

Prepared by Driftless Development, Inc., in cooperation with business and community leaders in Prairie du Chien and surrounding communities. Research assistance provided by the University of Wisconsin-Extension.

PURPOSE OF STUDY

The purpose of this market analysis is to compile and interpret information useful in economic development efforts. This study focuses on the following:

- Support business retention and expansion;
- Attract new businesses and entrepreneurs;
- Guide improvements to the physical environment;
- Provide data to inform marketing and branding efforts; and
- Identify retail, restaurant and service business market opportunities.

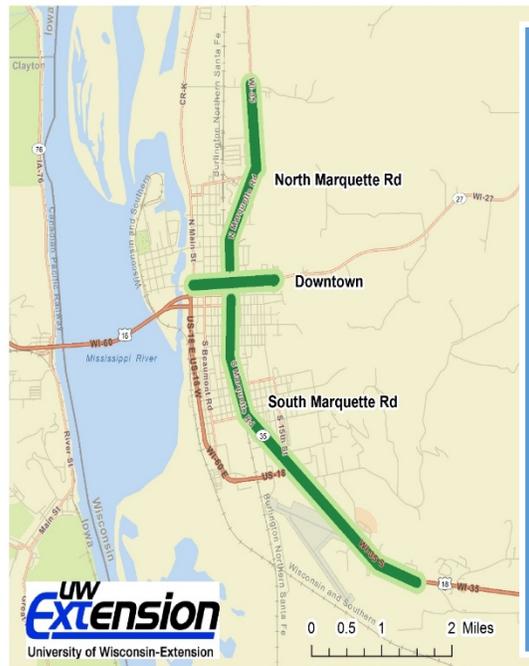
This project represents a community-led initiative whereby local business and community leaders were actively involved in the research and analysis. They participated as a “study team” that met regularly to review and interpret data gathered from the market analysis process.



PRAIRIE DU CHIEN MARKET ANALYSIS OCTOBER 2018

STUDY AREA DEFINED

This market analysis focuses on three business districts in the City of Prairie du Chien. These three areas comprise the majority of retail, restaurant, and service businesses in the surrounding region.



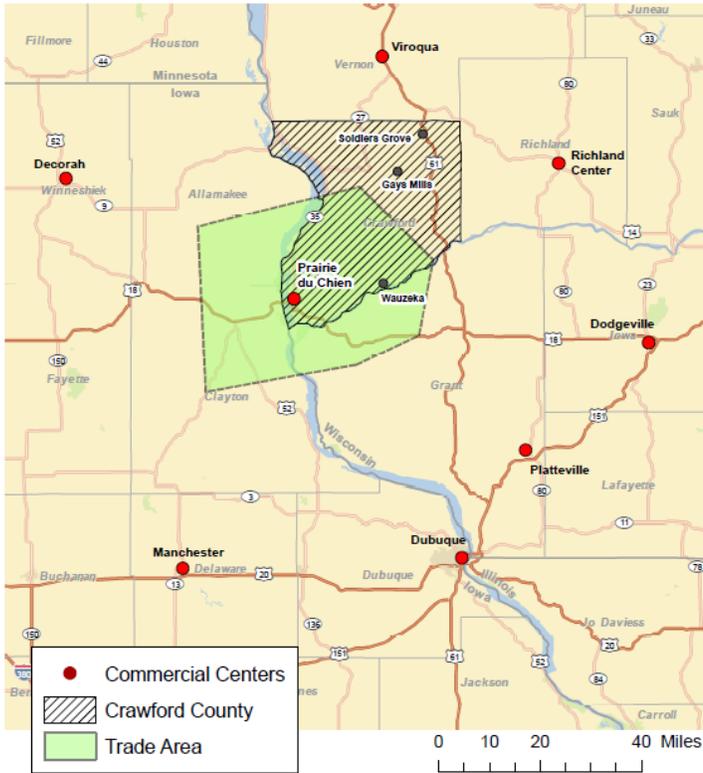
There are approximately 700,000 square feet of street-level retail and restaurant space representing approximately 75 businesses in the three business districts. Not included are many professional and personal services ranging from banks and insurance to health care.

The districts include:

- A traditional **downtown**, located on West and East Blackhawk Ave. (2,700 vehicles per day);
- A highway-oriented business area along **S. Marquette Rd.** (16,900 vehicles per day) and anchored by a Walmart Supercenter; and
- A highway-oriented business area along **N. Marquette Rd.** (7,200 vehicles per day) and anchored by a large Cabela's store.

These three areas are shown in the above map and are referred together as the Prairie du Chien Business Districts. Other, smaller business districts, including downtown McGregor, IA, are also considered in this analysis as they are within the Prairie du Chien Trade Area.

Nov. 1, 2018



TRADE AREA

Prairie du Chien is located in southwestern Wisconsin, along the Mississippi River. It is in Crawford County, 60 miles from both La Crosse, Wisconsin and Dubuque, Iowa.

The Trade Area was estimated using a retail gravitational model. This method was formed by drawing boundaries that define a trade area based on the size of the subject community relative to surrounding competitive communities. The gravitational model assumes that the community with higher sales would have a greater pull and a larger trade area.

An extended trade area has also been created for this analysis that includes the northern part of Crawford County not captured by the gravitational model. As Prairie du Chien is the county seat, an argument can be made that residents of the northern part of the county are periodically drawn to Prairie du Chien as a service center.

MARKET CHARACTERISTICS

Residents of Trade Area

- Population of City: 5,700, stable
- Population of Trade Area 26,200
- Average Household Size: 2.31 (U.S.=2.59)
- Households with Children: 26.9% (U.S. =33.4%)
- Home Ownership: 57.5% (U.S. =57.7%)
- Seasonal Recreational Housing (14% of total)
- Median HH Income: \$50,100 (U.S. \$56,100)
- Per Capita Income: \$26,000 (U.S. = \$30,800)
- Median Age: 44.0 (U.S.=37.1)
- Race and Ethnicity: White 97.0% (U.S. = 72.4%)
- Bachelor's Degree or Higher: 15.5% (U.S. =31.1%)

In-Commuters

- 3,300 employees come to Prairie du Chien to work, but live elsewhere.

Visitors

- Direct visitor spending in Crawford County is 43.8M

Second Homeowners

- Approximately 14% of all occupied housing units in the county are seasonal, recreational or occasional use, much higher than Wisconsin.

Demographic Comparison – Residents

	<i>PdC Trade</i>		
	<i>Area</i>	<i>Wisconsin</i>	<i>U.S.</i>
2010 Population	26,084	5,686,986	308,745,538
2017 Population	26,173	5,824,481	327,514,334
% Annual Change '10-'17	0.1%	0.5%	1.2%
Households			
2010 Households	10,865	2,279,768	116,716,292
2017 Households	10,931	2,341,973	123,158,887
% Change '10-'17	0.1%	0.5%	1.1%
2017 Avg. HH Size	2.31	2.42	2.59
Housing			
2010 Owner Occupied	57.5%	59.1%	57.7%
2010 Renter Occupied	17.5%	27.7%	30.9%
2010 Vacant or Seasonal	25.0%	13.1%	11.4%
Median HH Income			
2017 HH Income	\$ 50,140	\$ 56,369	\$ 56,124
Per Capita Income			
2017 Per Capita Income	\$ 26,036	\$ 30,120	\$ 30,820
Household Composition			
2010 HH w/ children	26.9%	30.6%	33.4%
2010 Population by Age			
Median Age	44.9	38.4	37.1
18 +	77.7%	76.4%	76.0%
2010 Race and Ethnicity			
White	97.0%	86.2%	72.4%
Black	1.2%	6.3%	12.6%
Asian	0.3%	2.3%	4.8%
Other	1.5%	5.2%	10.2%
Total	100.0%	100.0%	100.0%
Hispanic	1.1%	5.9%	16.3%
2017 Education			
Population Age 25+	18,987	3,982,997	222,465,994
% Bachelors degree or higher	15.5%	28.7%	31.1%

Source: ESRI

SURVEY RESEARCH-SELECTED FINDINGS

Residents of Trade Area

Based on a survey specifically targeted to retail, restaurants and services users.

- Over 3/4^{ths} of respondents primarily shop in the Study Area.
- Of those who shop outside the Study Area, 2/3^{rds} shop in La Crosse and 2/3^{rds} in Viroqua.
- Reasons for doing so include work, price, availability and selection of goods.
- Prairie du Chien is where most respondents go for goods and services on a regular basis.
- Seneca appears to serve an important role in the trade area for outlying rural residents.
- Friendly customer service is the most important factor in respondent's choice of where to shop.
- Safety, walk-ability, and signage were three valued features of Prairie du Chien's downtown.
- Poor ratings regarding downtown were variety of shopping and restaurant options.
- Businesses most likely to attract respondents were Simply, Pickett Fence, Walmart and Aldi's.
- Recommendations for businesses include more variety, shopping options, and business hours.
- Preferred restaurants would include family, public tavern, microbrewery.
- Preferred retail include clothing, home goods and improvements, grocery, and specialty foods.

Business Operators

Based on a survey not specifically targeted to retail, restaurants and service business.

- Business respondents to a separate survey represented longevity – a mean age of 25.
- The average number of full time people employed by the responding businesses is 5.9.
- Respondents overwhelmingly represented business in Agriculture, Forestry, Fishing and Hunting.
- 42% of respondents indicated they are home based businesses.
- Respondents reported the greatest level of satisfaction with energy reliability.
- 34% of business are less than satisfied with their location, a possible area for improvement.
- An overwhelming majority of respondents indicated being dissatisfied or extremely dissatisfied with employee health care costs, followed by broadband speed.
- The availability of skilled labor was also an area of general dissatisfaction.

ANALYSIS OF RETAIL AND RESTAURANT DEMAND AND SUPPLY (GAP ANALYSIS)

The accompanying gap analysis presents demand and supply in terms of square feet of space. These estimates are based on the U.S. Census and other sources obtained by the UW-Extension, Center for Community and Economic Development. Those categories with a negative gap indicate that demand is greater than supply.

The retail supply in square feet exceeds demand partly because it includes a large amount of space at the Walmart Supercenter and at the regional Cabela's store.

The food and drink supply in square feet is less than demand suggesting that the Trade Area may be underserved in the restaurant categories.

The gap is one of various approaches used in this analysis, each with its own limitations.

Gap Analysis in Square Feet

	Demand Measured in SqFt	Estimated Supply in SqFt	Gap -SqFt Surplus (leakage)
Furniture and Furnishings	19,211	49,000	29,789
Electronics and Appliances	10,427	11,000	573
Building Material & Garden	43,874	115,000	71,126
Food/Grocery & Beverage	57,265	77,500	20,235
Health/Drug & Personal Care	19,545	17,250	(2,295)
Conv. Store in Gas Station w/o Gas	21,113	22,500	1,387
Clothing and Accessory	41,904	40,000	(1,904)
Sporting, Hobby, Music and Books	16,654	62,500	45,846
Gen. Merch. inc. SuperCenters & Warehouse	194,222	210,000	15,778
Misc: Flowers, Gifts, Office, Used Merch.	18,620	44,500	25,880
Total Retail	442,836	649,250	206,414
Drinking Places (Alcoholic Bev.)	23,167	12,500	(10,667)
Full Service Restaurants	59,281	28,000	(31,281)
Limited Service Restaurants	41,988	19,500	(22,488)
Snack and Coffee	12,714	6,250	(6,464)
Total Food and Drink	137,150	66,250	(70,900)

Source: UW-Extension model, Downtown and Business District Market Analysis toolbox

RECOMMENDATIONS-IN BRIEF

Detailed recommendations are presented in the full report.

Business Retention and Expansion

1. Develop strategies for helping existing businesses (such as conducting business visits).
2. Develop strategies for broader community economic development efforts (such as learning opportunities to better serve area second homeowners).

Business Attraction

1. Create a Business Recruitment Team.
2. Develop an inventory of open spaces and buildings that are available for occupancy and/or development.
3. Develop a work plan for business attraction in Prairie du Chien and those of smaller nearby communities.
4. Support and strengthen business entrepreneurship.
5. Advertise business and other investment opportunities available in the area.
6. Develop marketing materials to attract new businesses.
7. Consider businesses operating out of homes, or current employees that want to start their own business.

Improving the Physical Environment

1. Business placement recommendations (for downtown, in particular)
2. General environment considerations (such as streetscaping)
3. Revisit the 2005 Downtown Development Master Plan for the City of Prairie du Chien prepared by Vandewalle and Associates

Marketing Strategies

1. Establish marketing programs that respond to the shift in consumer behaviors, such as the deliberate consumer (post Great Recession).
2. Establish or review a unique brand for the downtown Business District. Utilize a marketing expert to more fully understand what is required to achieve a positive business district image.
3. Conduct additional analysis of survey data focused on the smaller communities in the Trade Area
4. Recognize that Seneca serves another important role as the retail stop for many who live in the Extended Trade Area.

Market Opportunities

The follow example opportunities were identified by the study team based on demand and supply estimations, consumer preferences, peer communities and demographic data.

Retail Opportunities:

- office supplies
- family clothing
- men's clothing
- woman's clothing such as a boutique
- used clothing
- grocery store, possibly organics and farm to table
- specialty food stores including co-ops
- home goods

Restaurant Opportunities:

- family restaurant, full-service or limited service
- pub/microbrewery
- ethnic restaurants
- farm to table and other unique concepts

Services-Business Opportunities:

- personal services such as hair cutting, catering and cleaning.
- professional services including legal or financial, that offer customized, knowledge-based services to clients
- recreational rentals
- new hotels and rooms that are chain affiliated but unique to the community (upscale boutique)
- function/wedding venue
- repair services
- services for commuters, such as a car wash.

The above is only a sample of the recommendations. Please see the full report for more depth and rationale for each. Also, please refer to the write-in answers to the surveys for many more ideas than what were captured here.