demographic and residential trends facing many communities is an aging population. However, the median age in Hillsboro is expected to stay relatively stable. It was 38.4 years in 2010 is expected to be only 38.3 in 2020, younger than the trade area and compared to 38.5 and 39.7, respectively for Wisconsin as a whole. Assuming a steady population, the projected number of individuals in Hillsboro under the age of 35 is expected to fall almost 6% by 2020. During the same time, households and families are expected to increase in size in Hillsboro, again bucking the larger trends seen in both Wisconsin and the nation toward smaller households and families. The number of total households was 587 in 2010 and 596 in 2015. It is expected to increase to 608 by 2020. Because of the increase in the number of households, the number of housing units could increase by 10-15 units by 2020.

Historical Populations & Projections

	City	У	County	
Year	Population	Change	Population	Change
1990	1,288	-	25,617	-
2000	1,302	1.1%	28,056	9.5%
2010	1,417	8.8%	29,773	6.1%
2015	1,410	-0.5%	30,049	0.9%
2020	1,419	0.6%	31,654	5.3%
2025	1,555	9.6%	33,258	5.1%

Projection Source: Wisconsin DOA, US Census

# **Retail Market Analysis**

Hillsboro is a local trade center, meeting most of the everyday retail needs of its residents and workers. There are few larger communities very close to Hillsboro, but the City is ringed by a loop of larger communities at a distance of about 20-30 miles. The proximity and size of the neighboring trade centers restricts Hillsboro's ability to expand the geographic boundaries of the area in which it provides daily or regular shopping and services. Trade centers like Mauston, Reedsburg, Tomah, Viroqua, and Richland Center have much larger retail trade areas that absorb many of the regular shopping and service needs of Hillsboro. Likewise, larger-ticket purchases such as electronics or appliances will often be undertaken in even larger trade areas like La Crosse or Madison that provide more higher-order goods.

Growth in consumer spending has not been evenly distributed among retail sectors, and there are several retail types which demonstrate sufficient surplus demand to support additional businesses. Significant retail gaps exist in almost every analyzed industry group, except for lawn and garden equipment and supply stores, grocery stores, specialty food stores, health and personal care stores, florists, and bars and pubs. In addition to their ability to capitalize on existing trade area demand, these sectors represent areas of growth given regional demographic and consumer trends. There is potential for growth in many sectors if growth is well-planned and managed.

Retailers in Hillsboro attract customers from both the immediate community and the broader region. No business will be able to capture 100 percent of the dollars being spent on a particular category of goods within any population group. Primary convenience retailers with little competition (i.e., local grocer) may be able to retain as much as 75 percent of local spending, although smaller retailers, especially those in more competitive market sectors, should base projections on capturing 20 percent or less of local demand. Customers within each of these areas have numerous choices when it comes to retail offerings, and they make decisions based on proximity, price and quality of goods, customer experience and convenience. Retailers in a downtown, with a limited immediate residential trade area, must especially rely on their ability to

Local Community Comparisons

	Hillsboro	Elroy	Mauston	Reedsburg	Richland Center
Total Population	1412	1385	4446	9411	5128
Median Household Income	\$43,688	\$38,472	\$38,550	\$39,362	\$37,632
Median Age	42.0	39.4	41.3	34.9	42.5
Median Home Value	\$85,500	\$82,200	\$103,900	\$125,400	\$101,100
Unemployed Population Age 16+	8.2%	15.6%	4.0%	4.2%	6.3%
Population Age 25+: Bachelor's Degree or more	17.4%	11.0%	14.3%	17.2%	20.2%

Source: US Census ACS 2010-2014

provide a unique product, service or experience which will allow them to recruit some customers from a broader trade area, as well as daytime employee populations. Finding ways to assist local retailers in identifying and collectively marketing to these broader groups who are already traveling to the City for other purposes will help boost spending throughout the community.

The demand for, and supply of retail and service amenities has a significant role in shaping consumer patterns in a community. In contrast to residential and business location decisions, retail and service businesses rely on the availability of customers in the surrounding area, and typically only move into a community once a sufficient level of local demand has been reached. This local area from which a business can expect to recruit customers is the trade area. Hillsboro is primarily market for most retail and service types, and businesses in Hillsboro must provide a unique good or service to attract customers to drive further to Hillsboro versus traveling to more convenient options in larger communities. As described earlier, Hillsboro's retail and service trade area encompasses the immediately surrounding area. This trade area is determined based on the size, distance, and economic activities of Hillsboro and the surrounding trade centers, specifically Mauston, Reedsburg, Richland Center, Tomah, and Viroqua, all of which have larger populations and undertake more retail trade. Because Hillsboro is smaller in both population and retail trade activity than these five nearby communities, its trade area is also slightly smaller than the typical 15-minute drive time which represents the primary trade area for smaller communities throughout Wisconsin, as it may if there was less nearby competition. In the case of Hillsboro, the trade area includes a population more than twice as large as the City alone.

The table on page 15 highlights sectors in which the City and trade area exhibit either substantial unmet retail demand or a high portion of local demand is being met elsewhere, indicating an ability to support retail establishments based on local demand alone. The presence of a supply gap is a potential indicator that additional retailers could be supported in the area. These calculations were based on information from the demographic firm Esri. The retail gap analysis on the following page compares the retail demand (potential sales) in Hillsboro and Hillsboro's trade area with the retail supply

Comparison of Household Incomes

Households by Income	Hillsboro	Trade Area	Wisconsin
<\$15,000	14.6%	14.1%	11.8%
\$15,000 - \$24,999	12.8%	12.2%	11.1%
\$25,000 - \$34,999	14.4%	13.4%	10.4%
\$35,000 - \$49,999	18.0%	18.5%	14.1%
\$50,000 - \$74,999	17.4%	18.2%	19.9%
\$75,000 - \$99,999	13.9%	13.5%	13.8%
\$100,000 - \$149,999	5.5%	7.0%	12.6%
\$150,000 - \$199,999	1.3%	1.4%	3.4%
\$200,000+	2.0%	1.8%	2.9%
Average Household Income	\$53,520	\$54,843	\$67,137

(current sales). The table highlights the City's ability to support retail establishments based on local demand alone. The presence of a supply gap is a potential indicator that additional retailers could be supported in the area.

The first column indicates the sectors in Hillsboro's trade area with unmet demand. The second column is the actual retail supply, or sales within the trade area. The third column is the demonstrated retail demand gap, the difference between the demand of the area and the sales in those sectors. The

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reidii Gub Aildiysis	Irade Area	Irade Area	Irade Area	Irade Area	5	ָב <u>ּ</u>	<u>}</u>	<u>-</u>	(CIIZ)
Industry Group	(Potential)	(Sales)	Kerdii Gap	Number of Businesses	(Potential)	(Sales)	kerali Gap	Number of Businesses	Retail Gap
Automobile Dealers	\$5,355,065	\$624,540	\$4,730,525	-	\$2,367,251	\$579,930	\$1,787,321		\$4,775,135
Other Motor Vehicle Dealers	\$522,232	0\$	\$522,232	0	\$209,030		\$209,030	0	\$522,232
Auto Parts, Accessories & Tire Stores	\$310,562	\$0	\$310,562	0	\$144,691	\$0	\$144,691	0	\$310,562
Motor Vehicle & Parts Dealers	\$6,187,860	\$624,540	\$5,563,320	-	\$2,720,972	\$579,930	\$2,141,042	-	\$5,607,930
Furniture Stores	\$307,987	\$0	\$307,987	0	\$143,671	\$0	\$143,671	0	\$307,987
Home Furnishings Stores	\$190,913	\$0	\$190,913	0	\$88,299	\$0	\$88,299	0	\$190,913
Furniture & Home Furnishings Stores	\$498,899	\$0	\$498,899	0	\$231,970	\$0	\$231,970	0	\$498,899
Electronics & Appliance Stores	\$826,002	\$0	\$826,002	0	\$379,593	\$0	\$379,593	0	\$826,002
Bldg Material & Supplies Dealers	\$842,853	\$77,646	\$765,207	-	\$358,981	\$70,009	\$288,972	-	\$772,844
Lawn & Garden Equip & Supply Stores	\$229,947	\$219,194	\$10,753	-	\$97,262	\$203,537	-\$106,275	-	\$26,410
Bldg Materials, Garden Equip. & Supply Stores	\$1,072,800	\$296,840	\$775,960	2	\$456,243	\$273,546	\$182,697	7	\$799,254
Grocery Stores	\$4,142,714	\$7,620,175	-\$3,477,461	-	\$1,845,061	\$0	\$1,845,061	0	\$4,142,714
Specialty Food Stores	\$110,651	\$99,132	\$11,519	_	\$49,406	\$92,051	-\$42,645	_	\$18,600
Beer, Wine & Liquor Stores	\$191,085	\$0	\$191,085	0	\$87,929	\$0	\$87,929	0	\$191,085
Food & Beverage Stores	\$4,444,451	\$7,719,307	-\$3,274,856	2	\$1,982,396	\$92,051	\$1,890,345	-	\$4,352,400
Health & Personal Care Stores	\$2,674,202	\$2,541,461	\$132,741	_	\$1,168,985	\$2,359,928	-\$1,190,943	_	\$314,274
Gasoline Stations	\$3,575,286	\$0	\$3,575,286	0	\$1,588,895	\$0	\$1,588,895	0	\$3,575,286
Clothing Stores	\$792,060	\$0	\$792,060	0	\$378,762	\$0	\$378,762	0	\$792,060
Shoe Stores	\$231,494	\$0	\$231,494	0	\$107,545	\$0	\$107,545	0	\$231,494
Jewelry, Luggage & Leather Goods Stores	\$178,499	\$0	\$178,499	0	\$88,352	\$0	\$88,352	0	\$178,499
Clothing & Clothing Accessories Stores	\$1,202,054	\$0	\$1,202,054	0	\$574,659	\$0	\$574,659	0	\$1,202,054
Sporting Goods/Hobby/Musical Instr Stores	\$481,792	\$0	\$481,792	0	\$215,266	\$0	\$215,266	0	\$481,792
Book, Periodical & Music Stores	\$118,178	\$0	\$118,178	0	\$56,205	\$0	\$56,205	0	\$118,178
Sporting Goods, Hobby, Book & Music Stores	\$599,970	\$0	\$599,970	0	\$271,471	\$0	\$271,471	0	\$599,970
Department Stores	\$1,905,805	\$806,176	\$1,099,629	_	\$867,186	\$748,592	\$118,594	_	\$1,157,213
Other General Merchandise Stores	\$2,275,368	\$315,537	\$1,959,831	2	\$1,012,204	\$246,739	\$765,465	1	\$2,028,629
General Merchandise Stores	\$4,181,173	\$1,121,713	\$3,059,460	က	\$1,879,390	\$995,331	\$884,059	2	\$3,185,842
Florists	\$31,759	\$80,576	-\$48,817	-	\$14,049	\$74,821	-\$60,772	_	-\$43,062
Office Supplies, Stationery & Gift Stores	\$180,947	\$0	\$180,947	0	\$80,801	\$0	\$80,801	0	\$180,947
Used Merchandise Stores	\$102,286	\$0	\$102,286	0	\$48,123	\$0	\$48,123	0	\$102,286
Other Miscellaneous Store Retailers	\$324,877	\$102,638	\$222,239	2	\$138,544	\$52,709	\$85,835	_	\$272,168
Miscellaneous Store Retailers	\$639,870	\$183,214	\$456,656	က	\$281,517	\$127,530	\$153,987	2	\$512,340
Electronic Shopping & Mail-Order Houses	\$2,091,187	\$0	\$2,091,187	0	\$924,850	\$0	\$924,850	0	\$2,091,187
Vending Machine Operators	\$98,801	\$0	\$98,801	0	\$44,221	\$0	\$44,221	0	\$98,801
Direct Selling Establishments	\$344,781	\$0	\$344,781	0	\$152,996	\$0	\$152,996	0	\$344,781
Nonstore Retailers	\$2,534,769	\$0	\$2,534,769	0	\$1,122,067	\$0	\$1,122,067	0	\$2,534,769
Full-Service Restaurants	\$963,943	\$0	\$963,943	0	\$445,177	\$0	\$445,177	0	\$963,943
Limited-Service Eating Places	\$1,463,562	\$113,705	\$1,349,857	-	\$666,999	\$105,583	\$561,413	_	\$1,357,979
Special Food Services	\$128,899	\$0	\$128,899	0	\$58,904	\$0	\$58,904	0	\$128,899
Drinking Places - Alcoholic Beverages	\$156,652	\$160,045	-\$3,393	က	\$75,373	\$148,613	-\$73,240	ಣ	\$8,039
Food Services & Drinking Places	\$2,713,057	\$284,515	\$2,428,542	4	\$1,246,450	\$254,196	\$992,254	4	\$2,458,861

fourth column identifies the number of businesses within each retail sector. The next four columns mirror the first four, though for this second set, the analysis area is the Hillsboro city proper, not the trade area. The final column indicates the retail gap between the trade area demand and the city proper supply. This represents the amount of sales that could be captured by businesses in the city that is either not being met or being met elsewhere outside of the city.

Businesses on the highway outside of Hillsboro, such as the grocery store, are included in the Trade Area, but not the City proper. It should be noted that due to the small geographic area being analyzed, the data sources used will miss or misplace establishments on occasion. Additionally, due to the Co-op's like industry classification, many of the retail-style services it offers will not appear on this analysis.

Based on current spending patterns, significant retail gaps exist in almost every analyzed industry group, except for lawn and garden equipment and supply stores, grocery stores, specialty food stores, health and personal care stores, florists, and bars and pubs. Opportunities may exist for other sectors if these establishments are able to target a specific underserved niche market or strategic location. This is especially important in a niche-rich economic environment like downtown Hillsboro, which can capitalize on the local Amish community and visitors who come for the motorcycling, bicycling, and canoeing. Other smaller surplus categories present opportunities for existing retailers to expand their product line to accommodate specific needs. For instance, existing building supply retailers may be able to add gardening products to capture currently unmet demand in the home and garden sector. Other sectors are less likely to be competitive locally – for instance, electronics purchases will primarily still be made in big box stores in larger communities where greater opportunities for comparison shopping are available.

There is an opportunity to capture additional sales by providing goods and services that address currently unmet retail demand within the trade area. The table on page 17 shows the retail sectors that have demonstrated a retail gap. The column to the right of the retail gap is the average sales per business in Wisconsin by sector. The final, rightmost column is the maximum number of businesses the retail gap could support in Hillsboro. While the sales average in the third column is an average, and not applicable to every business in each sector, this information may be used to determine how many businesses may effectively be attracted to the area to take advantage of unmet consumer demand. However, the establishment or attraction of entirely new businesses is not the only way to meet unmet demand; existing businesses in those segments exhibiting surplus demand may be encouraged to expand to meet that demand.

As customer demand has shifted, the supply of goods and services has also changed. The change in consumer spending and local business mix has slightly altered spending habits, with customers more willing to focus spending in limited and focused trips.

There are several factors Hillsboro may be able to implement in order to capture the maximum amount of commuter expenditures. The agglomeration of comparison shopping stores can create a critical mass of retail activity. Location on key commuting routes and clear visibility of the businesses create top of mind awareness. The critical mass of other businesses will make a stop more convenient. For this reason, any new

Furniture Stores	Industry Group	City/Trade Area Retail Gap	Average Sales per Business	Maximum Supportable Businesses
Auto Parts, Accessories & Tire Stores \$310.562 \$656.451 0 Motor Vehicle & Parts Dealers \$5,607.930 \$4,036.516 1 Furniture Stores \$307.987 \$1.670.665 0 Home Furnishings Stores \$190.913 \$958.062 0 Furniture & Home Furnishings Stores \$498.899 \$1,263.824 0 Electronics & Appliance Stores \$498.899 \$1,263.824 0 Electronics & Appliance Stores \$826.002 \$1,797.251 0 Bldg Material & Supplies Dealers \$772.844 \$1,512.602 1 Lown & Garden Equip & Supply Stores \$26.410 \$1,061.972 0 Bldg Materials, Garden Equip & Supply Stores \$799.254 \$1,417.251 1 Grocery Stores \$4,142.714 \$5,806.530 1 Specialty Food Stores \$18.600 \$1,004.544 0 Beer, Wine & Liquor Stores \$181.000 \$1,004.544 0 Beer, Wine & Liquor Stores \$1,106.199 0 Food & Beverage Stores \$4,352.400 \$3,586.808 1 Health & Personal Care Stores \$314.274 \$1,965.444 0 Gasoline Stations \$3,575.286 \$2,936.109 1 Clothing Stores \$314.274 \$1,965.444 0 Gasoline Stations \$3,575.286 \$2,936.109 1 Clothing Stores \$314.274 \$1,965.444 0 Gasoline Stations \$3,575.286 \$2,936.109 1 Clothing Stores \$1792.060 \$897.750 1 Shoe Stores \$178.499 \$750.364 0 Clothing & Clothing Accessories Stores \$1,202.054 \$880.758 1 Sporting Goods/Hobby/Musical Instrument Stores \$11,202.054 \$880.758 1 Sporting Goods/Hobby/Musical Instrument Stores \$1,202.054 \$880.758 1 Department Stores \$1,157.213 \$22.012.744 0 Other General Merchandise Stores \$1,202.8629 \$3,005.862 1 General Merchandise Stores \$1,202.864 \$457.929 0 Other General Merchandise Stores \$1,202.86 \$457.929 0 Other General Merchandise Stores \$1,202.86 \$457.929 0 Other General Merchandise Stores \$1,202.86 \$457.929 0 Other Miscellaneous Store Retailers \$2,204.187 \$4,40,986 0 Used Merchandise Stores \$1,202.86 \$457.929 0 Other Miscellaneous Store Retailers \$2,204.187 \$4,40,986 0 Used Merchandise Stores \$1,202.86 \$457.929 0 Other Miscellaneous Store Retailers \$2,204.187 \$4,40,986 0 Used Merchandi	Automobile Dealers	\$4,775,135	\$7,574,432	1
Motor Vehicle & Parts Dealers   \$5,607,930   \$4,036,516   1	Other Motor Vehicle Dealers	\$522,232	\$2,711,142	0
Furniture Stores	Auto Parts, Accessories & Tire Stores	\$310,562	\$656,451	0
Home Furnishings Stores	Motor Vehicle & Parts Dealers	\$5,607,930	\$4,036,516	1
Furniture & Home Furnishings Stores \$498.899 \$1.263.824 0 Electronics & Appliance Stores \$826,002 \$1.797,251 0 Bldg Material & Supplies Declers \$772.844 \$1.512,602 1 Lawn & Garden Equip & Supply Stores \$26,410 \$1.061,972 1 Bldg Materials, Gorden Equip, & Supply Stores \$799,254 \$1.417,251 1 Grocery Stores \$4,142,714 \$5,806,530 1 Specialty Food Stores \$18,600 \$1.004,544 0 Beer, Wine & Liquor Stores \$18,600 \$1.004,544 0 Beer, Wine & Liquor Stores \$119,085 \$1.060,190 0 Food & Beverage Stores \$4,352,400 \$3,586,808 1 Health & Personal Care Stores \$314,274 \$1,965,446 0 Gasoline Stations \$3,575,286 \$2,936,109 1 Clothing Stores \$792,060 \$897,750 1 Shoe Stores \$792,060 \$897,750 1 Shoe Stores \$792,060 \$897,750 1 Shoe Stores \$118,499 \$750,364 0 Clothing Accessories Stores \$1,202,054 \$880,758 1 Sporting Goods/Hobby/Musical Instrument Stores \$1,202,054 \$880,758 1 Sporting Goods/Hobby/Musical Instrument Stores \$118,178 \$922,069 0 Sporting Goods, Hobby, Book & Music Stores \$1,157,213 \$22,012,744 0 Other General Merchandise Stores \$1,157,213 \$22,012,744 0 Other	Furniture Stores	\$307,987	\$1,670,665	0
Bldg Material & Supplies Dealers	Home Furnishings Stores	\$190,913	\$958,062	0
Bidg Material & Supplies Dealers	Furniture & Home Furnishings Stores	\$498,899	\$1,263,824	0
Lawn & Garden Equip & Supply Stores   \$26,410   \$1,061,972   0	Electronics & Appliance Stores	\$826,002	\$1,797,251	0
Bldg Materials, Garden Equip. & Supply Stores   \$779,254   \$1,417,251   1     Grocery Stores   \$4,142,714   \$5,806,530   1     Specialty Food Stores   \$18,600   \$1,004,544   0     Beer, Wine & Liquor Stores   \$191,085   \$1,060,190   0     Food & Beverage Stores   \$4,352,400   \$3,586,808   1     Health & Personal Care Stores   \$4,352,400   \$3,586,808   1     Health & Personal Care Stores   \$3,375,286   \$2,936,109   1     Clothing Stores   \$779,006   \$877,750   1     Shoe Stores   \$331,494   \$989,063   0     Jewelry, Luggage & Leather Goods Stores   \$178,499   \$750,364   0     Clothing & Clothing Accessories Stores   \$1,202,054   \$880,758   1     Sporting Goods/Hobby/Musical Instrument Stores   \$118,178   \$922,069   0     Sporting Goods, Hobby, Book & Music Stores   \$118,178   \$922,069   0     Sporting Goods, Hobby, Book & Music Stores   \$1,157,213   \$22,012,744   0     Other General Merchandise Stores   \$3,115,7213   \$22,012,744   0     Other General Merchandise Stores   \$3,185,842   \$10,434,659   0     General Merchandise Stores   \$3,185,842   \$10,434,659   0     General Merchandise Stores   \$10,2286   \$457,929   0     Office Supplies, Stationery & Gift Stores   \$10,2286   \$457,929   0     Office Supplies, Stationery & Gift Stores   \$10,2286   \$457,929   0     Office Supplies, Stationery & Mail-Order Houses   \$2,091,187   \$470,986   0     Used Merchandise Store Retailers   \$512,340   \$442,127   1     Electronic Shopping & Mail-Order Houses   \$2,091,187   \$6,839,146   0     Vending Machine Operators   \$98,801   \$1,481,503   0     Direct Selling Establishments   \$3,347,769   \$3,997,006   1     Full-Service Restaurants   \$963,943   \$490,474   2     Limited-Service Eating Places   \$1,236,979   \$722,180   2     Special Food Services   \$128,899   \$405,212   0     Drinking Places - Alcoholic Beverages   \$8,039   \$188,892   0	Bldg Material & Supplies Dealers	\$772,844	\$1,512,602	1
Grocery Stores         \$4,142,714         \$5,806,530         1           Specialty Food Stores         \$18,600         \$1,004,544         0           Beer, Wine & Liquor Stores         \$191,085         \$1,060,190         0           Food & Beverage Stores         \$4,352,400         \$3,586,808         1           Health & Personal Care Stores         \$314,274         \$1,955,446         0           Gasoline Stations         \$3,575,286         \$2,936,109         1           Clothing Stores         \$792,060         \$897,750         1           Shoe Stores         \$231,494         \$989,063         0           Jewelry, Luggage & Leather Goods Stores         \$178,499         \$750,364         0           Clothing & Clothing Accessories Stores         \$1,202,054         \$880,758         1           Sporting Goods/Hobby/Musical Instrument Stores         \$481,792         \$937,513         1           Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$1,97,213         \$22,012,744         0           Other General Merchandise Stores         \$1,02,246         \$45,353	Lawn & Garden Equip & Supply Stores	\$26,410	\$1,061,972	0
Specialty Food Stores         \$18,600         \$1,004,544         0           Beer, Wine & Liquor Stores         \$191,085         \$1,004,544         0           Food & Beverage Stores         \$4,352,400         \$3,586,808         1           Health & Personal Care Stores         \$314,274         \$1,965,446         0           Gasoline Stations         \$3,575,286         \$2,936,109         1           Clothing Stores         \$792,060         \$887,750         1           Shoe Stores         \$231,494         \$989,063         0           Jewellry, Luggage & Leather Goods Stores         \$178,499         \$750,364         0           Clothing & Clothing Accessories Stores         \$1,202,054         \$880,758         1           Sporting Goods/Hobby/Musical Instrument Stores         \$481,792         \$937,513         1           Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$1,257,213         \$22,012,744         0           Office Supplies, Staffonery & Giff Stores         \$1,80,947         \$470,986	Bldg Materials, Garden Equip. & Supply Stores	\$799,254	\$1,417,251	1
Beer, Wine & Liquor Stores	Grocery Stores	\$4,142,714	\$5,806,530	1
Food & Beverage Stores \$4,352,400 \$3,586,808 1 Health & Personal Care Stores \$314,274 \$1,965,446 0 Gasoline Stations \$3,575,286 \$2,936,109 1 Clothing Stores \$792,060 \$897,750 1 Shoe Stores \$231,494 \$989,063 0 Jewelry, Luggage & Leather Goods Stores \$178,499 \$750,364 0 Clothing & Clothing Accessories Stores \$1,202,054 \$880,758 1 Sporting Goods/Hobby/Musical Instrument Stores \$481,792 \$937,513 1 Book, Periodical & Music Stores \$11,81,788 \$922,069 0 Sporting Goods, Hobby, Book & Music Stores \$11,157,213 \$22,012,744 0 Other General Merchandise Stores \$1,157,213 \$22,012,744 0 Other General Merchandise Stores \$3,185,842 \$10,434,659 0 Florists \$3,185,842 \$10,434,659 0 Office Supplies, Stationery & Giff Stores \$180,447 \$470,986 0 Used Merchandise Stores \$102,286 \$457,929 0 Other Miscellaneous Store Retailers \$272,168 \$977,174 0 Miscellaneous Store Retailers \$2,091,187 \$6,839,146 0 Vending Machine Operators \$98,801 \$1,481,503 0 Direct Selling Establishments \$2,534,769 \$3,997,006 1 Full-Service Restaurants \$963,443 \$490,474 2 Limited-Service Eating Places \$1,357,979 \$722,180 2 Special Food Services \$128,899 \$405,212 0 Diriking Places - Alcoholic Beverages \$8,039 \$188,892 0	Specialty Food Stores	\$18,600	\$1,004,544	0
Health & Personal Care Stores	Beer, Wine & Liquor Stores	\$191,085	\$1,060,190	0
Gasoline Stations         \$3,575,286         \$2,936,109         1           Clothing Stores         \$792,060         \$8977,750         1           Shoe Stores         \$231,494         \$989,063         0           Jewelry, Luggage & Leather Goods Stores         \$178,499         \$750,364         0           Clothing & Clothing Accessories Stores         \$1,202,054         \$880,758         1           Sporting Goods/Hobby/Musical Instrument Stores         \$481,792         \$937,513         1           Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Gift Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174 <t< td=""><td>Food &amp; Beverage Stores</td><td>\$4,352,400</td><td>\$3,586,808</td><td>1</td></t<>	Food & Beverage Stores	\$4,352,400	\$3,586,808	1
Clothing Stores         \$792,060         \$897,750         1           Shoe Stores         \$231,494         \$989,063         0           Jewelry, Luggage & Leather Goods Stores         \$178,499         \$750,364         0           Clothing & Clothing Accessories Stores         \$1,202,054         \$880,758         1           Sporting Goods/Hobby/Musical Instrument Stores         \$481,792         \$937,513         1           Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Office Supplies, Stationery & Giff Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$180,947         \$470,986         0           Used Merchandise Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$2,091,187         <	Health & Personal Care Stores	\$314,274	\$1,965,446	0
Shoe Stores         \$231,494         \$989,063         0           Jewelry, Luggage & Leather Goods Stores         \$178,499         \$750,364         0           Clothing & Clothing Accessories Stores         \$1,202,054         \$880,758         1           Sporting Goods/Hobby/Musical Instrument Stores         \$1,202,054         \$880,758         1           Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Office Supplies, Stationery & Giff Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$180,947         \$470,986         0           Used Merchandise Store Retailers         \$122,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$51	Gasoline Stations	\$3,575,286	\$2,936,109	1
Jewelry, Luggage & Leather Goods Stores   \$178,499   \$750,364   0	Clothing Stores	\$792,060	\$897,750	1
Clothing & Clothing Accessories Stores \$1,202,054 \$880,758 1  Sporting Goods/Hobby/Musical Instrument Stores \$481,792 \$937,513 1  Book, Periodical & Music Stores \$118,178 \$922,069 0  Sporting Goods, Hobby, Book & Music Stores \$599,970 \$845,353 1  Department Stores \$1,157,213 \$22,012,744 0  Other General Merchandise Stores \$2,028,629 \$3,005,862 1  General Merchandise Stores \$3,185,842 \$10,434,659 0  Florists \$43,062 \$275,396 0  Office Supplies, Stationery & Gift Stores \$180,947 \$470,986 0  Used Merchandise Stores \$102,286 \$457,929 0  Other Miscellaneous Store Retailers \$272,168 \$977,174 0  Miscellaneous Store Retailers \$512,340 \$642,127 1  Electronic Shopping & Mail-Order Houses \$2,091,187 \$6,839,146 0  Vending Machine Operators \$98,801 \$1,481,503 0  Direct Selling Establishments \$344,781 \$1,527,019 0  Nonstore Retailers \$963,943 \$490,474 2  Limited-Service Restaurants \$963,943 \$490,474 2  Limited-Service Eating Places \$1,28,899 \$405,212 0  Drinking Places - Alcoholic Beverages \$8,039 \$188,892 0	Shoe Stores	\$231,494	\$989,063	0
Clothing & Clothing Accessories Stores   \$1,202,054   \$880,758   1	Jewelry, Luggage & Leather Goods Stores	\$178,499	\$750,364	0
Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Giff Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474		\$1,202,054		1
Book, Periodical & Music Stores         \$118,178         \$922,069         0           Sporting Goods, Hobby, Book & Music Stores         \$599,970         \$845,353         1           Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Giff Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474	Sporting Goods/Hobby/Musical Instrument Stores	\$481,792	\$937,513	1
Department Stores         \$1,157,213         \$22,012,744         0           Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Gift Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0		\$118,178	\$922,069	0
Other General Merchandise Stores         \$2,028,629         \$3,005,862         1           General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Gift Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0 <td>Sporting Goods, Hobby, Book &amp; Music Stores</td> <td>\$599,970</td> <td>\$845,353</td> <td>1</td>	Sporting Goods, Hobby, Book & Music Stores	\$599,970	\$845,353	1
General Merchandise Stores         \$3,185,842         \$10,434,659         0           Florists         (\$43,062)         \$275,396         0           Office Supplies, Stationery & Gift Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0	Department Stores	\$1,157,213	\$22,012,744	0
Florists	Other General Merchandise Stores	\$2,028,629	\$3,005,862	1
Office Supplies, Stationery & Gift Stores         \$180,947         \$470,986         0           Used Merchandise Stores         \$102,286         \$457,929         0           Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0	General Merchandise Stores	\$3,185,842	\$10,434,659	0
Used Merchandise Stores       \$102,286       \$457,929       0         Other Miscellaneous Store Retailers       \$272,168       \$977,174       0         Miscellaneous Store Retailers       \$512,340       \$642,127       1         Electronic Shopping & Mail-Order Houses       \$2,091,187       \$6,839,146       0         Vending Machine Operators       \$98,801       \$1,481,503       0         Direct Selling Establishments       \$344,781       \$1,527,019       0         Nonstore Retailers       \$2,534,769       \$3,997,006       1         Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Florists	(\$43,062)	\$275,396	0
Other Miscellaneous Store Retailers         \$272,168         \$977,174         0           Miscellaneous Store Retailers         \$512,340         \$642,127         1           Electronic Shopping & Mail-Order Houses         \$2,091,187         \$6,839,146         0           Vending Machine Operators         \$98,801         \$1,481,503         0           Direct Selling Establishments         \$344,781         \$1,527,019         0           Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0	Office Supplies, Stationery & Gift Stores	\$180,947	\$470,986	0
Miscellaneous Store Retailers       \$512,340       \$642,127       1         Electronic Shopping & Mail-Order Houses       \$2,091,187       \$6,839,146       0         Vending Machine Operators       \$98,801       \$1,481,503       0         Direct Selling Establishments       \$344,781       \$1,527,019       0         Nonstore Retailers       \$2,534,769       \$3,997,006       1         Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Used Merchandise Stores	\$102,286	\$457,929	0
Electronic Shopping & Mail-Order Houses       \$2,091,187       \$6,839,146       0         Vending Machine Operators       \$98,801       \$1,481,503       0         Direct Selling Establishments       \$344,781       \$1,527,019       0         Nonstore Retailers       \$2,534,769       \$3,997,006       1         Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Other Miscellaneous Store Retailers	\$272,168	\$977,174	0
Vending Machine Operators       \$98,801       \$1,481,503       0         Direct Selling Establishments       \$344,781       \$1,527,019       0         Nonstore Retailers       \$2,534,769       \$3,997,006       1         Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Miscellaneous Store Retailers	\$512,340	\$642,127	1
Direct Selling Establishments       \$344,781       \$1,527,019       0         Nonstore Retailers       \$2,534,769       \$3,997,006       1         Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Electronic Shopping & Mail-Order Houses	\$2,091,187	\$6,839,146	0
Nonstore Retailers         \$2,534,769         \$3,997,006         1           Full-Service Restaurants         \$963,943         \$490,474         2           Limited-Service Eating Places         \$1,357,979         \$722,180         2           Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0	Vending Machine Operators	\$98,801	\$1,481,503	0
Full-Service Restaurants       \$963,943       \$490,474       2         Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Direct Selling Establishments	\$344,781	\$1,527,019	0
Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Nonstore Retailers	\$2,534,769	\$3,997,006	1
Limited-Service Eating Places       \$1,357,979       \$722,180       2         Special Food Services       \$128,899       \$405,212       0         Drinking Places - Alcoholic Beverages       \$8,039       \$188,892       0	Full-Service Restaurants			2
Special Food Services         \$128,899         \$405,212         0           Drinking Places - Alcoholic Beverages         \$8,039         \$188,892         0	Limited-Service Eating Places	\$1,357,979	\$722,180	2
Drinking Places - Alcoholic Beverages \$8,039 \$188,892 0	-			0
				0
1,4,4,1,0,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,	Food Services & Drinking Places	\$2,458,861	\$471,642	5

commercial development should be limited to downtown and existing commercial areas. Because of competition from communities in or near Hillsboro's trade area is considerable, finding ways to pool resources and share the cost of marketing among multiple retailers may make Hillsboro businesses more competitive.

A downtown anchor business, such as an expanded presence by the Co-Op, a large agricultural and outdoor store, or an expansion to the Hillsboro Brewing Company could regularly draw customers from an area much larger than the primary convenience trade area and impact individual retail nodes by providing additional traffic downtown. This type of regional destination presents opportunities to increase traffic by encouraging customers to patronize adjacent and/or complementary businesses. Providing complementary support infrastructure can also reinforce these clusters as they emerge. For instance, specific to Hillsboro's situation, services available to motorcyclists, ATV/UTV users, bicyclists, or canoe trippers in the warmer months would support additional businesses downtown. Likewise, more hitching posts and better infrastructure could improve Hillsboro's standing as a commercial center for the local Amish community, both for providing goods and services to the Amish and providing possible economic opportunities for them. Cashton, Ontario, and Viroqua provide good example of this strategy.

In many communities, the local workforce plays a significant role in supporting local business through daytime or business spending. Because of the limited ability for workers to travel during lunch, this primary workforce market is generally limited to employees working outside the home within 2 miles. Commuters also represent a potential source of revenue pre- and post-work. This population includes more than 800 individuals commuting either into or out of Hillsboro. Studies have found that, on average, rural professional workers spend about \$145 week including almost \$45 on commuting (gas and maintenance), and about \$100 on lunch, personal errands (pharmacy, shopping), and convenience purchases (grocery, coffee). Manufacturing and retail/hospitality workers spend 10-15 percent less as a result of non-traditional work hours and more limited workplace flexibility. Calculated conservatively, these combined markets represent approximately \$3,500,000 in consumer demand. While this market is beneficial to local businesses, especially gas stations, the added customer volume is not sufficient to offset the limited market potential indicated because many of the categories of worker demand do not correspond either to existing businesses in Hillsboro, or to retail opportunities from the existing residents.

# **Real Estate Analysis**

The availability of suitable land and real estate has a significant impact on the ability of businesses to grow and expand in a community. There is currently an excess supply of retail and commercial office space in Hillsboro, with some vacant industrial space available as well. This is a brief analysis of commercial real estate available in the city. A more in-depth analysis of real estate opportunities is included in later in this document on page 47.

Many businesses opt for a location in smaller communities due to increased affordability of space. However, there are only four industrial properties and no commercial properties listed for sale on commercial listing sites including LoopNet and Locate In Wisconsin, so providing reasonable estimates of rents is difficult. While other surrounding communities are likely to have rent discounts similar to what Hillsboro may have, the excess supply of retail and office space should place Hillsboro in an advantageous position in comparison with these markets. However, this rent benefit does not offset the limited local customer pool and travel time to supplier or customer destinations for many businesses, especially outside of the summer tourist season.

In Hillsboro, much of the existing industrial space is located to the east or along the edges of the City, while retail is clustered downtown or along the highways. There are available sites in the Enterprise Drive Industrial Park. The City has issued a request for proposals for the development of the City-owned Enterprise Drive Industrial Park sites. The available Enterprise Drive Industrial Park sites are within the city's TID #2. As such, the City can consider providing TIF assistance and incentives based on the scope and economic impact of any proposed developments. As of the consultant's last review, there are seven downtown buildings and sites that are currently for lease or sale.

Hillsboro may benefit from efforts to assist tenants or property owners to upgrade existing office or retail spaces, and should explore opportunities to support development of for-lease small industrial spaces to retain and attract businesses in this size range that wish to remain and grow in the market, while also ensuring availability of land for sale or lease for larger industrial spaces.

In contrast to the industrial and retail sectors, there are no specific industry classifications which correspond to the need for professional office space, but rather a number of classifications which may hint at potential needs for office space. As consumer needs have shifted from a downtown-centered model to a more regional trade area, downtown storefront use has shifted; professional service tenants have found that first floor storefront spaces provide greater visibility, marketing and customer convenience.

This section of the market analysis includes an assessment of the local commercial and professional office sectors for Hillsboro. The availability of suitable land and real estate has a significant impact on the ability of businesses to grow and expand in a community. The charts page 20 enumerate the number of businesses and employees in 2015 in the City of Hillsboro in those business sectors suggesting the need for commercial office space. Data is provided using two separate industry classification systems to best capture the total commercial office space needs, as the ways

#### Market Analysis-Real Estate

businesses are counted and reported vary from system to system. However, using both classification systems allows us to determine with some certainty that there are between 50 and 60 businesses employing between 300 and 330 employees in Hillsboro that require commercial office space.

#### Commercial Sectors Requiring Office Space

Sector (SIC)	Businesses	<b>Employees</b>
Banks, Savings & Lending Institutions	6	20
Securities Brokers	0	0
Insurance Carriers & Agents	3	12
Real Estate, Holding, Other Investment Offices	2	8
Health Services	9	151
Legal Services	3	10
Other Services	23	83
Government	6	24
Total	52	308

Sector (NAICS)	Businesses	<b>Employees</b>
Information	6	27
Central Bank/Credit Intermediation & Related Activities	6	20
Securities, Commodity Contracts & Other Financial Investments	0	0
Insurance Carriers & Related Activities; Funds, Trusts	3	12
Real Estate, Rental & Leasing	1	1
Professional, Scientific & Tech Services	10	41
Management of Companies & Enterprises	0	0
Administrative & Support	1	1
Health Care & Social Assistance	12	177
Other Services (except Public Administration & Vehicle Repair)	14	26
Public Administration	6	24
Total	59	329

### **Business Mix & Workforce Profile**

There is a significant labor pool available in many sectors which could benefit from Hillsboro's location and employee base. There are several sectors in which employment in Hillsboro is more concentrated than in the County, State, or both. Hillsboro is overrepresented, when compared to the State of Wisconsin, in the sectors of agriculture, wholesale trade, and information. In all of these sectors, Hillsboro hosts at least 50% more jobs than would be expected according the average distribution of jobs across these sectors for the State as a whole. Hillsboro is underrepresented by at least 25% in the sectors of services and finances, insurance, and real estate.

Almost 110 businesses employing nearly 800 total workers are located in Hillsboro. Of the almost 800 jobs available in the City, fewer than 700 workers reside in the City, and only about half of employed people living in the City work there as well. This difference is fulfilled by workers commuting in to Hillsboro from the Town of Hillsboro and nearby communities like Union Center and Wonewoc.

While unemployment within Hillsboro, 7.0%, is higher than the 5.0% rate in Vernon County but only slightly higher than the 6.6% rate in Wisconsin, there is a significant degree of mismatch between available workers and available jobs. Within the City, the biggest mismatches between jobs and available positions are in the services, retail trade, and FIRE (finance, insurance, and real estate) sectors. Conversely, there are many more residents of Hillsboro employed in agricultural and manufacturing professions than there are jobs in the City. These workers must commute elsewhere to find work.

Hillsboro is over-represented, when compared to the State of Wisconsin, in the sectors of public administration, wholesale trade, transportation and utilities, and agriculture or mining. In all of these sectors, Hillsboro hosts at least 50% more jobs than would be expected according to the average distribution of jobs across these sectors for the State as a whole.

The entire Hillsboro area has a surplus of workers in the manufacturing, agriculture, and transportation and utilities sectors. Workers in these sectors must commute to other communities for jobs. The Hillsboro are has a worker deficit, however, in the services, retail trade, information, and finance, insurance, and real estate sectors, and attracts employees from outside the area to fill those positions.

Sector	Hillsboro	Wisconsin	LQ
Agriculture/Mining	8.2%	2.2%	3.73
Wholesale Trade	6.4%	2.5%	2.56
Information	2.1%	1.4%	1.50
Construction	6.6%	4.9%	1.35
Manufacturing	21.7%	18.7%	1.16
Transportation/Utilities	4.8%	4.2%	1.14
Public Administration	3.4%	3.4%	1.00
Retail Trade	10.2%	10.9%	0.94
Services	32.7%	45.3%	0.72
Finance/Insurance/ Real Estate	3.7%	6.6%	0.56

The table at left shows the location quotient, the factor of comparison between locational business activity and that of a larger region, showing Hillsboro's commercial strengths. Hillsboro's industry mix includes a significant concentration of extraction (agriculture and mining) and wholesale trade, with additional concentration in the information, construction, manufacturing, and transportation and utilities sectors. Some industries are not likely to

locate in the community because of a need for proximity to other businesses or customer populations. However, other clusters, or specific industries within those clusters represented by the local workforce may represent recruitment targets. In all cases, suitable real estate would need to be available locally to accommodate these industries, and recruitment of other target sectors may require additional amenities or infrastructure (i.e. high speed internet, shared work space to accommodate satellite offices, etc).

Many communities strive to match local commercial opportunities to the skills of the available workforce. Residents benefit from more convenient employment opportunities and as a result spend more time and money in the community. Simultaneously, employers benefit from locating in proximity to an existing trained

workforce. Employers in Hillsboro will need to be competitive with the Reedsburg, Tomah, Richland Center, and Mauston markets for wages, although the time and cost savings from reduced commuting may entice some workers even at a slight reduction in pay. For example, the cost of commuting daily to Reedsburg equates to \$2,000 annually for the average commuter at today's gas prices, with the time savings from reduced commuting providing a roughly equivalent additional benefit.

Laborshed Employment Mismatch

Sector	Jobs	Employed Residents
Agriculture/Mining	125	430
Construction	115	238
Finance/Insurance/Real Estate	132	116
Information	31	54
Manufacturing	161	791
Public Administration	224	156
Retail Trade	482	410
Services	1119	1214
Transportation/Utilities	189	208
Wholesale Trade	232	120
Total	3110	3738

Hillsboro Employment Mismatch

Sector	Businesses	Jobs	Employed Residents	Surplus/ Deficit
Agriculture/Mining	3	12	55	43
Construction	8	40	44	4
Finance/Insurance/Real Estate	11	40	25	-15
Information	6	5	14	9
Manufacturing	4	28	145	117
Public Administration	6	24	23	-1
Retail Trade	18	175	68	-107
Services	46	375	218	-157
Transportation/Utilities	3	21	32	11
Wholesale Trade	4	43	43	0
Total	112	763	667	-96

Within the entire Hillsboro laborshed, the total number of available employable persons and job positions are more balanced. This does not mean that everyone living in the laborshed also works in the laborshed; in some sectors, workers must commute in FIRE, public administration, retail trade, and wholesale trade sectors all still require workers living outside the laborshed to commute into the area to fill positions. The Hillsboro laborshed provides a surplus of workers in the manufacturing, agriculture and mining, construction, services, information, and transportation and utilities sectors. Workers with these skills are required to travel to other communities or larger employment centers for employment. By targeting or growing businesses employing these workers, Hillsboro could take advantage of an established local skilled workforce. While some occupations cannot be accommodated locally and some commuters will choose to commute for higher wages or greater occupational choice in larger cities, many workers may be willing to work for lower wages if they save sufficient time and money on their commute.

Of these sectors, some represent more likely recruitment targets than others. For instance, Public Administration employment opportunities are limited by the size of local government. Similarly, wholesale trade related businesses are most likely to locate adjacent to major transportation corridors, which, with no US Highways or rail service, are limited in the Hillsboro area. However, other sectors represent viable short or long term targets for relocation or satellite office locations in the community. Some specific occupations within these sectors are less driven by a need for proximity to specific customer or client bases and are recommended as short term targets. These target recruitment sectors include information, insurance or other back office uses, and health care. Several of these sectors would be appropriate tenants for downtown, but may also be located in new development sites if suitable space is made available. Recruitment success requires the presence of suitably sized spaces with modern buildout. Facilitating upgrades to older and vacant spaces can help create an affordable and efficient environment to cater to potential new businesses.

An additional long-term opportunity for Hillsboro is the ability to increase its market share of younger workers. The median age of Hillsboro's population is 42.0 years, the same as Vernon County and older than the median of 39.1 in Wisconsin, indicating there are proportionally more older employees than in other areas of the State. Additionally, because older workers may be over-represented in certain sectors, problems of retirements, closings, and business succession planning. Facilitating the transition of ownership in these businesses to the next generation of entrepreneurs will help retain these local services and create additional employment opportunities which appeal to

#### Educational Attainment Comparison

Educational Attainment	City	Laborshed	County	State
Less than High School	14.5%	14.8%	12.3%	9.8%
High School or Equivalent	43.8%	43.1%	37.5%	33.1%
Some College, No Degree	21.1%	20.4%	19.1%	21.3%
Associate Degree	7.9%	8.7%	10.9%	9.4%
Bachelor's Degree	7.6%	8.6%	13.0%	17.5%
Graduate/Professional Degree	5.0%	4.4%	7.1%	9.0%

entrepreneurial-minded individuals. Traditionally, this transition is difficult to make, and financing options for the purchase of businesses, are limited. The ability to work with businesses to facilitate this transition and retain these locally owned and operated establishments can help foster a local culture of entrepreneurialism and create opportunities for local partnerships.

The table below summarizes the change in jobs for Vernon County between 2004-2014. It then compartmentalizes the change in employment in Jefferson County into three components that caused the change: national growth, growth or decline in the industry sector as a whole and, finally, the comparative advantage the county has in that industry. If a sector's competitive share is positive, then the sector has a local advantage in promoting employment growth. Using the data from the shift-share analysis, we can make some assumptions and projections for sector opportunities in Hillsboro. Vernon County has exhibited strong local growth in education and health services; trade, transportation, and utilities; and manufacturing. These may be industry sectors that Hillsboro will wish to concentrate on to promote future job growth. Other opportunities for which Vernon County is strong are in the leisure and hospitality, professional and business services, and financial activity sectors.

Shift-Share Analysis for Vernon County

Sector	2004 Employment	2014 Employment	2004-2014 Change	National Growth Component	Industrial Mix Component	Local Competitive Share Component
Education and Health Services	2,665	2,714	49	117	-67	223
Trade, Transportation, and Utilities	2,067	2,340	273	40	-143	98
Manufacturing	702	697	-5	12	24	70
Leisure and Hospitality	655	692	37	32	-24	49
Public Administration	572	629	57	6	-19	24
Professional and Business Services	216	322	106	14	-42	16
Financial Activities	362	282	-80	7	-8	10
Construction	242	230	-12	20	-31	-70
Natural Resources and Mining	307	223	-84	37	75	-75
Information	113	124	11	17	55	-156
Other Services	116	124	8	150	323	-425
Total	8,017	8,377	360	452	143	-236

# **Housing Analysis**

A housing market analysis provides an overview of local demographic, income and social factors which contribute to the demand for housing in the City of Hillsboro. The analysis examines the impact of household size, income, age and ownership status of Hillsboro's population. By studying the relationship and changes in these factors over

Demographics Summary & Projections

	Census 2000	Census 2010	2015 Estimate	2020 Estimate
Population	1305	1417	1451	1486
Households	567	587	596	608
Median Age	n/a	38.4	37.8	38.3
Average Household Size	2.20	2.41	2.43	2.44

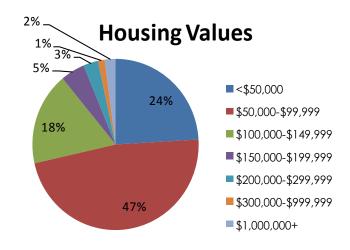
Source: Esri

time, we can identify current and future gaps in supply based on household need. Categories which are projected to have potential needs are divided based upon the type of housing which is most commonly demanded by these groups. For instance, the need for rental housing and affordable housing, as well as active senior and retirement communities are frequently areas of future need in our aging society. As with the retail trade area, housing demand comes from a broader geographic area than just the City. This larger pool includes employees who currently work in or near the City and would prefer to live closer to their place of employment, newly forming households as a result of children exiting their parents' household, and senior migration from rural areas to be closer to accessible services and medical care.

Age and family status are the most influential factors for households considering renting versus owning. More than three-quarters of the households headed by individuals under 30 opt to rent, and nearly half of households headed by individuals 30-44 now rent. Adults aged 75 and over have seen steady increases in the percentage of households renting. In contrast to home owners, renters have greater choice in housing types. Within the renter pool, there are differences in the type of units preferred. A majority of younger renters (under 30) live in larger apartment buildings of five or more units, while middle-aged renters prefer single-family homes or buildings with less than 4 units. Older

renters are split between smaller buildings and larger senior housing apartment buildings. Larger properties typically offer a combination of amenities, limited upkeep and social opportunities which are attractive to both younger and older age groups.

However, there is significant potential for Hillsboro to attract additional older households moving to apartments and senior housing facilities, which are typically located in hub



communities where adequate medical care and amenities are available, drawing from the

available, drawing from the surrounding region for their resident base. These households are most likely to rent and to make changes in living arrangements based on life changes (i.e., death of spouse, injury, physical ability). Hillsboro's strong existing health care base would be a strong attractor for these populations and their necessary housing types. However, it is necessary that Hillsboro ensure that a suitable supply of dwelling units for these households, as larger nearby

supply of dwelling units for these communities will likely be able to outcompete Hillsboro in terms of the number of units offered. The current trend in senior housing is to create continuum of care projects located near existing commercial environments to provide access to amenities. Desirable nearby amenities include pharmacy, medical, restaurant, and park space. These elements are frequently present in downtown, making senior housing a redevelopment strateav in downtown or the surrounding established neighborhoods and built-up areas. Facilities

providing a continuum of care, including independent living

arrangements, also provide a larger consumer base for downtown businesses, including both the residents and their

visitors.

#### Housing Units by Structure Type

	Occupied Units	Owner- occupied Units	Renter- occupied Units
Occupied Units	637	363	274
1, detached	71.7%	96.6%	38.1%
1, attached	1.6%	0.8%	2.6%
2 apartments	8.7%	2.5%	17.0%
3 or 4 apartments	6.3%	0.0%	14.7%
5 to 9 apartments	3.9%	0.0%	9.1%
10 or more apartments	7.9%	0.0%	18.5%
Mobile home or other types	0.0%	0.0%	0.0%

#### Housing Units by Date Built

	Occupied Units	Owner- occupied Units	Renter- occupied Units
2010 or later	0.0%	0.0%	0.0%
2000 to 2009	7.9%	7.5%	8.3%
1980 to 1999	14.6%	10.9%	19.6%
1960 to 1979	19.1%	18.4%	20.0%
1940 to 1959	30.7%	341%	26.0%
1939 or earlier	27.8%	29.1%	26.0%

#### Housing Units by Size (number of bedrooms)

	Occupied Units	Owner- occupied Units	Renter- occupied Units
No bedroom	2.6%	0.0%	6.0%
1 bedroom	10.1%	2.2%	20.8%
2 or 3 bedrooms	70.0%	73.5%	65.3%
4 or more bedrooms	17.3%	24.3%	7.9%

Source for above tables: American Community Survey

Household income is a critical factor impacting housing demand. The ability of local households to afford existing housing stock influences the decision to purchase or rent, and indicates the price point at which future units will be absorbed. The first table on the following page shows the monthly housing costs for owner- and renter-occupied housing units in Hillsboro, broken down by household income. As a general rule of thumb, housing

costs should cost no more than 30% of a household's income. The chart shows that while the vast majority of households in the upper fifth of incomes in Hillsboro (those making \$75,000 or more) pay less than 20% of their income on housing costs, for lower income households, many are burdened by their housing costs. Nearly three-quarters

Monthly Housing Costs as a Percentage of Household Income

Occupied Owner-Renter-Housing Units 29.9% ess than \$20,000 21.7% 15.4% Less than 20% 4.1% 5.2% 20% to 29% 24.0% 28.6% 20.7% 75.6% 30% or more 71.4% 66.2% 15.7% \$20,000 to \$34,999 20.7% 27.4% Less than 20% 36.2% 40.1% 25.2% 20% to 29% 31.9% 40.1% 31.9% 41.2% 30% or more 19.1% 15.5% \$35,000 to \$49,999 18.2% 12.0% Less than 20% 47.7% 44.0% 55.0% 31.9% 20% to 29% 27.1% 18.3% 30% or more 25.2% 24.2% 27.5% 19.0% 23.4% 13.1% \$50,000 to \$74,999 Less than 20% 59.8% 100.0% 72.1% 20% to 29% 35.8% 60.7% 30% or more 10.2% 9.4% 0.0% 19.9% 12.4% \$75,000 or more 25.6% Less than 20% 95.5% 93.8% 100.0% 0.0% 20% to 29% 1.5% 2.3% 30% or more 3.0% 4.3% 1.7% No income 1.6% No cash rent 1.6% 0.0% 3.6%

of households making less than \$20,000, nearly a third making between \$20,000 and \$35,000, and more than a quarter making between \$35,000 and \$50,000 occupied occupied must pay more than 30% of their income for housing. These proportions are even larger 3.7% among renters than the community as a whole. The second table, seen below, exhibits income limits for fair market rents in Vernon County in 33.2% 2015, as set by the federal Department of Housing and Urban Development.

> Fortunately for Hillsboro, there are a considerable number of residential sites available in the City that can be developed without further annexation or expenditures on utilities and other infrastructure. There are still 24 of 0.0% 62 lots in the Tinker's Bluff subdivision that remain vacant. Further, there are several sites on Salsbery Circle that have not been fully developed, and are appropriate for senior- and multi-0.0% | family rental housing. Public input 1.5% | indicated the general desire and need for additional senior housing options in Hillsboro.

Source: American Community Survey

Vernon County Low Income Limits for Fair Market Rents

2015 Income	% of		Persons in Family						
Limit Category	Median	1	2	3	4	5	6	7	8+
Extremely Low Income	30%	\$15,300	\$17,450	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$40,890
Very Low Income	50%	\$25,450	\$29,100	\$32,750	\$36,350	\$39,300	\$42,200	\$45,100	\$48,000
Low Income	80%	\$40,750	\$46,550	\$52,350	\$58,150	\$62,850	\$67,500	\$72,150	\$76,800

# Tax & Utility Cost Analysis

Hillsboro's effective tax rate for taxes collected in 2015 was 0.02607. This rate is approximately average for the surrounding cities and villages. Attempts may be made in the future to advertise how its tax rate contributes to a low cost of doing business to firms in an attempt to attract new or grow existing businesses.

Community	Population Estimate	Property Value	Effective Tax Rate
LaFarge	703	\$35,625,000	0.02464
Richland Center	5,187	\$263,058,000	0.02475
Reedsburg	9,301	\$519,404,300	0.02555
Hillsboro	1,408	\$61,412,000	0.02607
Wonewoc	811	\$21,921,900	0.02780
Elroy	1,409	\$48,725,700	0.02820

Water Rates (2000 CF / 15,000 Gal)			
Reedsburg	\$39.33		
Hillsboro	\$48.97		
Richland Center	\$50.70		
Wonewoc	\$79.46		
LaFarge	\$82.33		
Elroy	\$108.00		

Electricity Rates (600 kWh/mo; 2015 average)			
Wonewoc	\$65.75		
Elroy	\$66.58		
Richland Center	\$69.74		
LaFarge	\$71.32		
Reedsburg	\$74.57		
WPL / Alliant Energy (Hillsboro) \$76.10			

Hillsboro's utility rates are competitive with nearby communities. The City of Hillsboro Water Utility provides water services to Hillsboro. Wisconsin Power and Light (Alliant Energy) provides power to Hillsboro, while several other nearby communities have municipally-owned utilities or are members of electricity cooperatives. While Hillsboro's electricity rates are higher than surrounding communities, average monthly residential rates are less than \$2 more than Reedsburg, the City with the next highest rate, and only \$11 more than Wonewoc, the community with the lowest rates of those analyzed. Conversely, Hillsboro's water rates are very inexpensive compared to other cities and villages, being the second cheapest of those analyzed and less than half the cost of Elroy's rates, which are the highest in the area.

# **Downtown Revitalization Strategies**

# **Opportunities & Challenges**

During the public input opportunities, steering committee members and citizens helped define the opportunities and challenges for Hillsboro in achieving its downtown revitalization goals. These responses are seen below.

#### What do you Love about Hillsboro?

- Good Schools
- Safe
- Welcoming
- Strong Family-Run Businesses
- Affordable Housing
- Hospital/Healthcare
- People Volunteers
- Safety
- Lake
- Lots of pretty churches
- Ability to shop
- Lots of things in walking distance
- Parks & Museums historic City park
- Beautiful views
- Disc golf course
- Accessibility to nature and fresh air (and eagles)
- First class library
- Hotel Hillsboro
- Milestone senior living

# What Makes you Anxious about Hillsboro's Future?

- Aging Downtown Buildings
- Business Succession (planning & financing)
- Declining Workforce
- Housing Stock Quality
- Drugs/Crime
- Downtown Building Stock
- Technology & Jobs (need programmers, other tech jobs)
- Retention of young people
- Lake (pollution, will the dam stay?)
- Viability of small businesses
- Decreasing population & demographics
- Passivity of residents
- Hike/bike trail & connections

During the public input opportunities, steering committee members and citizens helped define the opportunities and challenges for Hillsboro in achieving its downtown revitalization goals. These responses are seen below.

#### **Opportunities**

- Diverse employment base
- New housing opportunities
- Rural location offers opportunities for commercial stabilization
- Well-established major employers

#### Challenges

- Aging population
- Isolated and rural
- Limits to new growth areas
- Declining retail offerings



# Streetscape Improvements

One of the primary goals of the Hillsboro downtown revitalization plan is to formulate a strategy to improve the physical environment of downtown through streetscape improvements in order to create and attractive and pedestrian-friendly "main street." Issues with downtown Hillsboro's built environment were identified and discussed with the planning process steering committee, citizen input and a public meeting, and during stakeholder interviews. Streetscape design preferences were also identified during these times. Suggested improvements to the built environment are discussed below. Maintaining the traditional character of downtown's streetscape is one of the most important design responsibilities. Any construction in the public right of ways or street reconstruction must be done in a manner complimentary to downtown. Downtown streets, Water Avenue in particular, must maintain wide sidewalks, street trees, landscaping, light fixtures, and street furnishings. Any downtown plans or projects should adhere to the following standards, which are expanded upon later in this section.

The specific major issues that need to be addressed in planning for a revitalized physical environment in downtown Hillsboro are the following items.

- Well defined pedestrian and vehicle spaces. Vehicular traffic, especially on the State highways that traverse downtown, should be safe and orderly. Pedestrians, likewise, should feel safe from vehicular traffic and have ample space for walking, sitting, conversing, and eating.
- Logical use of trees, furniture, paving, and landscaping. All streetscape elements should be chosen and placed to improve the function and aesthetic of the public realm and to improve the attractiveness and opportunities for private investment.
- Attractive and functional street lighting and durable materials. Lighting and streetscape element materials should be chosen and installed to promote safety and to improve the attractiveness of the public realm.
- Scale appropriate to pedestrian users. Especially in downtown, it is important to scale all development to pedestrians in a manner that is easily walkable and not intimidating. Buildings should not be so large, tall, or long to dehumanize the environment. Parking lots should be sized to not dominate the landscape and keep uses close enough to feed off the activity of nearby business and other uses.
- Unified character drawn from consistent colors, textures, and design features. One
  of the biggest issues with the physical environment in downtown Hillsboro is the lack
  of a cohesive streetscape theme. Benches, tables, streetlight standards, signs,
  streetpole banners, flower baskets, planters, bicycle racks, and trash and recycling
  receptacles should be chosen to meet a theme that will bring consistency to the
  district.

#### Streetscape Improvements

Pedestrian safety and traffic calming through downtown, particularly along Water Avenue and Mill Street were repeatedly identified as important issues. Because one signed County and three signed State highways pass through downtown, a significant portion of local traffic, and especially truck traffic, occurs on Water Avenue. The intersection of Water Avenue and Mill Street is of particular concern. Among the possible methods for mitigating these issues are intersection treatments at Water and Mill and pedestrian improvements.

Speeding on Water Avenue is an issue brought up by several citizens involved in the planning project. The Wisconsin DOT places traffic signals at intersections based on traffic volume, speed, and number of



NO THRU TRUCK TRAFFIC

accidents at the location. At present the intersection of Mill Street and Water Avenue does not meet the necessary warrants for a signalized intersection. However, there are some potential remediation strategies to consider, including the installation of a flashing red/yellow signal at the corner of Water and Mill to decrease the number of rolling stops onto Water Avenue from Mill Street and increase yielding behavior by vehicles travelling on Water Avenue. More signs warning drivers of pedestrian activity could be installed on both sides of the intersection, in front of Hillsboro Brewing Company on the east, and Peterson Pharmacy on the west. Another suggestion is to install orange crossing flags at this intersection. Orange flags would be placed in containers at each end of a crosswalk. People wanting to cross the street at the crosswalk pick up a flag to signal to drivers their intent to cross the street, then cross the street and place the flag in the container on the other side for the next person to use. In addition to indicating intent to cross the street, the flags also increase pedestrian visibility. Along with the crossing flags and flashing signals, a median with pedestrian refuge could also be constructed on



both sides of the intersection in Water Avenue. While this would have very limited effect in vehicular motion, such an addition would have to involve Wisconsin DOT review and approval. Another option for increasing pedestrian and vehicular safety, especially near the intersection of Mill Street and Water Avenue, is the construction of a bulb/



bump-out or curb extension along the north side of Water Avenue just east of Mill Street, in front of the current location of the Hillsboro Brewing Company. A bulb-outs is an extension of the sidewalk into the parking lane to narrow the roadway and provide additional pedestrian space. Bulb-outs enhance pedestrian safety by increasing pedestrian visibility, shortening crossing distances, slowing turning vehicles, and visually narrowing the roadway. Additionally, this space could be used for outdoor seating or dining. However, because this intersection handles three signed State Highways, the design of any bulb-out should balance the necessary roadway characteristics, specifically the needs of trucks to navigate turns through an appropriate and safe turning radius. Any plan and design would require Wisconsin DOT review and approval. Additional truck route signage could also potentially improve this intersection.

'Bump-outs' or 'bulb-outs' are encouraged at street intersections to decrease turning radii, shorten street crossing distances for pedestrians, and allow more room for streetscape improvements. Pedestrian areas at corners should include a clear zone free of obstacles in line with the pedestrian travel areas of the sidewalks and extending to

the street corner of the intersection. Only essential regulatory elements such as sign posts are allowed in the clear zone. Corner amenity areas should be located at either side of the clear pedestrian zone. These amenity areas may incorporate benches, bike racks, trash and recycling receptacles, newspaper racks, and informational kiosks.

The project steering committee and citizens providing input also identified the need for additional public gathering space in addition to the bulb-out described above. An



## Streetscape Improvements

additional location for such a space downtown is the current plaza that formerly acted as Short Street's connection to Water Avenue. This space currently features some artwork, a picnic table, trash receptacle, some flower planters, and an ash receptacle. The plaza could be markedly improved with new street furniture, including new benches, picnic tables, plantings, trash receptacles, special paving, and pedestrian and bicycle connections to the co-op redevelopment area. Depending on the level of improvement and selection of materials, a plaza such as that illustrated below could cost between \$40,000 and \$130,000. A well-designed tiered space with outdoor furniture, lighting, railing, seating walls, and plantings as presented would likely cost approximately \$100,000.

Physical improvement of the streetscape may entail the change or addition of many types of outdoor furniture and streetscape elements. The current streetscape features a variety of types of benches, trash receptacles, streetlights, and other elements without any type of cohesive theme. Many are also old and in poor shape. In order to create an attractive downtown streetscape that will encourage development, a cohesive unified streetscape theme should be developed. Based on input from the public and the steering committee, a traditional theme with modern touches composed mainly of black steel and classic lines seems to be the preferred suite of streetscape elements.



This streetscape element suite would primarily include benches, trash receptacles, and bicycle racks at first, but could be expanded to include picnic tables, railings around planters and street trees, pedestrian-scale streetlights, and even buggy hitching posts. Benches could have an iron or steel frame and wood or composite seat and back to match the existing bench design. Bicycle racks and buggy hitching posts could be designed with architectural or artistic touches to emphasize a specific community style. The existing streetlights on Water Avenue have been recently updated, and will likely not then be replaced by more pedestrian-scaled lights for some years, so any new streetscape elements should be complimentary to the remaining streetlights. Community themed banners can be used, however, on the existing streetlight standards and help tie the streetlight design into the rest of the streetscape.

In many small communities across Wisconsin, public parking is perceived to be a serious issue for downtown businesses. Methods to maximize curbside parking are encouraged along all downtown streets. Curbside parking buffers pedestrians on the sidewalk from on-street traffic and relieves parking pressure from surface lots. The existing angled parking layout with angled parking on the south side and parallel parking on the north side of Water Street, while having some issues, fulfills the needs of the community. A similar parking system exists on Mechanic Street, while Mill Street has parallel parking on both sides. In particular, one issue that was repeated during public input was the need for parking for downtown employees, so that they did not take up parking space on the street and discourage customers from parking near the downtown businesses. One possible solution to this issue is more rigid enforcement of the existing 2-hour parking limit. Another solution is to add additional parking in an appropriate location, such as along the alley southeast of City Hall. A more accessible street network through the Co-Op properties should be planned and implemented as area redevelops. Long-term parking options behind buildings on Water Avenue in this area can be developed to provide employee parking as well. With added parking, it may also be prudent to explore the addition of at least one more handicapped parking stall downtown. Colocating two or more handicapped parking stalls enables space saving, especially





## Streetscape Improvements

when one requires van loading space.

Downtown's character is strongly influenced by a strong streetwall, a continuous line of building facades at the sidewalk edge. The arrangement of buildings in relation to the street and sidewalks clearly defines the street edge and organizes sidewalk activity. Most downtown structures are built to their property line on the street façade and fill the width of the lot. It is important to maintain the traditional streetwall of downtown by retaining the setback of historical buildings. The buildings at 848/850 Water Avenue are currently scheduled to be razed due to structural issues. When such buildings are removed, the streetwall and fabric of the built environment is weakened, negatively impacting both the appearance and the health of downtown. New construction and modifications to existing buildings should respect the setback established by surrounding buildings. Downtown buildings should be built to the property line when the property line is adjacent to the sidewalk, reflecting the traditional placement of existing buildings.

The ground floor of a building is the most important part of the building. It is the portion experienced by people walking past or entering the building. Downtown buildings should provide a continuous, rich pedestrian experience along its ground floor street front. Buildings should provide a visual connection between the sidewalk and the building's ground floor activity, especially retail, dining, and entertainment activities, but also offices and other uses. Large amounts of ground-floor glass create transparency along the street level. Transparency fosters interaction between the public realm of the street and the private realm of the building.

The downtown revitalization planning project steering committee and citizens providing public input identified the need for a cohesive streetscape element design, rather than the existing mis-matched collection of benches, streetlights, and trash cans. Street furniture should be consistent in color design and quality. This is not to say that street





furnishings must be identical; some variety provides interest, but it is important that street furnishings are compatible and contribute to a sense of district cohesiveness. Street furnishings should have a color in keeping with downtown's color palate (dark green and black are preferable), a clean and contemporary design that still complements downtown's historic character, comfort to encourage use, affordability, and accessibility of use. Low maintenance, durable furnishings and materials, with colors common to downtown are appropriate.

Special paving may be used in intersections to highlight important intersections, such as that of Water Avenue and Mill Street. Pedestrian crosswalks should be at least eight feet wide, paved with bricks, colored pavers, or colored brushed concrete to differentiate the crosswalks from the rest of the roadway. Medians may be used, particularly on Water Avenue, to act as mid-crossing refuges for pedestrians crossing streets.

Through the Hillsboro State Trail, Hillsboro has a strong connection to popular state bicycling routes. The City should work to entice trail users to patronize downtown businesses by making biking in Hillsboro easy and comfortable. Shared rights of way, marked with "sharrows," and dedicated bike lanes should be incorporated into downtown's existing street network and any future roadwork within the co-op site. Bicycle lanes should be clearly and simply marked. Lanes should be a minimum of five feet wide and provide adequate clearance to permit cyclists to ride clear of opening car doors. "Share the Road" or other signs should be posted along streets with bicycle lanes or shared on-street bicycle routes. Locate bike parking in high-demand locations where they are likely to be used, not behind buildings or around corners. Well-located bicycle parking will keep bicyclists from locking bikes to signposts, trees, benches, and other street furniture. In most areas, the standard bike rack should be black metal pipe and either an inverted-"U" or a post and loop design. The surface of each bicycle rack should be durable, nonabrasive, and nonmarking. Vinalyzed-coatings on bike racks that do not scratch or damage bicycle frames are encouraged.

Well-coordinated public signage is important because it provides information and direction and enhances the image and identity of Hillsboro and its downtown. Public



## Streetscape Improvements

signage should establish and enhance the visual identity of downtown as a cohesive district. Provide directional signs linking important downtown sites and other important community and regional destinations, like schools and parks. Public signage systems must also address public parking with easily identifiable, informative, and user friendly signs. A specific color palette should be chosen to be used on all downtown public signs. Wayfinding and information signs should be scaled for their users. Different signs must respond differently to the needs, scales, and speeds of pedestrians and motorists.



For reasons of clarity and safety, motorist-oriented signs should present no more than four items of information per sign. Wayfinding signs designed for pedestrians should be lower and can provide several pieces of information, as pedestrians travel slowly and may stop to read the signs. Interpretive signs provide information about natural, cultural, historic, or environmental resources. Interpretive signs should have a consistent design character and should not disrupt or block views.

Installation of banners and signs on light and utility poles should be coordinated with and approved by the Hillsboro Public Works Department. Banners throughout downtown should be a standard size as dictated by the permanent mounting brackets on the light poles presently located on Water Avenue and may eventually be placed along Mill Street, Mechanic Street, and along Water Avenue stretching northeast and southwest out of downtown.

The City should provide benches and seating wherever possible on sidewalks and in parks and plazas. The standard existing benches in downtown Hillsboro are





cast concrete frames with painted wood seat and back supports, many of which are in poor shape. A suggested new bench style is a black cast iron bench painted black to coincide with a downtown-wide cohesive streetscape theme. Not all benches must be identical, but should follow the same basic design. Seating options, including benches, chairs, and low seating walls, should be constructed of highly durable, low maintenance materials and match the general design character of other streetscape furnishings.

Downtown streets should be lit by pedestrian-scaled fixtures emitting warm light. Lighting should be provided on all public streets, sidewalks, and public open spaces. Pedestrian-scaled street lighting should illuminate the sidewalk at levels appropriate for pedestrian activities rather than vehicular activity. Pedestrian lighting may also be accomplished with fixtures mounted on buildings or located to accent streetscape features. The type and size of pole fixtures should be consistent along a single block. The dominant public lighting fixture in downtown is a historically-styled gas lamp-type light mounted on a black historically-styled standard. This type of fixture should be continued and standardized across downtown. Light fixtures may vary to accommodate existing vehicular street lights or trees. Pole standards should be made of aluminum or another metal to provide durability and strength in order to resist wind and support signs, banners, and flower baskets. Pole standards should be installed far enough from curbs to prevent damage from snow plows. 120 volt outlets should be installed on light fixtures at a height of approximately 8 feet to provide electricity for holiday string lights and special events.

One streetscape element also mentioned for inclusion by citizens and the steering committee are plantings. Flowers planters, suspended flower baskets, bioswales, and additional street trees could all be added to the downtown area to improve its aesthetic and commercial appeal. If additional street trees are planted, larger planting areas should be established to promote tree health.

A variety of native and adapted plants, including shrubs, vines, groundcovers,

perennials, and annuals should be used in planters, flower baskets, and landscaping areas to provide color and texture to downtown. Planted pots and containers should be used judiciously because they are sometimes fragile and often appear temporary. Planters should be stable, sturdy, and of



## Streetscape Improvements

sufficient weight to avoid tipping over, but still moveable. Annuals are encouraged in freestanding planters and hanging baskets. Flowers and ornamental grasses may be used at gateways to establish an entrance to downtown. Watering and maintenance of annuals should be scheduled until the first frost of the autumn. Consider the eventual height and volume of mature plants in regards to views, shade, and nearby uses before installing. Establish a maintenance plan before installing plants.

Street trees should be provided along every major downtown pedestrian corridor, specifically Water Avenue. Provide as much soil volume as possible to support tree growth; the lifespan of street trees is often limited by soil volume. Tree planters should be made as large as possible and ideally should include a concrete curb to minimize salt running into the planters. If possible, locate trees in bulb-outs to provide for maximum root spread area. Similarly, allow sufficient room for tree canopies to grow without conflict with elements of the built environment. Install tree guards, walls, and railings as needed to protect tree trunks. Use tree grates only in the most constrained right-of-ways or when required for ADA compliance. Street trees should be maintained with a minimum head height of 8 feet over sidewalks and 14 feet over vehicular streets; maintain a 10-foot distance between the trunk of a tree and the building line. Before planting street or plaza trees, first establish a care plan and schedule: considerations must be made for pruning, watering, and removal. Determine which maintenance services will be provided by the City, by property owners, or by other parties.

Waste receptacles should be built of durable material resistant to damage and anchored to the sidewalk. Waste receptacles should have interior plastic liners to contain waste. Receptacles should be designed to fit seamlessly with a cohesive streetscape design theme. Waste receptacles should not clutter the sidewalk or appear out-of-place, but be organized, consistent, and coordinated with other streetscape furniture. Waste and recyclables containers should always be placed next to one another and may be housed together in one unit with separate compartments for waste and recyclables. A servicing and maintenance plan should be implemented for any new waste receptacles installed downtown.

Downtown maintenance will create an attractive, secure-feeling district valued by Hillsboro. Neglected properties can foster a perception of risk and deter people from taking advantage of all of downtown's opportunities. Materials should be selected for durability and longevity. Provide an adequate number of litter and recycling containers and an appropriate collection schedule. Plants that require less water and maintenance are preferable; plan and provide adequate maintenance for plantings. The City and property owners should establish maintenance plans for downtown. The City should also work with event organizers to develop maintenance policies for special events, such as Czesky Den and Oktoberfest.

A complete downtown maintenance plan would include elements such as:

- Landscaping
- Lighting maintenance
- Sidewalk cleaning and repair
- Street furniture cleaning and repair
- Street sweeping
- Trash pick-up
- Tree-trimming
- Clean-up programs
- Graffiti prevention

More public art should also be added to downtown Hillsboro to improve aesthetics and promote investment. Murals could be painted by community members or by the local schools. Some specific locations for such artwork are the Hillsboro Brewing Company Building, the Good

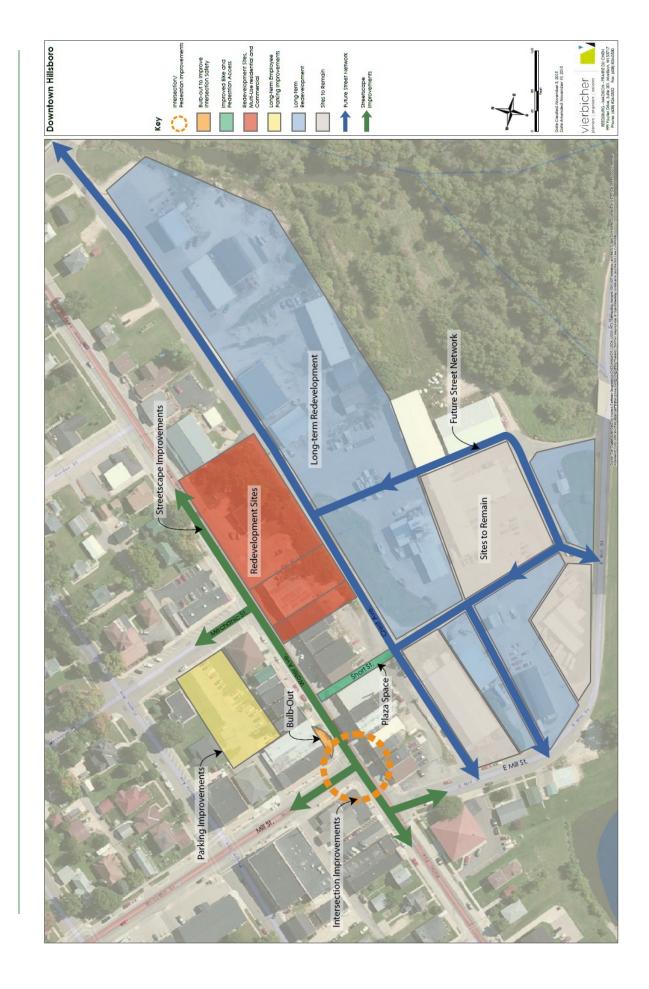


Samaritan Thrift Store & Food Pantry Building, or within the plaza at the top of Short Street. Murals such as these are not permitted under the existing zoning code, so this activity would require a zoning change. Special gateway features, whether they be sculpture, artistic signage, or other artwork could be located on Water Avenue at the east and west gateways to downtown and on Mill Street at its intersection with Prairie Avenue. Much of the public art could be planned to promote Hillsboro's place as the capital of Czech culture in Wisconsin. The incorporation of art throughout downtown is encouraged to continue as an integral part of the downtown design process. Public art should have the ability to enrich downtown experience, bring people together, create public interaction, and enhance beauty. Art selected for downtown should have a relationship to Hillsboro's sense of place and be relevant to its location. Public art should complement the character of the building or space where it is placed and integrate well into the design of its surroundings. Art at gateways can enhance entrances into downtown and establish a unique sense of place. Art should provide interaction through touch and movement and stimulate play and creativity. Brochures and signage should provide information about artwork. Civic art should be considered for any public project. Consider anything in the built environment as an opportunity for art. Opportunities for public art include:

- Benches
- Bicycle racks
- Fountains
- Gates
- Glasswork
- Landscaping
- Manhole covers
- Painting

- Parks and plazas
- Paving
- Planters
- Public Signs
- Railings and Fences
- Sculpture
- Street lights
- Tables and chairs

- Trash receptacles
- Tree guards
- Walls



## **Economic Development & Real Estate Redevelopment**

There are a variety of initiatives, projects, programs, business opportunities, and industry sectors that Hillsboro can pursue to achieve its downtown economic development objectives.

## **Capture Existing Sales Opportunities**

One of the major goals of this planning project is the provision of the necessary goods and services the Hillsboro community needs. There are many types of businesses that could be recruited or encouraged to occupy vacant buildings downtown. Based on discussions with the downtown revitalization planning steering committee, City officials, interviews with local stakeholders, and citizen input from a public meeting, the following list of businesses and services was established. The specific business types listed here are appropriate for some of the existing vacant buildings in downtown Hillsboro, particularly along Water Avenue. This list includes establishments for which there is a demonstrated desire and need for in the community, but are reasonably expected to exist and survive in a community the size of Hillsboro.

## Food Stores

Full-service Restaurant

Ice cream shop

Butcher

Bakery

Grocery

Other specialty food stores

#### Retailers

Antique Store

Cell phone sales and repair store

Computer sales & repair

**Auto Parts** 

Bookshop

Rustic Country Variety Store

Store Selling Amish Crafts and Produce

**Boutique & Niche Retailers** 

## Personal Services

Salon/barber

Photography studio

Carpentry, woodworking shop

Vet Clinic

Youth-Oriented Entertainment Options

Tech school satellite

Senior Citizen Health/Outreach Center

## Economic Development & Real Estate Redevelopment

The following list of businesses could also be appropriate within downtown Hillsboro proper, but perhaps more appropriately along the downtown periphery or within the co-op redevelopment area.

Stores Marketing Specifically to the Local Amish Community
Outdoor Supply & Sporting Goods Store
Veterinarian Clinic
Appliance Sales & Service
Western Technical College Satellite Location
Carpentry or Woodworking Shop
Bicycle, Canoe, and Kayak Sales & Rental
Motorcycle Parts and Accessories Store
Auto Parts Store
Car Wash
Automobile Dealership

Downtown Hillsboro and the Hillsboro trade area both exhibit a demand surplus in several sectors, and thus could conceivably support more or expanded businesses. These additional retail opportunities are found in the retail gap analysis in the market

Business Type	Threshold
Child Day Care Services	212
Personal Care Services	286
Beauty & Barber Shops	442
Repair Shop	717
Religious organization (churches)	759
Accounting, Tax, Bookkeeping & Payroll	945
Real Estate Office	1,031
Insurance agency	1,088
Sporting Goods	1,097
Home Health Care Services	1,127
Full-Service Restaurants	1,194
General Contractors	1,245
Depository Credit Intermediation	1,260
Direct Sellers	1,395
Management & Technical Consulting	1,407
General Merchandise Stores	1,425
Gas station (w/conv. store component)	1,454
Health & Personal Care Stores	1,564
Clothing and Clothing Accessories Stores	1,614
Commercial/Machines & Equipment	1,693
Bar/tavern	1,749
Stationary, Gift, Novelty	1,837

analysis section of this document. Nearly all retail sectors exhibited significant gaps with the exception of grocery stores, health and personal care stores, florists, drinking places, lawn and garden equipment and supply stores, and specialty food stores. Downtown Hillsboro should examine these needs and determine which segments it should pursue first, given its own strengths and needs. However, pursuing new business enterprises is not the preferred strategy for many of these categories. Expansion, marketing, and diversification may be the preferred strategies in some categories, depending on the type, number, and state of the businesses in question. With the presence of a grocery store like Hillsboro County Market, it may be a wiser strategy to build awareness of the grocery store in the trade area, thereby increasing sales for the existing operation. Another strategy for categories that are similar to existing businesses are for those businesses to expand their product line. County Market already expanded to hardware and could expand their line of specialty food items. Likewise, a pharmacy could expand their line of health and personal care items,

The charts below show the minimum population threshold for communities to support certain types of businesses based on several studies done in Wisconsin, Iowa, and Minnesota. While these thresholds do not guarantee success for any business type, they provide a starting point for Hillsboro to begin specifically targeting business growth.

Business Type	Threshold
Office Supplies, Stationery, Gift Store	1,852
Automotive Parts, Accessories, & Tire	1,994
Limited-Service Eating Places	2,062
Gas station (no conv. store component)	2,126
Household Appliance Stores	2,132
Auto Body Repair	2,209
Used Merchandise Stores	2,213
Grocery Stores	2,240
Lawyer	2,342
Automotive repair	2,382
Photographic Studios	2,435
Automotive Dealer	2,590
Hobby & Toy	2,592
Fast-food restaurant	2,607
Specialized Groceries & Food Services	2,650
Nursery/garden center/farm supply store	2,709
Hotels & All Other Lodging Places	2,771
Electrical contractor	2,820
Plumbing/heating/ventilation/air conditioning contractor	2,820
Printing & Related Support Activities	2,834
Building Materials & Supply	2,878
Electronic & Precision Equip Repair & Maintenance	2,895

## **Expand Local Economic Development Programs**

Organization and planning to implement an economic development plan can assist in business development, attraction, and expansion results. The Hillsboro CDA already operates a CDBG-financed revolving loan fund and administers an Economic Development Incentive program, a Facade Improvement program, a Signage Grant program. Further assistance can be provided through the business improvement district, continuing the Connect Communities program or joining the Main Street Program, a downtown tax increment financing district, or the establishment of historic districts. Revolving loan programs such as those already administered by the CDA can be extremely successful in downtowns and the continuation, expansion, and promotion of these programs is encouraged. Small loans can even be extended by the CDA to downtown business owners through methods similar to personal lines of credit for small business expenses. Business development programs available through Western Technical College can be helpful for businesses undergoing changes or considering expansion. Taking full advantage of state and local financial incentive programs can help existing businesses grow and can attract new businesses. Reaching out to local banks and lenders can create strengthened partnerships for funding the future of the community. Rent incentives provided by the CDA can help keep businesses in storefronts and allow downtown businesses to feed of one another's vitality.

Having a number of options for funding will be especially important for businesses choosing to locate in Hillsboro that must compete with businesses in the surrounding larger market centers that enjoy the advantages of larger, more diverse economies and larger market bases. Any sort of gap financing to cover business start-up or expansion expenses, vacant building build-out, signage, and façade improvements that take the form of grants, forgivable loans, interest only balloon loans, or a revolving loan fund will put Hillsboro at a competitive advantage over regional market centers.

## **General Redevelopment Strategies**

Redevelopment in downtown Hillsboro should strive for reuse or rehabilitation of the existing building stock over demolition and construction of new buildings. New construction or rehabilitation or renovation of existing buildings should entail a mix of retail, restaurant, personal and professional services, and office on the street-level main floor and office or residential uses on upper floors. The intent of pedestrian-oriented district like downtown is to fully integrate more than one use in a unified and cohesive area, thereby using land efficiently, reducing vehicular trips, and tending to create more active and lively business and community environments. A healthy downtown should endeavor to balance housing, working, shopping, recreation, and civic uses. Large, single-use areas should be avoided. A true mixed-use district will sustain healthy levels of activity at all hours of the day, contributing to downtown's vitality and security. The addition of residential units on the upper floors of any new construction or renovations is strongly encouraged. Increases to downtown's permanent, round-the-

clock population will support additional businesses and activities. These mixed-use buildings should be built up to the property line, as on a traditional main street, so buildings, rather than parking lots, define the street, an orientation that creates a much tighter streetscape setting, reduces traffic speeds, and increases walkability. Buildings should be built to be easily accessible to and comfortable for the pedestrian, and overly-large monumental development projects should be avoided.

## Create a Plan for Sites Determined to Have Redevelopment Potential

Hillsboro has a large number and wide variety of available real estate, including parcels downtown. This is a review of the available real estate available in the city, with particular interest paid to those sites available downtown. Following the analysis of existing parcels for sale or available for redevelopment, specific re-use strategies are discussed. Having an inventory of readily available parcels, land, and buildings that are ready for sale and rehabilitation is an important step in establishing a business—and development-friendly face for the community.

Locate In Wisconsin is a free site selection tool operated by the Wisconsin Economic Development Corporation. It is an important tool for listing available commercial buildings and sites in any Wisconsin community. However, in Hillsboro, only one property, the available sites in the Enterprise Drive Industrial Park are listed. These city-owned lots have been listed with City Administrator Adam Sonntag as the contact. The City has issued a request for proposals for the development of the Enterprise Drive Industrial Park Sites. The Common Council will review the proposals and select a developer for the available sites based on the tax base created, land use and development size and design, projected job creation and/or retention, long-term commitment of the developer to the project and community, and demonstrated financial ability of the developer to undertake the project. The available Enterprise Drive Industrial Park sites are within the City's TID #2. As such, the City can consider providing TIF assistance and incentives based on the scope and economic impact of any proposed developments.

The currently vacant commercial building at 826 Water Avenue had previously been listed by the city on Locate In Wisconsin as well. It is unclear why this listing was removed. No other downtown buildings are or were recently listed on Locate In Wisconsin. There are several buildings listed for sale on the City of Hillsboro website,



826 Water Avenue

821 Water Avenue

however. If the city does not engage a commercial broker to market these properties, it should maintain current listings of available properties on Locate In Wisconsin at the very least. A regular review of available commercial properties should be made and an effort to coordinate promotion of these properties on Locate In Wisconsin should be made by the City Administrator and Community Development Authority.

As of the consultant's last review, there are six downtown buildings and sites that are currently for lease or sale. The six are listed below:

• 821 Water Avenue for lease

Listing on City of Hillsboro website: Downtown building with many upgrades.

Efficiency lighting, roof, new entrance door, furnace and restrooms. Nice and bright interior for display of product. Office overlooks the store area. Storage area in the rear-property is currently rented. Located close to corner for ease in parking access. Building is in good condition. While building is being used for retail it could easily be converted to office space, clinic type facility, or day care.

• 826 Water Avenue for sale

Listing on City of Hillsboro website: Newer Clear Spanned 45x95 Ft Building with usable dry basement. Interior H/C Ramp. Rest room on main level. Front And Rear Stairs to lower level. Garage space with overhead door in lower level. Rest room on lower level. Many possible uses for this property.

848 Water Avenue for sale
850 Water Avenue for sale
902 Water Avenue for sale

Listing on City of Hillsboro website: Great Location For A Small Business in Hillsboro. This Is A 50 50 Ft Building With A Main Floor and Basement. The Building Had Been Used As A Gas Station and Mechanic Shop, But Currently Runs A U-Haul Business.



850 Water Avenue



Salsbery Circle

848 Water Avenue

There Is A Total Of 160 Feet Of Road Frontage. This Is A Big Lot With Lots Of Potential.

950 Water Avenue for sale954 Water Avenue for sale

Of these, 826 Water Avenue has been a very long-time vacancy. 821 Water Avenue has only recently been listed. It will likely sell quickly and is a prime space for reuse as it is a large, versatile space with ample retail potential. However, it must be noted that all these spaces are very dependent on private investment for reuse or redevelopment.

Downtown Hillsboro has several buildings and sites that are very appropriate for redevelopment. In addition to the list of available properties for sale seen above, additional properties not on Water Street that may be redeveloped or rehabilitated include 132 Mill Street (the current Good Samaritan store) and one or more of the



Hillsboro Telephone Company buildings (120 Mill Street, 121 Mill Street, or the property front Prairie Street behind 121 Mill Street), with the assumption that activities could be consolidated into one building, freeing the other up for another use.

Another prime redevelopment and re-use site is the United Co-Op campus and buildings. When the agricultural co-op that occupies the very large site to the southeast of Water Street changed ownership, it was accompanied by many changes in building use and utilization. Currently less than half of the site is being used for commercial purposes. It is expected that large portions, if not all, of the site will be redeveloped in the future. When and as this happens, the City of Hillsboro must take several things into consideration and plan for certain eventualities. Because of the size of the site, there is the need for a coherent system of internal circulation. As buildings are removed or redeveloped, a continuous system of new streets should be designed and installed within the site, making appropriate connections to the existing street system. Because of the large area of the site, there is also the potential for a variety of uses within its boundaries. There are a number of agricultural-industrial uses to the east and south of the site, such as a cheese factory and other similar businesses. It is expected that the southern and eastern portions of the site will take on a similar manufacturing character of use. The southwest end of the site, however, should be reserved for or promoted as a site for multi-family residential development. This portion of the site will be attractive for multi-family residential development due to its proximity to and views of Field Veterans Memorial Lake. Further, easy access from this site to downtown along Mill and Short streets will bring needed households into close proximity to the downtown to support the business district. While it is not as necessary to restrict the use of the redevelopment along Crest Avenue on the northwest edge of the redevelopment area, it is necessary to make sure that the building type and use are compatible with the traditional main street commercial buildings that any new development will back.

There are also a considerable number of residential sites available in Hillsboro, though fewer near downtown. 24 of 62 lots in the Tinker's Bluff subdivision remain unsold. Located in the rolling hills on the north side of the city, the Tinker's Bluff residential development offers beautiful landscape and attractive scenery for only \$5,000 per 1/2 acre lot. The lots are fully approved, directly abut a large park, and have interconnecting walking paths. Further, there are several sites on Salsbery Circle that have not been fully developed. This area is appropriate for senior- and multi-family rental housing. More units were originally planned and construction had started on several buildings when the 2008 recession stopped work that has not begun again yet.

In addition to the residential lots for sale, there are some publicly-owned available rental units in Hillsboro. Under the direction of the Hillsboro Community Development Authority, the Hillsboro Housing Authority manages two rental properties within the City of Hillsboro. Both rental properties offer rental assistance through the United States Department of Agriculture Rural Development. They include the following:

Parkview Apartments 739 Hill Avenue Hillsboro, WI 54634 Hills Manor 118 Madison St. Hillsboro, WI 54634

## Explore Creative Strategies for Vacant Building Re-Use

There are multiple options available to the community for reusing vacant buildings. The first and primary strategy should be a comprehensive promotion scheme for the sale or long-term lease of any vacant buildings. The city could organize a coordinated marketing program for both city- and privately-owned vacant spaces to take advantage of economies of scale. The City of Hillsboro, through the CDA, should establish a strategy, including funding plan for a purchase-renovate-sell-purchase program. Using a seed fund, the CDA would purchase a vacant building, repair and renovate the building to a state that a business could operate in, and sell said building to a business or investor at a price that would cover the CDA's costs. The CDA would then be able to use that money to buy another downtown building to renovate and sell.



Following the razing of 848/850 Water Avenue, a large, contiguous redevelopment area will be available in downtown Hillsboro.

## Economic Development & Real Estate Redevelopment

The City or CDA does not have to go about this effort alone. A building stock improvement program can encourage building owners with empty buildings to market their space for lease or buildings for sale with City assistance. At the very least, all downtown commercial properties and industrial sites in Hillsboro should be listed on the LocateInWisconsin listing service. While the City Administrator does not necessarily need to be the main contact for every property, in getting their properties listed.



While the City Administrator does New development on the south/east side of Water not necessarily need to be the Avenue could use under-building parking accessible main contact for every property, from Crest Avenue due to the grade difference he/she can assist property owners between the front and rear of the building.

There are several additional strategies to supplement the primary goal of long-term stable occupancy. A vacant building can be designed as to divide a larger space into several smaller spaces so multiple businesses can use it. The City can offer a rent discount for the buildings it currently controls or negotiate or encourage rent discounts for privately-held buildings. The use of a City-funded financing program may assist in subsidizing the rent of some buildings in order to make the buildings more competitive as business locations. Other City- or CDA-funded financing programs include loans or grants for interior build out for new, expanding, or relocating businesses. A similar



Development on Water Avenue should reflect the historic character of downtown, similar to this development in Reedsburg.

program is used to fund exterior projects, specifically for facade improvements, which includes window and doors, awnings, brickwork, and related projects. Both such programs, in addition to loans providing gap financing for business needs,

can be financed using a revolving loan fund seeded by a potential downtown TIF, City funds, community donors, or state or federal grants like CDBG.

If the building is vacant or in poor shape, such that a full renovation or rehab is prohibitively expensive in the short term, owners should be encouraged to rent out the front window to a local business for use as a window display. Shopfront window space may also be provided to community groups, schools, or for artist displays for free or a nominal fee (to cover the cost of keeping the lights on). There are other options for downtown building owners to make a building more attractive and likelier to sell or be rented (or at least to improve the look of downtown) if it is vacant or in poor shape: cleaning the building up, dressing it up, and putting up lights. This does not have to be a labor-intensive or expensive process. Simply making sure there is not trash or weeds along the storefront or near the building edges and repainting cracked or peeling paint is enough of an exterior improvement to make a big difference. Washing the windows, both inside and out, and either putting up a curtain (if the interior space is very messy) or a display for a local artist, school, or community group in the front window provide a much more exciting and clean appearance. Lastly, one or two lights on a timer (timed from late afternoon through the evening) in the front window will provide an illusion of activity downtown and may attract more positive attention to the building. Business owners could take this a step further and show what a vacant building could be by painting the windows so it looks like a real business is operating inside. If this is too difficult for a non-artistically inclined property owner, or they would rather not paint directly onto the windows, painting or printing a poster and hanging it inside the windows creates a similar effect.

If a building has fallen into such a state of repair that it is structurally dangerous, sometime there is no choice but to raze it. However, even buildings with major structural deficits can be rehabbed and reused, though not always for their original intent. For example, if a building has a poor or missing roof, the remaining roof structure can be removed and the building can be converted into an outdoor space. While the site of a totally removed building can also be used for outdoor space, if a building has historical character or interesting architectural features, like decorative brick wall, saving some of the building can be preferable. Such a space could be used for everything from a sports court to a beer garden. Other uses include a community garden; event space; a playground; passive recreation space with tables for chess, checkers, or dominoes; active recreation space for bocce, croquet, shuffleboard, or horseshoes; an outdoor museum; a bandstand or walk-in theater; a farmers market or flea market; recycling center; or a pedestrian mall for street vendors, artisans, pop-up shops, and food trucks. Such a space, whether publicly or privately owned, could be rented out for private events.

## **Increase Downtown Resident Population**

Downtown Hillsboro has a very small resident population to draw on, and relies on workers, visitors, and residents from other Hillsboro neighborhoods to provide business. Building new and renovating existing housing units would add to downtown's market base, which would be especially helpful in supporting additional retail, restaurant, and personal service businesses. Any new development downtown should be encouraged to include a residential component. Mixed-use buildings in particular, with commercial space on the ground floor and residential units on upper floors should be encouraged. If the site at 848/850 Water Avenue is redeveloped, because of the terrain sloping away toward the southeast, daylighted underground parking accessible from Crest Avenue could improve the attractiveness of the site and building for both developers and residents. Specific and related housing sectors that could also be pursued downtown is retirement, senior, and assisted living housing. Provision of housing for retirees looking to move to a more walkable location to be nearer services and healthcare is currently a very active market, and one, considering the location of a successful downtown pharmacy and St. Joseph's Hospital, is a market that should be pursued for downtown.

A city program that would encourage and finance the conversion of vacant or underutilized upper floors in downtown buildings to residential spaces would increase earning potential for building owners, promote building upkeep, and increase the size of the local market for businesses downtown. A survey of downtown buildings should first be undertaken to identify buildings with underutilized or vacant upper floors. The upper-floor residential conversion program, funded by grants or loans made available through CDBG or a housing stock improvement fund financed by a TID closure will increase the number of affordable housing units downtown, which in turn increases the number of nearby customers that can support downtown businesses. This program could be administered by the CDA and provide financing through a combination of grants and a revolving loan fund. Exploring redevelopment areas for multi-family housing in or near downtown will continue to build a 24/7 market base for downtown businesses.

# Use Tax Increment Financing to Fund Downtown Infrastructure and Spur Private Development

Tax increment financing (TIF) is an important tool available to municipalities that assists in promoting the orderly growth and development of the community by helping to fund infrastructure and development projects. TIF Law was approved by the Wisconsin Legislature as a means of promoting industrial development, mixed-use development, eliminating blighted areas, and rehabilitating deteriorating areas in a community. TIF is a means of financing costs incurred by municipalities to promote development within a defined area or "tax increment district" (TID). The unit of government establishes boundaries for the TID and the property taxes on the increased property value within that district are used to pay the costs incurred to make the development possible.

Hillsboro's 2015 municipal equalized value was \$61,224,300. The total TIF increment for Hillsboro's two districts was \$16,410,100 in 2015. 26.80% of Hillsboro's equalized value in TID increment. State statutes currently do not permit TID creations or territory amendments if cities and villages are above a 12% cap. We expect pending legislation to raise this cap to 15%. Regardless, Hillsboro would not be able to create or amend districts until TID 2 closes. At that time, the City may wish to pursue a number of options. The City could create another industrial district in the Enterprise Drive area to further promote economic development. The City could also consider creating a blight elimination or rehabilitation/conservation district containing downtown, the co-op area, and some of the industrial area southeast of Water Avenue, which can overlap TID 4.

TID 2

Type: Regular (pre-1995)

1993 Base Value: \$483,600

2015 Value: \$11,582,400

Type: Blight Elimination (post-1995)

1998 Base Value: \$2,715,800

2015 Value: \$8,027,100

Increment: \$11,098,800 Increment: \$5,311,300 Last Expenditure: 2015 Last Expenditure: 2020

Closes: 2020 (no extension available) Closes: 2025

Maximum Life, if extension granted: 2029

Before a TID is created, each overlying taxing jurisdiction receives a percentage of the property taxes paid in a community. In order to create a TID, the City must determine that the expected development would not occur without the establishment of the district. After that is determined, a boundary must be established within which costs are incurred and new tax base is created. After setting up the district boundaries, the City must then identify the potential costs that are needed to make new development feasible within the district. There are a variety of eligible project costs associated with the creation of a TID. Examples of eligible project costs include financing, infrastructure development, real property assembly, professional services, developer assistance, and TID creation costs. Costs up to a half-mile outside the TID that serve development within the TID are also eligible. When the TID is created, the overlying jurisdictions continue to

## Economic Development & Real Estate Redevelopment

receive the base value for the life of the TID. The additional tax increment developed inside the TID pays for improvements and other assistance that makes new development feasible. After the TID is dissolved, the overlying taxing jurisdictions receive the additional taxes from the development within the TID. Following is a brief summary of the different types of Tax Increment Districts:

## Industrial Development

At least 50% of area must be zoned industrial Maximum life of district = 20 years + 3 year extension available Expenditure period = 15 years

## **Blight Elimination**

At least 50% of area must be blighted Maximum life of district = 27 years + 3 year extension available Expenditure period = 22 years

#### Rehabilitation or Conservation

Maximum life of district = 27 years + 3 year extension available Expenditure period = 22 years

#### Mixed-Use Development

No more than 35% can be for newly platted residential Maximum life of district = 20 years + 3 year extension available Expenditure period = 15 years

## **Environmental Remediation**

Requires a DNR approved remediation plan Maximum life of district = 23 years Expenditure period = 15 years

## TIDs can be amended for the following purposes:

Amend the Project Plan to add additional projects.

Amend the Boundary up to four times. Can also subtract territory from a TID.

Amend Project Plans to transfer funds between TIDs

Amend Project Plans to fund projects within a one-half mile radius of TIDs.

Designate TIDs as Distressed.

## Establish a Business Incubator in Downtown

Hillsboro not only has a number of empty and underutilized buildings and storefronts in its downtown, it also has the need for more businesses providing goods and services to the local community, as well as diversified employment. One strategy that may address both of these issues is the establishment of a business incubator in vacant downtown building. A business incubator is an organization designed to accelerate the growth and success of new businesses through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections. Business incubators are often sponsored by municipal entities and public institutions, such as colleges and universities. Their goal is to help create and grow young businesses by providing them with necessary support and financial and technical services. Incubators provide numerous benefits to owners of startup businesses. Office and manufacturing space can be offered at below-market rates; and advice, expertise, and mentoring in developing business and marketing plans is usually provided in some manner; as well as tools to help to fund new businesses. Businesses using incubators will typically spend an average of two years in the incubator, during which time they often share utility, secretarial/office, and equipment expenses with other startup companies, to reduce all users' overhead and operational costs. The incubator space concept has been used in Hillsboro before with some success. An office or services business incubator could be located in a downtown building, such as the former Ben Franklin store, while a manufacturing or agricultural products incubator could be located in a building on the Co-Op site southeast of downtown.

#### Establish a Co-Working Center in Downtown

Creating a co-working space gives a number of independent professionals a space they can share whenever they need businesses services or office/meeting space. The business users of a co-working space not only reduce their costs, but also benefit from the creative interaction and networking such a shared space provides. This, in turn can improve viability of many businesses through innovation and increase the number of services available in Hillsboro. Creating a coworking space would have the added advantage of attracting so called "lone eagles," small, home-based businesses usually composed of only a single individual, and offering them an opportunity to grow and share resources with other people in similar situations.

The organizational structure of a co-working facility established in Hillsboro would need to be determined, based on several factors. It could be operated either as non-profit or a business organized as an LLC. Whatever the organizational structure chosen, a Hillsboro co-working facility must provide flexibility of space, preferably providing 24/7 access to members/client, with a minimum of 1,500 square feet of gross space, divided into short- and long-term rental offices, meeting rooms, and common spaces. The work center would ideally provide access to high-speed internet and good cellular service.

## Economic Development & Real Estate Redevelopment

After a period of stabilization, approximately 3,000-4,000 square feet of space would be ideal. However, it is important not to make the facility too big so that it is able accommodate moderate growth within a 12-24 month ramp-up period, allowing for a sustained period of stabilization. Space rental prices for a co-working space in Hillsboro would vary depending on amenities. Following is a suggested "menu" of leasing options for interested businesspeople.

- \$100-\$250/month for full-time dedicated space with office amenities and services
- \$50-\$150/month for full-time shared space
- \$10/day or \$50/month for occasional shared space access
- \$10-\$50/hour for meeting rooms

## Leverage Downtown Anchor Institutions to Strengthen Downtown

Hillsboro's public officials should identify those employers that are "anchors" of employment for Hillsboro and the downtown (such as Farmers State Bank, Royal Bank, and United Co-Op) and work with those employers to establish or adopt worker-retention programs, encourage the anchor institutions to invest in local infrastructure and neighborhood development, and work to recruit or grow businesses that supply or provide support services for the anchor institutions. The addition or expansion of companies that cater either directly to these institutions or provide goods and services to their employees will be worthwhile endeavors for the City of Hillsboro.

## Leverage City Processes to Improve Downtown Business Environment

The Hillsboro City government can further contribute to economic development of the downtown area through a number of other initiatives. Infrastructure development should provide businesses with an easy and reliable business environment. The City can explore the use of entitlements through zoning and ordinances designed to make doing business with the City easier. The City can review the amount of time it takes to obtain permits, ordinance changes, and development review permissions. The City may partner with the Chamber of Commerce to establish an effective development organization and outreach model in order to identify Hillsboro as a transparent and business-friendly location to do business. The City or related organization can then serve as deal facilitator and reliable source for local information and resources.

#### Implement a Business Retention and Expansion Program for Downtown

Based on national trends, as much as 80 percent of new economic activity can be expected to come from existing business hiring and expansion. It is therefore important that the staff and officials of both the City and Chamber of Commerce actively support and communicate with existing businesses, making efforts to visit local establishments to determine their needs and ways they can provide assistance.

#### **Historic Preservation**

Downtown is Hillsboro's historic core and retains many of its historic structures. Historic preservation is important in downtown Hillsboro, especially if it means the retention of the existing building stock. Projects involving the renovation or remodeling of downtown historic buildings should reflect the original architectural character of the building. Preservation, renovation, and rehabilitation of historic structures should be consistent with the Secretary of Interior's Standards for Rehabilitation to the greatest degree practicable and reviewed by the Plan Commission. The existing CDA Facade Improvement Program can be used to assist historic preservation, especially if the CDA chooses to include historic character opr preservation in its selection and award criteria. There are also several state and federal assistance programs that promote historic preservation. Owners of historic income-producing properties in Wisconsin may be eligible for two income tax credits that can help pay for their building's rehabilitation. The Federal Historic Preservation Tax Credit Program returns 20 percent of the cost of rehabilitating historic buildings to owners as a federal income tax credit. The Wisconsin Historic Preservation Tax Credit Program returns an additional 20 percent of the cost of rehabilitating historic buildings to owners as a Wisconsin income tax credit. Wisconsin Historic Preservation Fund Subgrants are administered by the Wisconsin Historical Society and Wisconsin State Historic Preservation Office. They provide funds for surveys to identify and evaluate historical, architectural and archaeological resources, nominating properties to the National Register of Historic Places, and for carrying out a program of historic preservation planning and education.

# Facilitate Educational Partnerships to Improve Knowledge of Downtown Businesses and Help Close Any Skills Gaps

Taking advantage of the educational and vocational programs offered at the various Western Technical College campuses near Hillsboro can increase the local skills base and lead to employment growth. Available educational programs include construction, business, finance, hospitality and tourism, manufacturing, and various vocational programs, among many others. Additionally, the community can partner with Hillsboro High School to implement a number of apprenticeship, work-study, and job experience programs to prepare students for employment opportunities in the community.

#### Capture a Greater Share of Regional Tourism Market

Re-focusing on the Hillsboro area's tourism draws can build on an existing market and economic development for the area. Hillsboro is a major center in the southwestern Wisconsin Driftless Area rich with natural resources and beautiful landscapes. Hillsboro provides easy access to motorcycling, bicycling, canoeing, and kayaking opportunities. Further, Hillsboro is located in a strong Amish community area providing many cultural attractions. Emphasizing itself as a gateway and resource and retail center for users of

all these natural and cultural opportunities extends Hillsboro's economic reach. Redeveloping the downtown streetscape is a good beginning, but now downtown Hillsboro must draw the out-of-town tourists coming to the area for the recreation provided by the natural features of the area to enjoy the services provided by downtown Hillsboro. Capitalizing on large events like Cesky Den, Oktoberfest, or the Charity Tractor Pull can create a larger customer base by making a good impression on the many visitors and drawing them to existing downtown businesses.

## **Encourage Creative Business Creation through Pop-Up Shops**

Several storefronts in downtown are good locations for pop-up stores. Pop-up shops are businesses that temporarily occupy a full-sized business space like a downtown building, may be located inside another business, or may be in a non-traditional space like a trailer or food truck. An existing business might pop-up a temporary location, maybe even in another town, to serve a short-term need. For example, a restaurant could set up a temporary kitchen in a nearby town to cater to festival-goers. A business owner may set up a temporary store, restaurant, cafe, art gallery, etc., just for the busy season or even one day for a special event. Some popup shops, such as fireworks or Halloween stores, are seasonal, allowing businesses to capture traffic without committing to a long-term lease. There are various benefits to pop-ups such as marketing, testing locations or markets, and as a low-cost way to start a business. These shops, while small and temporary, can build up interest by consumer exposure at a low cost. If the business is a start-up or the individual is still unsure about starting a business, the operator gets to try out an idea, learn from the experience, and maybe get started on a more permanent business. The community gets an idea of what could be possible.

Some examples of pop-up businesses that may already exist in Hillsboro or elsewhere in southwest Wisconsin are:

Booths and stands at festivals

Vendors at the farmers market

Sno-cone or ice cream stands during the summer

Displays of items for sale inside another business

Short-term stores for the holiday season

Fireworks stands around summer holidays

Because the local customer base in Hillsboro is limited due to the local population and rural location, some pop-up businesses are only needed (and likely can only survive) during seasonal influx or only for a short time to sell to the local base before reaching saturation.

One reason pop-up shops often operate in a temporary manner is because usable business space is limited, so creative forms are required. While there are several empty downtown storefronts in Hillsboro, not all are entirely usable to the businesses that may

be interested, so using a pop-up method may enable them to make use of space that would not work on a permanent basis. Existing buildings may require extensive rehab or remodeling, so a pop-up shop operator can test an idea before investing large amounts as may be needed to make a permanent space a reality. As business financing may be more limited to some single proprietorships, a smaller business may be all they can afford to finance themselves, and a pop-up shop may be the best way to start selling. Operating a pop-up shop is also a good idea in situations in which business intelligence on the potential market may be scarce, so running a temporary test will be the easiest way to find out what business model is feasible.

## **Explore Successful Activities in Other Communities**

Another strategy for determining the types of programs that may be implemented by Hillsboro to encourage growth and vitality in its economy and downtown is to look at what is working in other similar communities around Wisconsin. Several of the following projects and programs are a sample of initiatives that been nominated for Top Rural Development Initiatives awarded by Wisconsin Rural Partners in the past few years.

## Waunakee Lone Eagle Initiative

The Lone Eagle Initiative is a Village of Waunakee Economic Development effort to engage with and understand the needs of professionals who work out of the home ("lone eagles"). The key goals of the program are to identify the size of the home-office segment in the local economy; engage home-office professionals to learn how the Village, other community organizations, and the local business sector can be of greater service to them; and establish a plan to foster improved relationships with home-office professionals and undertake projects to better serve them. The desired outcomes of the Lone Eagle Initiative include greater awareness of home-office professionals, which will allow for opportunities to share information and establish professional connections; enable the Village to coordinate helpful resources and services, to perhaps include public facility spaces designed to meet the needs of home-office professionals; and foster incubator-style business growth where home-office professionals enjoy success to the point where they open vibrant and successful businesses in the Village.

Beginning in 2012, the Village Administrator began meeting with professionals who work from home in the Village with whom the Administrator was acquainted. These focus groups helped identify the best ways to reach out to other "lone eagles." The Village then sent letters to small businesses identified in a WI Department of Financial Institutions database. Between this mailing and the recruitment efforts of those who had attended the focus groups, the contact list was expanded from about a dozen to roughly 40, and has since increased to 70. The Village has launched a lone eagles webpage and LinkedIn group, held monthly events (including social mixers, networking sessions, and informational presentations), created a leadership committee, and coordinated member profiles.

## Economic Development & Real Estate Redevelopment

## Bayfield Regional Food Producers

The Bayfield Regional Food Producers Cooperative (FPC) was founded in 2010. The founding members identified a need to collaborate and market farm products together as partners rather than competitors. The Co-op has now grown to 22 farm and business members and gross annual receipts are over \$300,000. The FPC has also developed a successful community supported agriculture (CSA) program. Working together, members have been able to expand into wholesaling activities and reach markets otherwise unavailable to them. The FPC has become a reliable distributor to Northland College.

## Lincoln County Partners in Education

The Lincoln County school district has a declining student population and budget for years. The Partners in Education organization is funded through individual memberships and donations from area businesses. Students visit local businesses to understand finance, marketing, and communications. Activities for students include business tours, field trips, mock job interviews, and classes focusing on banking, insurance, personal finance, resumes, job applications, cover letters, and job seeking skills. Partners in Education now also organize 16 youth apprenticeships per year.

## Treasures of Oz and Ozaukee Treasures Network

Treasures of Oz and the Ozaukee Treasures Network are separate organizations that work toward similar goals. Membership in both is open and free; core leadership and membership overlap. Ozaukee Treasures Network is a network of over 75 organizations based on environment, health, tourism, and recreation. Treasuresofoz.org is a website offering information and maps of Ozaukee's parks, preserves, natural areas, outdoor recreation, and events. Treasures of Oz is an annual one day eco-tour of Ozaukee County. Treasures of Oz is a family friendly event that attracts more than 1500 visitors. It encourages public involvement in local stewardship and increases public knowledge, awareness, and appreciation of environment, local resources, and watersheds. All events for Treasures of Oz & the Ozaukee Treasures Network are free and each is served by a 100% volunteer staff.

# Implementation & Funding Plan

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Baraboo River & Veterans Memorial Lake	Baraboo River & Veterans Memorial Make park and access improvements to the Lake and River Lake	Amenities/ Infrastruc- ture	Administra- tion Led	W N O	\$100,000-\$1,000,000
Community garden	Create community garden to strengthen sense of community, surplus produce could be given to food pantry or other charity.	Amenities/ Infrastruc- ture	Chamber Led	Administration	Minimal
Community Land Bank or Trust	Establish a community land bank or trust to purchase or hold land for development	Amenities/ Infrastruc- ture	Administra- tion Led	CDA	Variable
Community-wide "spring cleaning" day	Improve aesthetics fo the city and strengthen community pride.	Amenities/ Infrastruc- ture	Chamber Led	Administration	0\$
Competition for public space acti- vation/improvement projects	Competition for public spaces       Establish an open call for proposals to improve public spaces downtown, vation/improvement posals.         projects       projects	Amenities/ Infrastruc- ture	Administra- tion Led	Chamber of Commerce	<\$1000
Downtown TID	Affer TID 2 closes, explore creation of a TID to include both downtown and co-op site	Amenities/ Infrastruc- ture	Administra- tion Led	CDA	\$10,000; can be paid by TID
Recreation Connec- tions (Internal)	Explore potential for additional trails connection to downtown and infinant Connect crease local recreation traffic. Expand trail system to connects the entire community and connect to regional trails that link neighboring communities. Consider creating ATV/UTV and snowmobile trails for further reach.	Amenities/ Infrastruc- ture	Administra- tion Led	CDA, DOT, 7 Rivers	\$500,000-\$1,000,000 DOT grants

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Art in storefronts	Work with local artists to display artwork in empty downtown storefronts to increase artist exposure and spruce up downtown.	Downtown/ Retail	Community Led	Chamber, Lo- cal Artists, Prop- erty Owners	Minimal
Bicycling Event	Capitalize on Hillsboro's location and outdoor amenities to organize a spectacular cycling event, e.g. Wisconsin backroads ride.	Downtown/ (Retail	Chamber Led	VEDA, 7 Rivers, Administration	Variable
Business Improve- ment District	Create a BID for downtown to fulfill a vital role in retail district success by organizing a professional management or volunteer structure for the commercial area.	Downtown/ Retail	CDA Led	Administration	Funded by business owners
Change land use to reflect shrinking re- tail/commercial foot- prints	Re-evaluate retail and commercial needs downtown and in the downtown periphery. Amend comprehensive plan and zoning map to make land more available for different uses.	Downtown/ Administra- Retail tion Led		Administration	Minimal
Connect Communi- ties	Better utilize the resources of the WEDC Connect Communities Program http:// Downtown/ Administra-inwisconsin.com/community/assistance/connect-communities-program/ Retail tion Led	Downtown/ , Retail	Administra- tion Led	Chamber	\$200/year
Crowdfunded investment for redevelopment of buildings	Use Kickstarter or other crowdfunding tools to fund investment for redevelopment of buildings, particularly downtown	Downtown/ Chamber Retail Led	Chamber .ed	Administration	Variable, paid by private investors
Downtown business/ building build-out grant/loan	Matching funds up to \$10k to rehab old downtown buildings and make improvements for businesses.	Downtown/ CDA Led Retail	CDALed	Chamber, Ad- ministration	\$10,000-\$100,000
Downtown Façade Improvement Pro- gram	Matching funds up to \$5k to rehab downtown facades according to historical standards.	Downtown/ Retail	CDA Led	Chamber, Ad- ministration	\$5,000-\$50,000
Downtown Signage Grant	Matching funds up to \$500 to replace or improve exterior signage downtown	Downtown/ Retail	CDA Led	Chamber, Ad- ministration	\$1000-\$10,000

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Enhance and Market City Tourism Opportu- nities	Enhance and Market downtown, partnerships with regional events, and increased marketing of factive Tourism Opportucilities. Create online and user-friendly methods for accessing destinations, including online reservations, QR code historic tours and facebook pages for events and attractions.	Downtown/ Chamber Retail Led	Chamber Led	Administration, Historic Society, VEDA, 7 Rivers	<b>0</b>
Historic Preservation	As funds become available, consider providing assistance for upgrades and façade treatments on historic structures necessary to update appearance and Retail functionality (i.e. ADA, HVAC, etc)	Jowntown/ Retail	CDA Led	Administration	\$50,000 seed; tax credits, grants, TIF
Improve Downtown Aesthetic and Pedes- trian Amenities	As funds become available, create a matching grant program to promote downtown façade improvement, including signage, maintenance, restoration, awnings and storefront treatments. Consider adopt-a-pot, banner contests or other methods of increasing downtown streetscape amenities. Explore potential for pedestrian activated stoplight or additional traffic signal to improve pedestrian crossing.	Downtown/ Chamber Retail Led	Chamber Led	Administration, CDA	\$10,000 seed money
Main Street Program	Explore joining WEDC Main Street Program http://inwisconsin.com/community/ [assistance/main-street-program/	Downtown/ Retail	Administra- tion Led	Chamber, VEDA, 7 Rivers	\$40,000
Planter adoption	Businesses "adopt" planters for a fee that pays for upkeep and streetscape improvements.	Downtown/ Retail	Chamber Led	Administration	Minimal, funded by business owners
Regular Events	Establish regular events downtown with "temporary amenities". eg. farmers markets, monthly art walk, monthly antiques market, weekly sidewalk musician, fwalk-in movie (on building wall)	Downtown/ Administra- Retail tion Led	Administra- tion Led	EDC, Parks & Recreation	\$3,000 tenant improvements
Sidepath to County Market	Build a sidewalk or multi-use path from the city proper to County Market to increase pedestrian access.	Downtown/ Retail	County-Led	City, Town, County Market	Could be assessed
Themed museum	Something for which Hillsboro is well known. Czech, round barns, etc.	Downtown/ Community Retail Led	Community Led	Administration, Chamber of Commerce	Variable
Upper-floor Residen- tial Conversions	Encourage and provide incentives in the form of loans or matching grants to encourage the conversion of upper floors of existing downtown buildings for residential or new retail/commercial use.	Downtown/ Retail	CDA Led	Property Own- ers, Administra- tion	\$50,000 seed; WHEDA, TIF
Website Develop- ment Matching Grant/Loan	Program for local retailers with grants of 50% of the project cost up to a prede- termined maximum to be used for website design or redesign, updates, search engine optimization, social networking, and database or app development.	Downtown/ Administra- Retail tion Led	Administra- tion Led	Chamber of Commerce	\$1000-\$10,000

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Entrepreneurship & Business Training & Support	Organize local entrepreneur gatherings, promote area education and training Entreprent opportunities and coordinate regular training sessions locally on topics of interest to local businesses (i.e., social media, marketing, health care, etc.) Work with Business area small business partners to bring regular programming and support to Hillsboro (ie SBDC, SCORE, Western Technical College, VEDA, 7 Rivers).	Jr-	VEDA, 7 Riv- ers Led	Administration, Chamber	\$0-\$10,000
Incubator	Explore potential for small scale industrial spaces or incubator building in business park. Explore potential for professional services incubator space in down-town building.	Entreprenur- ship/Small , Business :	Administra- tion Led	VEDA, 7 Rivers, Developers	\$20,000 (start-up rent reduction)
Lone Eagle Initative	Engage with and understand the needs of professionals who work out of the home ("lone eagles"). Identify the size of the home-office segment in the local ship/Small economy; engage home-office professionals to learn how the City, other com-Business munity organizations, and the local business sector can be of greater service startup.	nur-	Administra- tion Led	Chamber, VEDA, 7 Rivers	Minimal (space and food for gatherings)
Pop-up shops in empty storefronts	Create program for short-term pop-up shops to "test the waters" in empty gowntown storefronts for a nominal fee	Entreprenur- ship/Small , Business :	Administra- tion Led	Chamber of Commerce, CDA, VEDA, 7 Rivers	Minimal
Regional Farm & Food Producers Co- operative	Food Startups: Collaborate and market farm products together as partners developed a successful community supported agriculture (CSA) program. ship/Sma Working together, members have been able to expand into wholesaling activi-Business fies and reach markets otherwise unavailable to them.	nur- all	Administra- tion Led	Chamber of Commerce, VEDA, 7 Rivers	Variable
Wisconsin Angel Net- work	Part of the Wisconsin Technology Council's economic development and job creation efforts. WAN fuels the growth of capital in Wisconsin by operating as an umbrella organization providing services and resources to the early stage investing and entrepreneurial communities. (http://www.wisconsinangelnetwork.com/)	Entreprenur- ship/Small , Business :	Administra- tion Led	Chamber of Commerce, VEDA, 7 Rivers	Variable, Investors

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Annual Community Report	Establish an annual report to the community - from all the community groups & Gener City Hall - what was done in past year to move Hillsboro forward. Combine with Focus a big community event?	ō	Chamber Led	Administration, Community Organizations, VEDA, 7 Rivers	\$2,500
Business networking events	Establish regular business networking events for local businesspeople to make Gonnections.	General ( Focus I	Chamber Led	VEDA, 7 Rivers	Minimal (food & space for gatherings)
Business Retention Visits	Visit annually with at least 20 businesses and conduct an annual business sur- G vey. Encourage Council members to participate in visits.	General V Focus	VEDA, 7 Riv- ers Led	Administration, Chamber, MadREP	0\$
Commercial and Industrial Development Process Flow Chart	Create a commercial and/or industrial development process flow chart and fimeline specialized to Hillsboro to streamline and manage development review process. Make each step clear to interested parties.	General /	Administra- tion Led	VEDA, 7 Rivers	None
Community Refer- ence/Information	Keep a full suite of community information for both citizens and business owners on the City website, in addition to information necessary to interested developers and future business owners.	General Focus	Administra- tion Led	Chamber, VEDA, 7 Rivers	\$2,500
Co-Working Options	Explore use of vacant storefront space for a co-working facility to accommodate satellite and work from home individuals as well as startup businesses.  Increase daytime population in downtown. Private sector space formated for General co-working. Evaluate feasibility - how many home workers would use co-korking space? Will require significant promotion & networking to draw out home workers.		VEDA, 7 Riv- ers Led	Administration, Chamber, Property Own- ers	\$5,000 (start-up rent reduction)
Encourage Future Leaders	Make a concerted effort to encourage participation from younger and/or newer residents to ensure that marketing, activities and initiatives are meeting the needs of residents and to foster the next generation of leaders.	General ( Focus l	Chamber Led	Administration, Community Leaders	0\$
Engage Residents	Expand social media and web outreach to communicate with new residents and promote local community events and businesses.	General /	Administra- tion Led	Chamber	None

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Expand Online Pres- ence	Work to expand civic and business presence online, and to encourage cross-promotion and marketing of community assets, events, and businesses to a broad local and regional customer base. Expand the civic and business social Genermedia presences. Maintain City website with economic development materifocus als, including City and local partner activities, market data, and real estate opportunities.	General Focus	Chamber Led	Administration, VEDA, 7 Rivers	None
External Marketing: Coordinated Adver- tisting	Increase Hillsboro's brand regionally by encouraging coordinated advertising by local businesses. Explore opportunity to partner on regional advertising to pricrease market reach and encourage coordinated sale/merchant events.	General Focus	Chamber Led	Administration, VEDA, 7 Rivers	\$5,000
Improve public infra- structure	Use CIP to invest in roads and sidewalks	General Focus	Administra- tion Led	CDA	\$100,000+
Informational Packet	Create "Doing Business in Hillsboro" packet. Distribute to local organizations and provide packet to anyone considering starting, expanding, or moving a business. Coodinate with VEDA, 7 Rivers BRE/BA Program in their 2017-2021 Strategic Plan.	General Focus	VEDA, 7 Riv- ers Led	Administration	None
Maximize Facility Utilization	Work with owners of vacant or underutilized properties to help market space for temporary users or on a short term basis to support business recruitment. Facilitate lease negotations, equipment storage or other arrangments to maxifore mize economic benefit to existing owner and prospective tenants.	al	Administra- tion Led	Chamber	None if City facilitates negotiations and arrangements. More if payments made.
New Resident Wel- come Packet	Provide community information, directories, coupons, etc. for all new residents of Hillsboro	General Focus	Chamber Led	Administration	<\$1,000/yr
Ordinance Review	Review local zoning ordinances and business regulations to create the most business- and development-friendly environment possible while still protecting of the health, safety, and welfare of City residents. Optimize administrative processes and timelines.	General Focus	Administra- tion Led	CDA	None
Reliable Market Infor- mation	Continue to serve as a source of reliable market information on the community. Collect and distribute local market information, maintain updated economic and community overview materials on the website and distribute regular updates to business, real estate and community leaders, along with key messages about market opportunities.	General Focus	Administra- tion Led	VEDA, 7 Rivers, Chamber	\$0-\$5,000

Strategy	Description	Focus	Lead Party	Supporting Parties	Cost & Funding
Revolving Loan Fund	Establish and market a RLF to demonstrate Hillsboro's commitment to eco- nomic development and business growth. Consider partnership with a regional fund to increase lending capacity and project options as opportunity arises.	ō	CDALed	VEDA, 7 Rivers, CDA, Local Banks	\$25,000 seed
School Partnership	Establish program in which students visit local businesses to understand finance, marketing, and communications. Activities for students include business tours, field trips, mock job interviews, and classes focusing on banking, insurance, personal finance, resumes, job applications, cover letters, and job seeking skills. Fund through individual memberships and donations from area businesses.	General	Community Led	Chamber	Variable
Staff: Chamber Direc- tor	Hire a part-time business director to organize business and community events and serve as a primary PoC for economic development activity. Individual staff: Chamber Direc- would connect businesses to appropriate business partners. Could be partially funded by City. Individual responsible for fielding inquiries with goal of respond-Fing to all retail/downtown business inquires within 24 hours. If Main Street Program was pursued this postion could be a joint Main Street/Chamber Director.	General	Chamber	Administration, VEDA, 7 Rivers	\$40,000+
Succession Planning	Establish a business succession planning initiative to address rapidly aging population of small business owners. Market businesses for sale and provide resources to facilitate business succession.	General	VEDA, 7 Riv- ers Led	Chamber of Commerce, Administration	\$10,000 In-Kind, Fee for Service, CDBG, WWBIC, VEDA, 7 Rivers
Targeted Businesses	Target business start-up, growth, and relocation in retail sectors identified in C market study retail supply gap analysis and employment profile.	General Focus	Administra- tion Led	VEDA, 7 Rivers	None
IIF Amendments	Amend existing TIF districts and structure any new TIF project plans to allow Cevenue sharing between districts and base value redeterminations.	General Focus	CDA Led	Administration	\$10,000 for amend- ment process

Strategy	Description	Focus	Lead Party	Supporting	Cost &
Affordable Housing Redevelopment	Identify additional areas within the existing City boundary suitable for redevelopment as affordable housing. Promote these areas to builders, assist in negotiations, create a painless approval process, and consider providing building incentives.	Housing	CDALed	Administration, Developers	None
Attract Multifamily Development	Explore WHEDA credit availability to attract multifamily developers to the community. Identify multiple suitable sites and promote potential development sites, residential market options, and incentives.	Housing	Administra- tion Led	CDA, Develop- ers	Unknown; WHEDA, TIF
Establish Housing Stock Improvement Program	Use TIF district closure to create a housing renewal loan fund to expand the program and consider offering incentives for curb appeal-type projects. In the future, expand the program through partnerships with other existing housing renewal funds such as USDA and HUD for households that qualify.	Housing	CDA Led	Administration	\$50,000 seed Future TIF Clo- sure
Business Park	Develop a new industrial/business park either on land currently within city limits, such as that near the existing business park, or on newly annexed land. Improvements, including streets and utilities, may be paid for using tax increment financing.	Real Estate	Administra- tion Led	VEDA, 7 Rivers	\$250,000+ Development costs are TIF eligible
Business Park Market- ing	<b>Business Park Market-</b> Market business park lots to target groups. This may require hiring a broker. VEDA, 7 ling	Real Estate	Administra- tion Led	VEDA, 7 Rivers	\$1,000 (signage)
CDA Property Plan- ning	Re-engage the CDA to facilitate strategic planning and development negotiations for key infill and redevelopment sites. The CDA should hold title to and develop a plan for all excess municipal owned property and work with the county on tax-delinquent properties to maximize economic opportunity.	Real Estate	CDA Led	Administration, VEDA, 7 Rivers, County	0\$
Comprehensive va- cant building market- ing scheme	Comprehensive va- commercial and industrial property owners to effectively market available Hillsboro cant building market-owned websites like LoopNet, LocateInWisconsin, etc. Work with real estate brokerage F to more effectively market sites. Maintain a listing of available properties at the City to provide to prospective businesses and developers.	Real Estate	VEDA, 7 Riv- ers Led	Administration, Real Estate Professionals	\$10,000+
Fill Vacant Downtown Space	Fill Vacant Downtown   Target and recruit tenants to fill downtown office space, storefronts, and retail space.  Space   Town-based businesses needing better commercial space.	Real Estate	Administra- tion Led	VEDA, 7 Rivers	None
Professional Space Options	Work with professional/service sector businesses considering new construction to consider including future expansion space which can be used to recruit additional small business activity in the near term.	Real Estate	Administra- tion Led	City	\$0
Small Industrial Space	Explore development of small industrial condominium or leased space to fill a current gap in the market for small tenant options. Additional space options can accommodate a range of business sizes, promoting future industrial growth.	Real Estate	CDA Led	Administration, VEDA, 7 Rivers	\$1,000,000 USDA, CDBG

## **Public Funding Opportunities**

## Urban Nonpoint Source & Storm Water Management Grant (WDNR)

Tentative Deadline: April 2017

Maximum grant: \$150,000 + \$50,000 for acquisition.

Eligible planning projects: urban storm water management plans, ordinance develop-

ment, creation of storm water utilities & public information.

Eligible construction projects: storm water BMPs, engineering, land acquisition, stream

bank & shoreline stabilization.

## Lake Planning Grant (WDNR)

Deadline: December 2016

Maximum grant: \$25,000 (\$50,000/year/lake). Requires 33% local match.

Eligible projects: municipal storm water management plans, lake management plans,

water quality monitoring and creation of lake protection districts.

## Lake Protection Grant (WDNR)

Deadline: February 2017

Maximum grant: \$200,000. Requires 25% local match.

Eligible projects: Conservation easements, wetland & shoreland restoration, ordinance

development, watershed management and lake restoration.

## **River Planning Grant (WDNR)**

Deadline: December 2016

Maximum grant: \$10,000. Requires 25% local match.

Eligible projects: river management plans, public education, ordinance development

and creation of river protection groups.

## **River Management Grant (WDNR)**

Deadline: February 2017

Maximum grant: \$50,000. Requires 25% local match.

Eligible projects: municipal storm water BMPs, ordinance development, in-stream and

shoreline habitat and land acquisition.

## **Brownfield Grants (WEDC)**

No Deadline

Grants for redeveloping commercial and industrial sites with environmental contamina-

tion.

## **Brownfield Site Assessment Grants (WEDC)**

No Deadline

Grants for environmental investigations, demolition of structures and tank removal.

## Community Development Investment Grants (WEDC)

Tentative Deadline: December 2016

Maximum grant: \$250,000. 75% local match required.

Grants to incentivize economic development programs with an emphasis on downtown

revitalization.

## Idle Industrial Sites Redevelopment Grants (WEDC)

Tentative Deadline November 2016

## **Public Funding**

Maximum grant: 30% of total project costs up to \$500,000.

Grants to stimulate redevelopment of idle, abandoned and underutilized manufacturing sites over 10 acres in size.

Eligible projects: demolition, environmental remediation, and site-specific improvements.

## CDBG-Public Facilities for Economic Development (CDBG-PFED) (WDOA)

No Deadline

Grants to fund infrastructure which will result in new job creation.

\$3,000 to \$7,000 of grant funds available per job up to \$500,000. Requires 50% local match.

## CDBG-Public Facilities (CDBG-PF) (WDOA)

Deadline: May 27, 2016

Maximum grant: 50% grants up to \$500,000.

Grants to install and/or replace municipal infrastructure.

Eligible projects: streets, sanitary sewers systems, water systems, storm water systems, libraries, community and senior centers, fire stations, health clinics, sheltered workshops, acquisition, demolition and blight elimination.

## CDBG-Housing (DOA)

Deadline: August 2016

Grants are available to improve and expand the supply of affordable housing for low-to-moderate income persons. Eligible activities include: housing rehab, home ownership assistance, acquisition, demolition, site improvements and new affordable housing.

## **DOT Alternatives Program**

Deadline: October 2017

This program was created by the new federal transportation bill (MAP 21). This program replaces the Transportation Enhancement, Recreational trails and Safe-Routes to Schools programs. 50% of the funds will be given to urban areas and 50% available for rural areas. 80% funding is available for eligible costs. The Alternatives program funds projects included in the previous programs that were replaced.

## Transportation Economic Assistance Grant (WDOT)

No Deadlines

Maximum grant: \$5,000 per job created or retained, up to 50% of eligible project costs, maximum grant: \$1,000,000.

Eligible projects: street improvements and rail spurs serving industrial development and other targeted employment sectors.

## Joint Effort Marketing (JEM) (Wisc. Dept. of Tourism)

The JEM program funds five categories of marketing initiatives to promote tourism including:

## Public Funding

Destination Marketing	April 1& Sept. 1	\$39,550 for one year.
New Event	Feb. 1, April 1, Aug. 1, Nov. 1	\$39,550 per year for three years.
Sales Promotion	Feb. 1, April 1, Aug. 1, Nov. 1	\$39,550 per year for two years.
Existing Event	Feb. 1, April 1, Aug. 1, Nov. 1	\$39,550 per year for three years.
One-Time, One-of-a-Kind	Feb. 1, April 1, Aug. 1, Nov. 1	\$28,250 for one year.